

**THE SYMBOL  
OF INNOVATION,  
FUTURE AND SUCCESS**



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Fiscal Period of the Report:

Commercial Title:

Trade Registry No.:

MERSIS Number:

Tax Office/Number:

Address:

Phone:

Fax:

Website:

Call Center:

01.01.2022-31.12.2022

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*Established in 1995 as a partnership of nine banks, Kredi Kayıt Bürosu (KKB) we serve in the areas of cost reduction solutions and digital security through products geared toward effective management of credit risk.*

*In addition to our services for the banking and finance industry, we offer value-added products and services that also support the real sector. Further, we facilitate effective management of risks by way of our services that raise the financial literacy of individuals.*

*Having launched the Cheque Report, Risk Report and Electronic Report System as services for individuals and the real sector, KKB is a symbol of trust and many other things in our lives in addition to being a credit bureau.*

## INSTITUTIONAL INCLUSIVE SUCCESSFUL

With 25 years of experience and knowhow, we are the institutional trust of the world of finance. As we strive to manage risks properly and establish a balanced structure in every aspect of life, we reach the real sector and individuals with our expanding service network. Our awards prove our success as KKB, which is considered to be one of the world's best credit bureaus with an ever expanding sphere of influence.



**13**

Number of  
awards in the  
last three  
years



## STRENGTH QUALITY GROWTH

Our R&D Center, which enables us to distinguish our initiatives, contribute to the progress and growth of the finance and banking industry. Our Anadolu Data Center offers emergency center and local cloud technology services to all industries. As our partnerships with the academia and industry as well as our support for entrepreneurship create innovative horizons for the future, we proudly offer high-quality and innovative products for the use of our members.



89

Number  
of products and  
services

## **S**IMPLE **P**RACTICAL **U**NIQUE

Designed for individuals and the real sector in 2014, the financial services platform Findeks renders an unmatched experience thanks to its simple and practical system. The Findeks QR Code Cheque System represents a major step toward transparent and secure commerce. With a steadily growing user base, Findeks is continuously updated and renewed as it shapes the finance of the future.



**6+**  
million  
Number  
of Findeks  
users



## TALENT DISCOVERY INFORMATION

We heed contributing to the social progress as much as we care about enhancing finance. KKB owes its success in creating value for the finance industry to the strength of its highly-qualified staff of subject matter experts. We support the participation of young people in the workforce after they graduate from their universities. The Credit Literacy Week, which we launched in June, facilitates the education of individuals and companies while raising social awareness.



**550**

Number of  
employees



**WHO WE ARE**



## 1. ABOUT KKB

# Value added products and services

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.

*Offering significant tools for individuals and organizations to manage their financial reputation, KKB introduced Findeks, a financial services platform aimed at individual customers and the real sector in 2014.*



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 186 members, as of 31 December 2022, including

- 57 banks,
- 19 consumer finance,
- 49 factoring,
- 21 financial leasing,
- 10 insurance,
- 23 asset management companies,
- 7 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 Findeks, 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.

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 2022 year-end, KKB offers 89 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.

KKB minimizes uncertainty in commercial life and transforms data into a secure future, with its knowledge and qualified, specialized workforce consisting of 550 employees as of the end of 2022. 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.

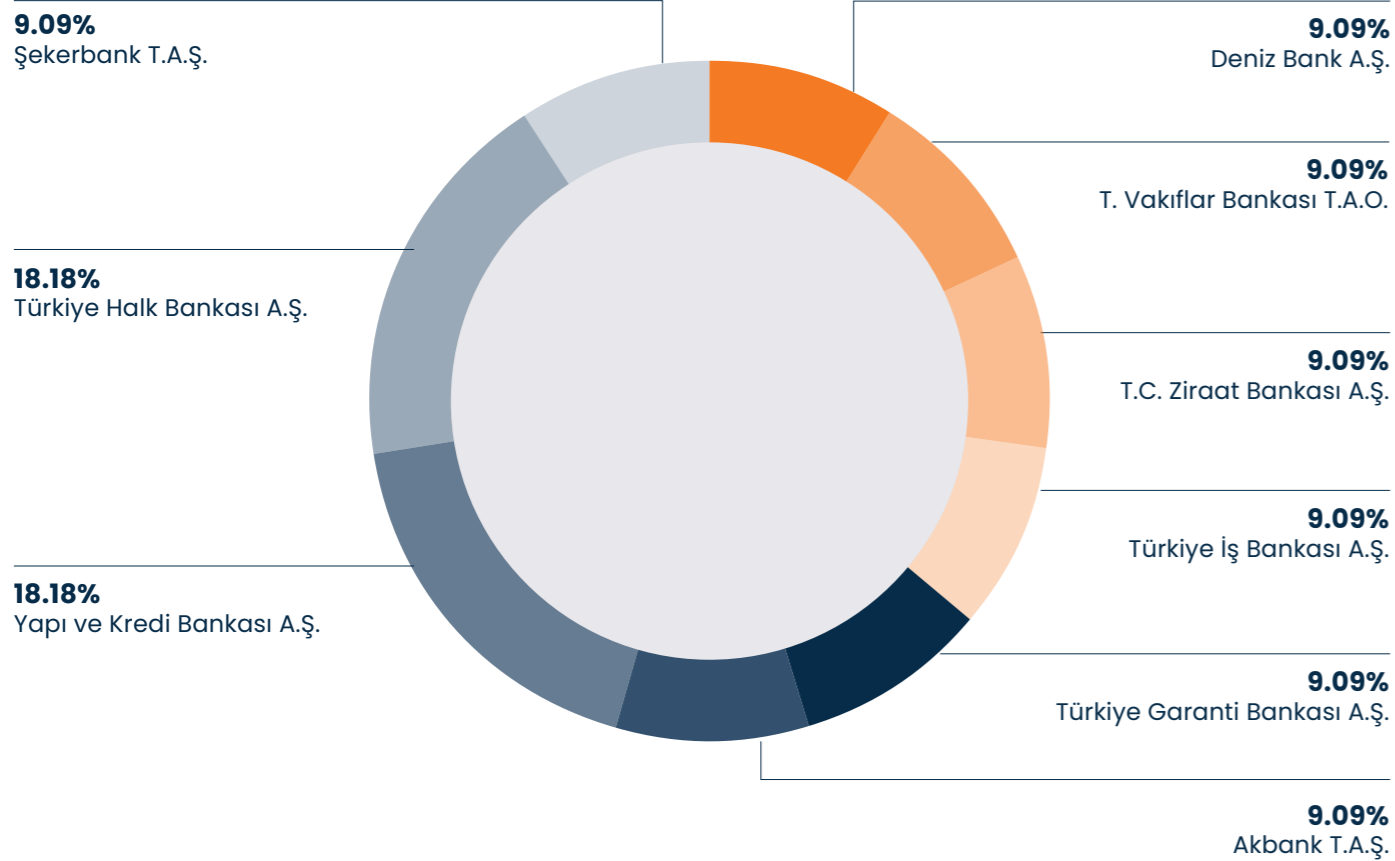


In addition to the economic and financial solutions it offers, especially in the banking and finance sector, KKB has been carrying out its activities for many years in order to add value to our country, to raise awareness of social issues and to raise awareness of social responsibility, especially among 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.

## 2. SHAREHOLDING STRUCTURE

# One of the longest standing institutions of the finance sector

KKB was founded with the partnership of nine banks.



## 3. VISION, MISSION AND STRATEGIES

### 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.

### 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 2022

The main strategies determined by KKB for 2022 were as follows:

##### 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.

##### 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

# Activities that add reliability and a difference to financial life

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.



**TEAMWORK**

Our greatest strength is to act with a team spirit 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

# Achievements beyond borders, powered by technology

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 with the power of technology.

### ◆ 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 (TISK)

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





## 6. MEMBERS

Member Type	2016	2017	2018	2019	2020	2021	2022
Banks	52	52	52	53	54	55	57
Factoring	62	61	59	56	55	54	49
Financial Leasing	26	25	24	23	22	22	21
Consumer Finance	14	14	14	15	15	17	19
Asset Management Companies	15	13	18	21	18	21	23
Insurance and Other	11	12	13	13	14	16	17
<b>Total</b>	<b>180</b>	<b>177</b>	<b>180</b>	<b>181</b>	<b>178</b>	<b>185</b>	<b>186*</b>

\*As of 31 December 2022, the number of KKB members is 168 and this figure identifies the members who are served through the Risk Center.

### BANKS

ADABANK A.Ş.	JPMORGAN CHASE BANK NATIONAL ASSOCIATION HEADQUARTERED IN COLUMBUS OHIO - ISTANBUL TÜRKİYE MAIN BRANCH	VAKIF KATILIM BANKASI A.Ş.
AKBANK T.A.Ş.	KUVEYT TÜRK KATILIM BANKASI A.Ş.	YAPI VE KREDİ BANKASI A.Ş.
AKTİF YATIRIM BANKASI A.Ş.	MUFG BANK TURKEY A.Ş.	ZİRAAT KATILIM BANKASI A.Ş.
ALBARAKA TÜRK KATILIM BANKASI A.Ş.	NUROL YATIRIM BANK A.Ş.	
ALTERNATİF BANK A.Ş.	ODEA BANK A.Ş.	<b>FINANCIAL LEASING COMPANIES</b>
ANADOLUBANK A.Ş.	PASHA YATIRIM BANKASI A.Ş.	A&T FİNANSAL KİRALAMA A.Ş.
ARAP TÜRK BANKASI A.Ş.	QNB FİNANSBANK A.Ş.	AK FİNANSAL KİRALAMA A.Ş.
BANK MELLAT HEADQUARTERED IN TEHRAN-ISTANBUL TÜRKİYE MAIN BRANCH	RABOBANK A.Ş.	ALTERNATİF FİNANSAL KİRALAMA A.Ş.
BANK OF AMERICA YATIRIM BANK A.Ş.	SOCIETE GENERALE S.A. PARIS HEADQUARTERED IN FRANCE - ISTANBUL TÜRKİYE MAIN BRANCH	ANADOLU FİNANSAL KİRALAMA A.Ş.
BANK OF CHINA TURKEY A.Ş.	STANDARD CHARTERED YATIRIM BANKASI TÜRK A.Ş. HEAD OFFICE	ARI FİNANSAL KİRALAMA A.Ş.
BANKPOZİTİF KREDİ KAL BANK A.Ş.	ŞEKERBANK T.A.Ş.	BNP PARIBAS FİNANSAL KİRALAMA A.Ş.
BİRLEŞİK FON BANKASI A.Ş.	T.C. ZİRAAT BANKASI A.Ş.	BURGAN FİNANSAL KİRALAMA A.Ş.
BURGAN BANK A.Ş.	T. GARANTİ BANKASI A.Ş.	DE LAGE LANDEN FİNANSAL KİRALAMA A.Ş.
CITIBANK A.Ş.	T. SİNAİ KALKINMA BANKASI A.Ş.	DENİZ FİNANSAL KİRALAMA A.Ş.
D YATIRIM BANKASI A.Ş.	T. VAKIFLAR BANKASI T.A.O.	GARANTİ FİNANSAL KİRALAMA A.Ş.
DENİZBANK A.Ş.	TURKISH BANK A.Ş.	HALK FİNANSAL KİRALAMA A.Ş.
DESTEK YATIRIM BANKASI A.Ş.	TURKLAND BANK A.Ş.	İNG FİNANSAL KİRALAMA A.Ş.
DEUTSCHE BANK A.Ş.	TÜRK EKONOMİ BANKASI A.Ş.	İŞ FİNANSAL KİRALAMA A.Ş.
DİLER YATIRIM BANK A.Ş.	TÜRK TİCARET BANKASI A.Ş.	MERCEDES BENZ FİNANSAL KİRALAMA TÜRK A.Ş.
FİBABANKA A.Ş.	TÜRKİYE EMLAK KATILIM BANKASI A.Ş.	PERVİN FİNANSAL KİRALAMA A.Ş.
GOLDEN GLOBAL YATIRIM BANKASI A.Ş.	TÜRKİYE FİNANS KATILIM BANKASI A.Ş.	QNB FİNANS FİNANSAL KİRALAMA A.Ş.
GSD YATIRIM BANK A.Ş.	TÜRKİYE HALK BANKASI A.Ş.	SİEMENS FİNANSAL KİRALAMA A.Ş.
HABİB BANK LIMITED HEADQUARTERED IN PAKİSTAN- ISTANBUL TÜRKİYE MAIN BRANCH	TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.	ŞEKER FİNANSAL KİRALAMA A.Ş.
HSBC BANK A.Ş.	TÜRKİYE İŞ BANKASI A.Ş.	VAKIF FİNANSAL KİRALAMA A.Ş.
ICBC TURKEY BANK A.Ş.	TÜRKİYE KALKINMA VE YATIRIM BANKASI A.Ş.	VFS FİNANSAL KİRALAMA A.Ş.
INTESA SANPAOLO S.P.A. ITALY ISTANBUL MAIN BRANCH		YAPI KREDİ FİNANSAL KİRALAMA A.O.
İLLER BANKASI		
ING BANK A.Ş.		
ISTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.		

### FACTORING COMPANIES

ABC FAKTORİNG A.Ş.	TRAEWIND FAKTORİNG A.Ş.
ACAR FAKTORİNG A.Ş.	TUNA FAKTORİNG A.Ş.
AK FAKTORİNG A.Ş.	ULUSAL FAKTORİNG HİZMETLERİ A.Ş.
AKDENİZ FAKTORİNG A.Ş.	VAKIF FAKTORİNG A.Ş.
AKIN FAKTORİNG A.Ş.	VDF FAKTORİNG A.Ş.
ANADOLU FAKTORİNG HİZMETLERİ A.Ş.	YAPI KREDİ FAKTORİNG A.Ş.
ARENA FAKTORİNG A.Ş.	YAŞAR FAKTORİNG A.Ş.
ATILIM FAKTORİNG A.Ş.	YEDİTEPE FAKTORİNG A.Ş.
BAŞER FAKTORİNG A.Ş.	ZORLU FAKTORİNG A.Ş.
BAYRAMOĞLU FAKTORİNG A.Ş.	
BIEN FİNANS FAKTORİNG A.Ş.	<b>CONSUMER FINANCE COMPANIES</b>
CREDITWEST FAKTORİNG A.Ş.	ALJ FİNANSMAN A.Ş.
ÇAĞDAŞ FİNANS FAKTORİNG HİZMETLERİ A.Ş.	DORUK FİNANSMAN A.Ş.
ÇÖZÜM FAKTORİNG A.Ş.	EVKUR FİNANSMAN A.Ş.
DENİZ FAKTORİNG A.Ş.	KOÇ FIAT KREDİ FİNANSMAN A.Ş.
DESTEK FİNANS FAKTORİNG A.Ş.	KOÇ FİNANSMAN A.Ş.
DORUK FAKTORİNG A.Ş.	MERCEDES BENZ FİNANSMAN TÜRK A.Ş.
EKO FAKTORİNG A.Ş.	MERCEDES BENZ KAMYON FİNANSMAN A.Ş.
EKSPO FAKTORİNG A.Ş.	OFİSFİNANS FİNANSMAN A.Ş.
FİBA FAKTORİNG A.Ş.	ORFIN FİNANSMAN A.Ş.
GARANTİ FAKTORİNG A.Ş.	QUICK FİNANSMAN A.Ş.
GSD FAKTORİNG A.Ş.	TEB FİNANSMAN A.Ş.
HALK FAKTORİNG A.Ş.	TIRSAN FİNANSMAN A.Ş.
HUZUR FAKTORİNG A.Ş.	TOM FİNANSMAN A.Ş.
İSTANBUL FAKTORİNG A.Ş.	TURK FİNANSMAN A.Ş.
İŞ FAKTORİNG FİNANSMAN HİZMETLERİ A.Ş.	TURKCELL FİNANSMAN A.Ş.
KAPİTAL FAKTORİNG A.Ş.	VFS FİNANSMAN A.Ş.
KENT FİNANS FAKTORİNG A.Ş.	VODAFONE FİNANSMAN A.Ş.
LİDER FAKTORİNG A.Ş.	VOLKSWAGEN DOĞUŞ FİNANSMAN A.Ş.
MERT FİNANS FAKTORİNG HİZMETLERİ A.Ş.	ZİP FİNANSMAN A.Ş.
MNG FAKTORİNG HİZMETLERİ A.Ş.	
OPTİMA FAKTORİNG A.Ş.	<b>INSURANCE COMPANIES</b>
PARA FİNANS FAKTORİNG HİZMETLERİ A.Ş.	AKSİGORTA A.Ş.
QNB FİNANS FAKTORİNG A.Ş.	ANADOLU ANONİM TÜRK SİGORTA ŞİRKETİ
SARDES FİNANS FAKTORİNG A.Ş.	ATRADIUS CREDITO Y CAUCION S.A. DE SEGUROS Y REASEGUROS HEADQUARTERED IN SPAIN - ISTANBUL TÜRKİYE MAIN BRANCH
SÜMER FAKTORİNG A.Ş.	COFACE SİGORTA A.Ş.
ŞEKER FAKTORİNG A.Ş.	EULER HERMES SİGORTA A.Ş.
ŞİRİNOĞLU FAKTORİNG A.Ş.	EUREKO SİGORTA A.Ş.
TAM FİNANS FAKTORİNG A.Ş.	GULF SİGORTA A.Ş.
TEB FAKTORİNG A.Ş.	

TRAEWIND 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.
DORUK FİNANSMAN A.Ş.
EVKUR FİNANSMAN A.Ş.
KOÇ FIAT KREDİ FİNANSMAN A.Ş.
KOÇ FİNANSMAN A.Ş.
MERCEDES BENZ FİNANSMAN TÜRK A.Ş.
MERCEDES BENZ KAMYON FİNANSMAN A.Ş.
OFİSFİNANS FİNANSMAN A.Ş.
ORFIN FİNANSMAN A.Ş.
QUICK FİNANSMAN A.Ş.
TEB FİNANSMAN A.Ş.
TIRSAN FİNANSMAN A.Ş.
TOM 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.
ARMADA VARLIK YÖNETİM A.Ş.
ARSAN VARLIK YÖNETİM A.Ş.
BİRİKİM VARLIK YÖNETİM A.Ş.
BİRLEŞİM VARLIK YÖNETİM A.Ş.
BOĞAZIÇI 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.
ISTANBUL 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

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

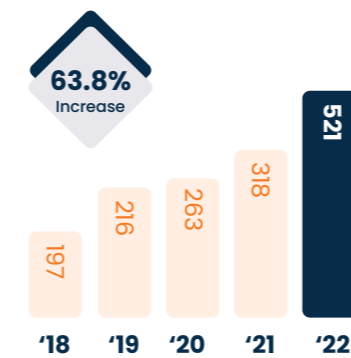


## 7. OPERATIONAL INDICATORS

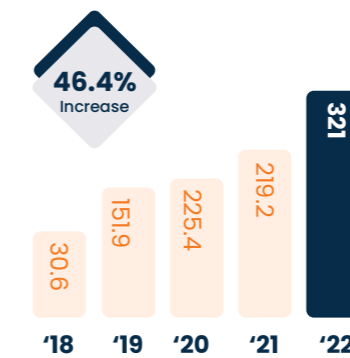
# The increasing number of products and services

Offering 89 products and services for members as of 2022 year-end, KKB is achieving successful operational results.

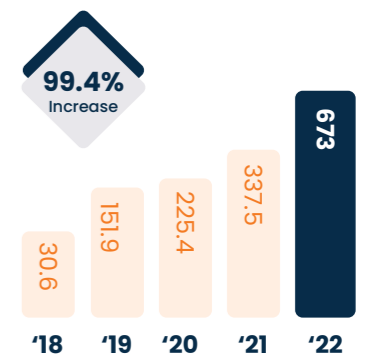
LCS Inquiries (million units)



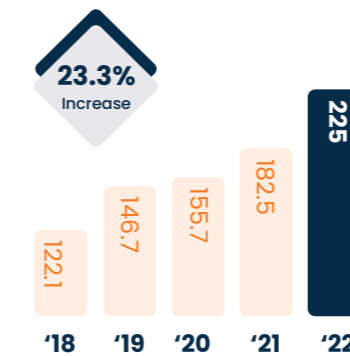
IBAN Validation Service (Number of Inquiries) (million)



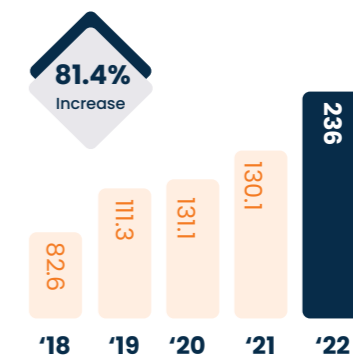
Loan Utilization Instant Sharing (KAPS) (Number of Inquiries) (million)



PII (Number of Inquiries) (million)

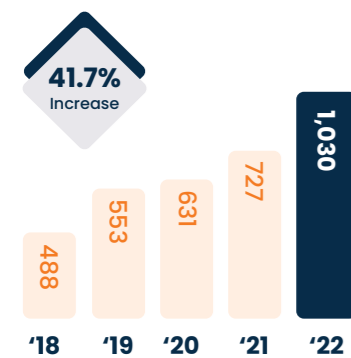


RA Personal Record Search (Number of Inquiries) (million)

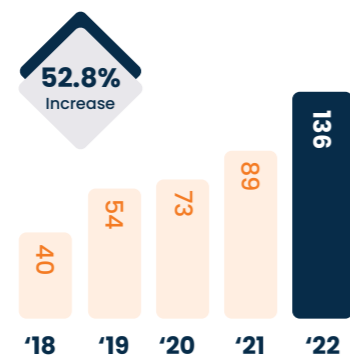


Key Operational Indicators (Number of Inquiries) (million)	2018	2019	2020	2021	2022
Individual Bureau Inquiries	488	553	631	727	1,030
Corporate Bureau Inquiries	40	54	73	89	136
Personal Credit Ratings	408	466	528	614	888
LCS Inquiries	197	216	263	318	521
IBAN Verification Service	6.3	26.1	90.1	219.2	321
Loan Utilization Instant Sharing (KAPS)	30.6	151.9	225.4	337.5	673
PII	122.1	146.7	155.7	182.5	225
RA Personal Record Search	82.6	111.3	131.1	130.1	236

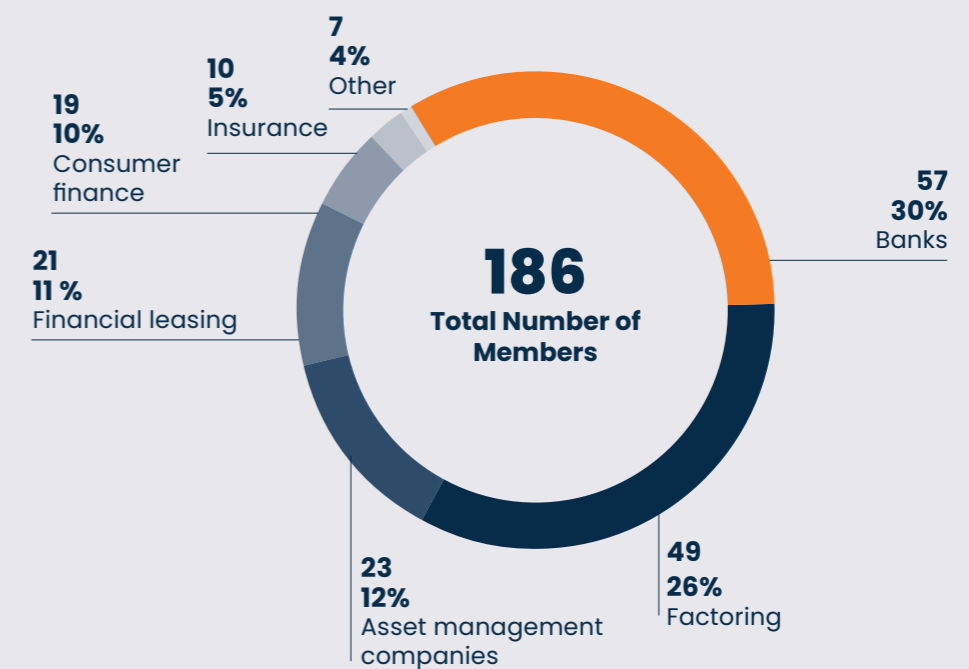
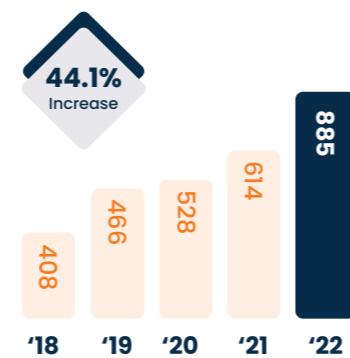
Individual Bureau Inquiries (million units)



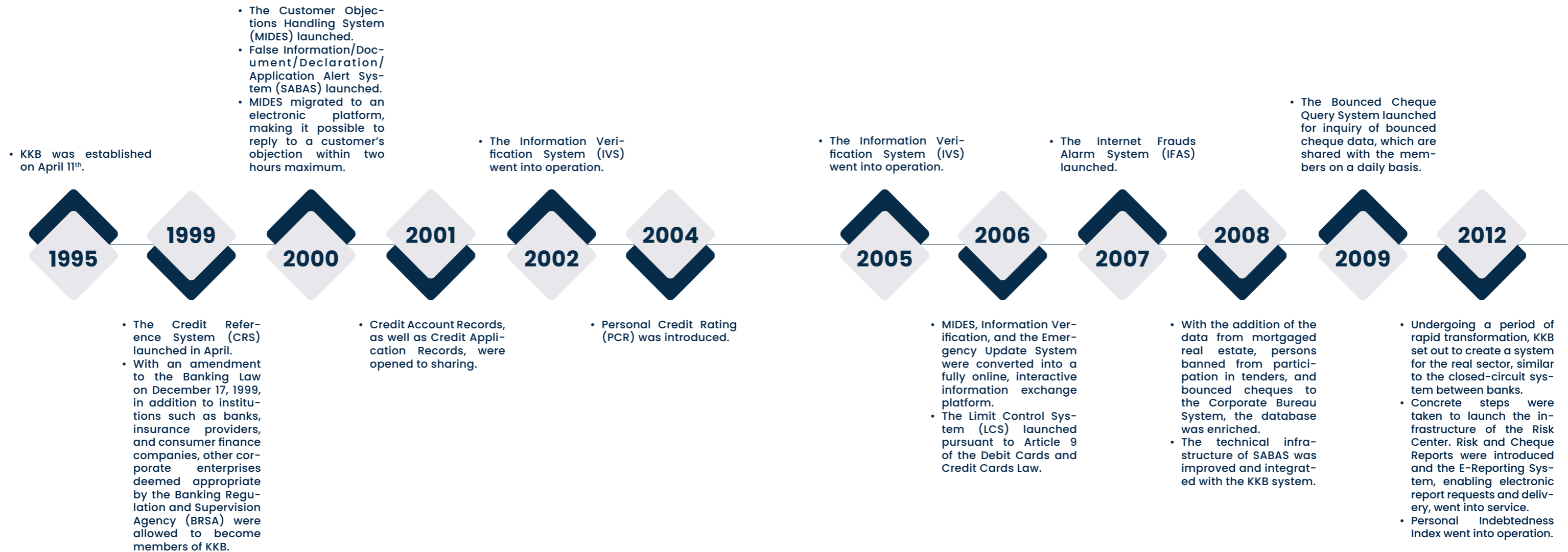
Corporate Bureau Inquiries (million units)



Retail Credit Ratings (million units)



## 8. MILESTONES



## 8. MILESTONES

- E-Reporting System launched.
- Commercial Credit Rating (CCR) was launched.
- Credit Rating and Cheque Index started to be provided together with the Cheque and Risk Reports.
- GeoMIS, the map-based reporting service, was made available to CRS member institutions.
- TARDES and GeoMIS websites went live.
- Following the agreement executed between the Banks Association of Türkiye (TBB) and KKB, works on the Risk Center commenced. The entire infrastructure and operation-related works were undertaken by KKB.

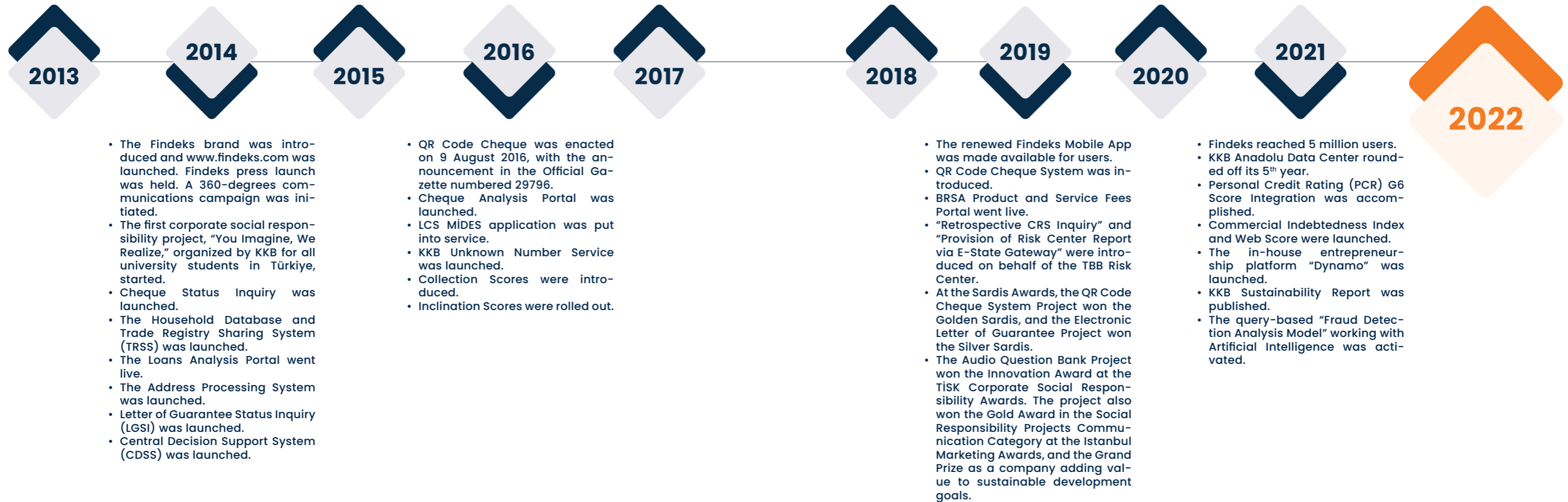
- The Findeks QR Code Cheque System was launched in collaboration with the Banks Association of Türkiye (TBB).
- The National Fraud Detection and Prevention Service was launched.
- The Factoring Invoice Pool of the Association of Financial Institutions (FKB) was launched.
- The foundation was laid for the Data Center, which will be built in Ankara.
- The Cross Cheque Inquiry Application was launched.
- IBAN Verification Service was launched.
- The CRS daily sharing system went into service.

- QR Code Cheque implementation became compulsory as of January 1, 2017.
- KKB's Emergency Center moved to the KKB Anadolu Data Center, which was completed in Ankara.
- The "Audio Question Bank" was launched by KKB employees to provide equal opportunities in education for visually impaired students.
- Force Majeure Inquiry and BKM Member Merchant Turnover Information Inquiry services were launched.
- Individual Inquiry Reports were put into service.
- Loan Utilization Instant Sharing Service (KAPS) was introduced.

- Findeks QR Code Cheque Registration System, was introduced on January 1, 2018.
- The Electronic Letter of Guarantee project was launched.
- The Foreign Currency Credit and Income Inquiry System, which enables the instantaneous monitoring of foreign currency income and risks of companies, was introduced.

- KKB R&D Center was established.
- Turkish ID Number - GSM verification service was launched.
- Agricultural Loan Score was put into service.
- KKB Nova platform was put into use.
- KKB won a Silver Sardis Award for its Findeks Mobile Project.
- The "Findeks Renewed Mobile App Communications" campaign received a Bronze Effie Award.
- KKB was awarded the first prize in the "Future of Business - Metrics & KBIs" category at the IDC Türkiye CIO Summit Awards.
- KKB's Digital Transformation Project was awarded the second prize in the "Digital Trailblazer" category at the IDC DX Awards 2020.

- Credit Literacy Week social awareness project was launched.
- Solar power plant installation project in Anadolu Data Center (AVM) was completed for renewable energy use in line with a sustainability approach.
- National cloud technologies in accordance with finance sector regulations project was launched.
- Product use was increased by 70% compared to the previous year by reaching 1 billion inquiries in CRS.
- The highest monthly number of inquiries in the year was reached in September 2022 with 14.6 million inquiries in CBS. Throughout 2022, the highest level of inquiries compared to previous years was reached with 136 million inquiries.







**MANAGEMENT**

## 9. MESSAGE FROM THE CHAIRMAN

# Projecting trust for a sustainable future

We will continue to produce and work in order to benefit every segment of our ecosystem and to project trust for a sustainable future.

# 49

Number of factoring members

*Leveraging our sound shareholding structure, we will continue to integrate our R&D and technology investments with our business processes.*

Esteemed Stakeholders,

The pandemic, which made its presence felt across the world since 2020, also caused a global scale economic fluctuation. The global economic bottleneck also affected the world of business and finance intimately. Thanks to the implementation of economic programs and the strong equity position of the banks, Türkiye was able to establish a balanced structure during the year. We fully believe that, on the back of the experience of the economic administration team and Türkiye's real sector, Türkiye will continue to take strong steps and strengthen its economy in 2023. To this end, Kredi Kayıt Bürosu (KKB) will continue to support the growing national economy through our products and services with an awareness of our duties.

### **Our sound shareholding structure is our greatest strength**

As Kredi Kayıt Bürosu (KKB), we have been working with the same utmost discipline and determination since the day we commenced operation under the partnership of nine banks. Our sophisticated lineup of products and services support the individual risk management processes of the real sector as well as the finance industry.

Leveraging our sound shareholding structure, we will continue to integrate our R&D and technology investments with our business processes. Thanks to our successfully-executed digital transformation investments, we will enhance the quality and speed of the products and services we render to nearly 200 members.

### **Innovative products, key solutions for financial assurance**

We will continue to produce and work in order to benefit every segment of our ecosystem and to project trust for a sustainable future. Cognizant of our responsibilities, we will unveil innovative products and key solutions in 2023.

I would like to take this opportunity to express my appreciation for our employees for sharing their efforts and experience with us. I thank the valued members of our Board of Directors.

Respectfully,



**Şükrü Alper Eker**  
Kredi Kayıt Bürosu  
Chairman



## 10. MESSAGE FROM THE GENERAL MANAGER

# Contributing to financial literacy

We organized a Credit Literacy Week to help individuals and companies manage their financial affairs more prudently and effectively.

# 5%

The goal of reducing carbon emission

*In an effort to reduce our carbon and water footprint by 5%, we completed the investments that will supply 5% of the electricity needs of the Anadolu Data Center from solar panels.*

Esteemed Stakeholders,

We finished another year of brand new conditions and continued dynamism in the finance industry and the corporate sector, during which we continued to blend the quality of our products and services with our expertise. In pursuit of a sustainable future as much as our business goals, we also carried out social responsibility initiatives that look out for environmental and social priorities.

We strive to take stronger steps with each passing year for a sustainable future. Under the leadership of our Sustainability Committee appointed by our Board of Directors, we began to measure our sustainability performance in

line with our corporate goals. In an effort to reduce our carbon and water footprint by 5%, we completed the investments that will supply 5% of the electricity needs of the Anadolu Data Center from solar panels.

### **We are taking responsibility for the social good**

Prioritizing social good, we continued to undertake successful social responsibility projects during the 2022 operating year. In an effort to create social responsibility awareness among university students, we undertook the "Let's Realize Your Dream" Social Innovation Project Ideas Contest. Hosting more than 10 thousand project ideas from over 150 universities to date, the contest continued to be among the top channels in supporting the innovation ecosystem in Türkiye.





## 10. MESSAGE FROM THE GENERAL MANAGER

# Supporting the future through the Young Talents Program

With the Young Talent Program, we aim to contribute to the recruitment, training and adaptation processes of young people in their first job and offer employment opportunities to young people.



*We concentrate on internal communication activities which provides opportunities to exchange ideas with our employees; we provide training opportunities for development and transformation.*

We organized a Credit Literacy Week to help individuals and companies manage their financial affairs more prudently and effectively. Consciousness and awareness activities were carried out as part of the week which was conducted as a result of the synergy between the corporate world, finance industry, civil society organizations and universities.

Through our Volunteering Platform, our employees actively participated in social responsibility projects and contributed to societal development and social good efforts.

*KKB will continue to strive to design effective risk management tools that strengthen the finance industry, and expand transparent and secure commerce in the real sector.*

### **Employees are our utmost priority**

Under the hybrid work model that we instituted based on diversifying needs and expectations of employees, we are utilizing our next-generation offices as areas of production as well as socializing.

We concentrate on internal communication activities which provides opportunities to exchange ideas with our employees; we provide training opportunities for development and transformation.

For a sustainable future, we both offer innovative products and services which will contribute to our country's economy and support the country's young people. With the Young Talent Program, we aim to contribute to the recruitment, training and adaptation processes of young people in their first job and offer employment opportunities to young people.

For KKB's successful performance, I would like to thank all of my colleagues for their dedicated efforts; our members and stakeholders for their trust; and our Board of Directors for its unconditional support.

KKB will continue to strive to design effective risk management tools that strengthen the finance industry, expand transparent and secure commerce in the real sector, leverage the strength of our ecosystem, and contribute to the growth of our national economy in 2023.

Respectfully,

**Veysel Sunman**  
Board Member and General Manager

## 11. BOARD OF DIRECTORS



**Top row, from left to right**

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

**Veysel Sunman**  
Board Member and  
General Manager

**Bottom row, from left to right**

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

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

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



**Top row, from left to right**

**Şükrü Alper Eker**  
Chairman of the Board of  
Directors  
T.C. Garanti Bankası A.Ş.

**Bülent Mutlu**  
Member of the Board of Directors  
Türkiye Halk Bankası A.Ş.

**Bottom row, from left to right**

**İzzet Oğuzhan Özark**  
Member of the Board of Directors  
Denizbank A.Ş.

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

**Olgun Tufan Kurbanoğlu**  
Member of the Board of Directors  
Türkiye İş Bankası A.Ş.



## 11. BOARD OF DIRECTORS

### Şükrü Alper Eker

**Chairman of the Board of Directors**  
T.C. Garanti Bankası A.Ş.

*Coordinator; Individual and SME Credits Risk Management*

Şükrü Alper Eker was born in Eskişehir in 1973 and graduated from Boğaziçi University, Department of Chemical Engineering in 1996. He received his Master's degree from Texas A&M University - College Station in 1998, and his Ph.D. from the University of Houston in 2001. He started his professional career in 2001 at GE Global Research Center in the United States as the System Control and Optimization Project Leader. After working on R&D projects for GE Energy, Medical Systems, and other GE companies, he moved over to Risk Management at GE Capital in 2005. Between 2005 and 2011, he served in various positions and levels at GE Capital in the US, Europe, and Türkiye. He went on to work as Risk Director at Garanti Bank-BBVA Representative Office between 2011 and 2015. Since September 2015, he has served as the Coordinator of Garanti Bank Individual and SME Credits Risk Management Department. Served as a Member of the Board of Directors of KKB between 2016-2020, Eker has been the Chairman of the Board of Directors of KKB since March 2022.

### Ege Gültekin

**Vice 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. Mrs. Gültekin is currently Executive Vice President in charge of

Credit Monitoring and Legal Follow Up at Akbank T.A.Ş. Served as member of the Board of Directors at KKB from May 2015 to March 2022, Ege Gültekin has been the Vice Chairperson of the Board of Directors of KKB since March 2022.

### Arif Çokçetin

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

*Executive Vice President, Loan Monitoring and Financial Appraisal*

Arif Çokçetin 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. Çokçetin 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. Çokçetin served as the Chairman of the Board of Directors between March 2020 - 2021. Mr. Çokçetin has been serving as a Member of the Board of Directors of KKB since March 2021.

### Bülent Mutlu

**Member of the Board of Directors**  
Türkiye Halk Bankası A.Ş.

*Regional Coordinator*

Born in Ankara in 1978, Bülent Mutlu graduated from Hacettepe University, Faculty of Economics and Administrative Sciences, Department of Public Administration. He completed his graduate studies in the same university and department. Served as Inspector, Department Manager, Department Head, Group President in Türkiye Halk Bankası A.Ş. and Member of the Board of Directors in Halk Finansal Kiralama A.Ş. since 2004, Mutlu has been serving as the Coordinator of Istanbul 3<sup>rd</sup> Region in Türkiye Halk Bankası A.Ş. to this day.

### İzzet Oğuzhan Özark

**Member of the Board of Directors**  
Denizbank A.Ş.

*Deputy General Manager, Retail Banking Sales Group*

Born in 1976, in Istanbul, İzzet Oğuzhan Özark graduated from Istanbul Technical University, Department of Mathematical Engineering. Mr. Özark started his career in the Retail Banking Department of Garanti Bank in 1997. He served as the director of SME Banking at the same bank from 1999 to 2002, and director of the CRM department from 2003 to 2004. Özark joined Denizbank in 2004 as the Sales Manager of the SME Banking Department. After successfully serving as the Sales Management Group Head of the Retail Banking Department from 2009 to 2013, he was appointed Deputy General Manager of Retail Banking in February 2014. Appointed as a Member of the Board of Directors of KKB on 28 April 2014, Özark served as the Deputy Chairman of the Board of Directors of KKB between March 2020 and 2021. Served as Chairman of the Board of Directors of KKB from March 2021 to 2022, Mr. Çokçetin has been serving as a Member of the Board of Directors of KKB since March 2022.

### 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 Bank as an Assistant Inspector in 1990. Then, he worked as Department Manager in Credits Management, then as Directors in Corporate Banking Management and Commercial Banking Management. He had been expatriated to Yapı Kredi Azerbaijan and worked as Assistant General Manager, Credits between 2009 and 2013. Returning to Yapı Kredi Bank, he worked as Director and then Group Director in Monitoring and Liquidation in Corporate and Commercial Credits between 2013 and 2018. Between 2018 and 2020 he worked as the Group Director of Corporate and Commercial Credits Underwriting. He worked as a Head of Collection and Liquidation Management between the dates of 2020 August - 2021 August. As of August 2021 he has been serving as Assistant General Manager - Credits and Yapı Kredi Bank Executive Committee Member. Akbulut is also a member of the Board of Directors of Yapı Kredi Faktoring, Yapı Kredi Leasing and KKB.

### 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 started his banking career in 1997 in Emlak Bank as Assistant Financial Analysis Specialist after working in the Ministry of Finance for 6 years. Served as Specialist, Department Manager, Branch Manager in Halkbank between 2002 and 2011, Turgut has been serving as the Head of the Credit Analytics and Processes Department of Ziraat Bank since 2011.

### Olgun Tufan Kurbanoglu

**Member of the Board of Directors**  
Türkiye İş Bankası A.Ş.

*Executive Vice President*

Born in Kars in 1971, Tufan Kurbanoglu 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 Kurbanoglu was appointed as Executive Vice President on March 25, 2022. With good command of English, Kurbanoglu is married and has one child.

### 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 an Executive Vice President at Şekerbank Retail and Agriculture Banking in

December 2019. Since July 2020 he has assumed the responsibility of SME Banking. Kumoğlu is also a member of the Board of Directors at Kredi Kayıt Bürosu A.Ş. and a member of the Board of Directors at Kredi Garanti Fonu A.Ş.

### Veysel Sunman

**Board Member and General Manager**

Veysel Sunman was born in Sakarya, in 1967. Mr. Sunman started his career in 1988, at Pamukbank T.A.Ş. He served at the bank's Credit Risk Monitoring Department until 1994. From 1994 to 2001, he worked as the Manager of Osmanlı Bankası A.Ş.'s Credit Monitoring Unit. He worked as Head of Credit Risk Monitoring Department of Halkbank from 2002 to 2005, and as the Department Head of Internal Control and Monitoring Center at MNG Bank from 2005 to 2007. He started working at Ziraat Bank as the Head of Credit Risk Monitoring Department in 2007 and continued serving in this position until May 2020. Since 2008, Mr. Sunman has also been a member of KKB's Board of Directors and Audit Committee. Having complete knowledge of all the dynamics of KKB, Mr. Sunman has taken an active role in the formation of many milestones, such as the diversification of KKB's product and service infrastructure, the initiation of activities carried out on behalf of the Risk Center, the expansion of KKB's field of activity to include the real sector, and the launch of the Findeks Platform, KKÇ Report, Electronic Letter of Guarantee and the KKB Anadolu Data Center Project. In addition to Board Membership, Sunman served as the Chairman of the Board between 2010 and 2019 and joined Kredi Kayıt Bürosu in May 2020.



## 12. SENIOR MANAGEMENT



**Veysel Sunman**  
Board Member and General Manager



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



**Koray Kaya**  
KKB and Findex Business Management  
Department  
Assistant General Manager



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



**Dr. Orkun Deniz**  
Risk Center Coordination Department  
Assistant General Manager



**Serdar Çolak**  
Risk Management Department  
Assistant General Manager



**Ali Kemal Cenk**  
Internal Audit Department  
Assistant General Manager



**Nil Durukanoğlu**  
Human Resources  
Director



**Serkan Siyasal**  
Product Management and  
Development Department  
Director



**Erşan Rasim Hoşrik**  
Regulatory Compliance, Legal and  
Operations Department  
Director



**Hazar Tuna**  
Internal Control Department  
Director

### **Veysel Sunman** Board Member and General Manager

Veysel Sunman was born in Sakarya, in 1967. Mr. Sunman started his career in 1988, at Pamukbank T.A.Ş. He served at the bank's Credit Risk Monitoring Department until 1994. From 1994 to 2001, he worked as the Manager of Osmanlı Bankası A.Ş.'s Credit Monitoring Unit. He worked as Head of Credit Risk Monitoring Department of Halkbank from 2002 to 2005, and as the Department Head of Internal Control and Monitoring Center at MNG Bank from 2005 to 2007. He started working at Ziraat Bank as the Head of Credit Risk Monitoring Department in 2007 and continued serving in this position until May 2020. Since 2008, Mr. Sunman has also been a member of KKB's Board of Directors and Audit Committee. Having complete knowledge of all the dynamics of KKB, Mr. Sunman has taken an active role in the formation of many milestones, such as the diversification of KKB's product and service infrastructure, the initiation of activities carried out on behalf of the Risk Center, the expansion of KKB's field of activity to include the real sector, and the launch of the Findex Platform, KKÇ Report, Electronic Letter of Guarantee and the KKB Anadolu Data Center Project. In addition to Board Membership, Sunman served as the Chairman of the Board between 2010 and 2019 and joined Kredi Kayıt Bürosu in May 2020.

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

Abdullah Bilgin has 37 years of professional experience. He graduated from Middle East Technical University, Department of Computer Engineering in 1985. Mr. Bilgin received his Master's degree from Istanbul University, Department of International Relations in 2002. Starting his career at Bilpa A.Ş. in 1986, Mr. Bilgin later worked as System Manager at John Deere in the USA. Subsequently, he served as Director in charge

of System and Network Management in the Information Technologies Department at Yapı Kredi Bank and as Group Manager of Self-Service Banking in the Alternative Distribution Channels Department until 2012. Abdullah Bilgin, who has served as Assistant General Manager in charge of Information Technologies and R&D at KKB since November 2012, carries out management and operating activities of KKB Finance Cloud platform launched at the end of 2022, together with KKB's digital transformation, the KKB Anadolu Data Center management and operating activities.

### **Koray Kaya** KKB and Findex Business Management Department Assistant General Manager

Koray Kaya has 27 years of experience in the banking industry. He graduated from Yıldız Technical University, Faculty of Engineering, Department of Civil Engineering. After completing his MBA in the United States between 1991 and 1994, Mr. Kaya started his career at Garanti Bank in 1995. He played a key role in the establishment of one of the first personal credit scoring systems in Türkiye. During his tenure at Garanti Bank, Mr. Kaya designed credit automation systems for consumer credits, credit cards, and small enterprise credit applications. In 2004, he started to work as a Consultant at Experian. Mr. Kaya went on to serve as a consultant on projects pertaining to the automation of credit decisions at almost all banks in Türkiye. He created the good/bad definition at the customer level used in the scorecard infrastructure of KKB. Subsequently, Mr. Kaya served as Director of the Personal Loans Allocation Department at TEB from 2005 until 2009. During that period, he pioneered the modernization of the personal credits approval platform of TEB in accordance with the prevailing conditions at that time. After starting work as Head of the Personal Loans Monitoring and Collection Department at Akbank in 2009, Mr. Kaya joined

the Board of Directors at Kredi Kayıt Bürosu. He was appointed Head of the Personal Loans Allocation Department at the same organization in January 2012. Mr. Kaya has been working as Assistant General Manager in charge of KKB and Findex Business Management Department at KKB since May 2012.

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

İnci Tümay Özmen has 27 years of professional experience. After completing her education at Saint Benoît French High School, she graduated from Boğaziçi University, Department of Business Administration with a degree in 1995. She started her professional career at Ernst & Young in 1995. İnci Tümay Özmen was involved in the audit services of many financial institutions while she worked at Ernst & Young. Having obtained the title of Certified Public Accountant in 2000, she served as Manager in the same company. Ms. Özmen worked as Deputy General Manager in charge of Financial Affairs, Budget Reporting, and Operations at Yapı Kredi Leasing from 2000 to 2012. She played an active role in the adaptation process of the BRSA and Koçbank-YKB merger. 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. İnci Tümay Özmen was authorized as Independent Auditor in 2017 by the Public Oversight, Accounting, and Auditing Standards Authority.

## 12. SENIOR MANAGEMENT

### **Dr. Orkun Deniz** **Risk Center Coordination** **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. He was among the founding team of Kredi Kayıt Bürosu, which he joined in 1997, and he played an active role during the launch of Türkiye's first credit bureau system. He continued his career at Fortis Bank, serving as Director in charge of System Development, Reporting, Loan Policies, and Rating in the Corporate Loans Department. He held several roles during the transformation process of KKB, which he rejoined in early 2011. Primarily, Mr. Deniz ensured the expansion of the product portfolio of KKB by developing new products and services as the Manager of Project and Process Management. Later, he directed all relations with the financial sector as the Manager of the Banks and Financial Institutions Unit. Throughout his career at KKB, Mr. Deniz has provided consulting support for the attempts of many countries to establish credit bureaus. Since September 2016, Mr. Deniz has served as the Assistant General Manager in charge of the Banks Association of Türkiye Risk Center operations.

### **Serdar Çolak** **Risk Management Department** **Assistant General Manager**

Serdar Çolak has 17 years of professional experience. He graduated from Robert College and Istanbul Technical University and the State University of New York, Department of Economics, respectively, as the highest-ranking student. He received his Master's degree from

Boğaziçi University, Department of Management Information Systems. Mr. Çolak started his professional career as an SAP Consultant in New York and after gaining experience there, he went on to work in the Istanbul office of PwC Türkiye. In the Istanbul office of PwC Türkiye, he served as Manager of the Risk, Process, and Technology Services Department. Having broad experience in the finance industry, Mr. Çolak's areas of expertise include corporate risk management, information systems governance, information security, business continuity, SOX IT, organizational and process structuring of companies in the finance sector, and Banking Regulation and Supervision Agency information systems audits. At PwC Türkiye Istanbul Office, Mr. Çolak also served as Manager in charge of teams engaged in projects involving audit and consultancy services at various financial institutions such as banks, insurance providers, financial leasing companies, and capital market intermediary firms. He submitted reports to the BRSA as an independent auditor in charge of BRSA information systems audits conducted at many banks and their subsidiaries in Türkiye, Germany, Greece, and Portugal. Having the titles of Certified Information Systems Auditor (CISA), ISO 27001 Information Security Management System, and ISO 22301 Business Continuity Management System Chief Auditor, Mr. Çolak has served as the Assistant General Manager in charge of the Risk Management Department at Kredi Kayıt Bürosu since April 2014. Under the management of Mr. Çolak, the KKB Information Security team was named "Security Team of the Year" in Europe, the Middle East, and Africa at the FireEye Excellence Awards in 2018. This was the first time a Turkish team received the award.

### **Ali Kemal Cenk** **Internal Audit Department** **Assistant General Manager**

Ali Kemal Cenk has 22 years of professional experience. He graduated from Middle East Technical University, Department of Business Administration. Between 2000 and 2012, Mr. Cenk held various positions at the Banking Regulation and Supervision Agency, including Sworn-in Bank Auditor, Group Head, 2011 FSAP Negotiations Coordinator, and Vice President of the Audit Department. He took key roles in the Working Group for the Risk-Focused Supervision Project, through which the BRSA has reestablished its audit system. He also took part in a one-month program geared towards the Risk-Focused Supervision Project involving Federal Reserve audits and carried out FDIC-related studies. Mr. Cenk earned a dual MBA/MSF degree from Boston College between 2007 and 2009. In addition to BRSA audits concerning a range of legal issues, internal systems, and information management, he also conducted various audits in the Netherlands and Germany. Mr. Cenk attended a series of training courses on Risk Management, Basel II-III, internal control, and banking in the USA; he also participated in training courses and has certificates of completion on COBIT, ISO27001, TFRS, International Accounting Standards, Oliver Wyman Risk Management, and European Central Bank Eurosystem Macro-Micro Financial Audit. Mr. Cenk has been serving as Assistant General Manager of Internal Audit since April 2012.

### **Nil Durukanoğlu** **Human Resources** **Director**

Nil Durukanoğlu worked in the field of human resources for over 25 years in various companies. After graduating from Istanbul University Faculty of Political Sciences, Department of Finance in 1999, she 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. After joining Denizbank in 2017, Ms. Durukanoğlu served as the Head of Academy Development Department and played an active role in the management of Training, Development, Assessment Center, Organizational Development, and Strategic Human Resources processes until 2020. Most recently, Ms. Durukanoğlu served as the Human Resources Director at Boyner Holding and joined the KKB family in 2020 to serve as the Human Resources Director.

### **Serkan Siyasal** **Product Management and** **Development Department** **Director**

Serkan Siyasal graduated from Marmara University Faculty of Law in 2006. Throughout his career, Mr. Siyasal gained experience in many areas such as payment systems, product development, business development, and risk management. He started his career at Garanti Payment Systems and assumed important roles in the company's critical projects such as the establishment of the collection tracking system, the launch of the Shop&Miles credit card, the merger of Garanti Bank and the Ottoman Bank, and the restructuring of the bank's sales channels. 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 carried out the restructuring works for Dışbank's personal credit and credit card application systems. In 2006, he established his own start-

up and continued to contribute to the financial sector with his experience in payment systems. After a four-year period, Mr. Siyasal started working as a consultant to the General Manager at Provus and took part in numerous projects during the sale of Provus to Mastercard. In 2012, he joined Kredi Kayıt Bürosu as the manager of Decision Support Systems, and in 2014, he assumed the role of Findeks Marketing and Sales Manager. During this period, he managed the launch of the Findeks platform, which brought KKB expertise to the real sector and individuals. He also managed many projects that steered the Findeks process, such as the establishment of sales channels and field structuring, remote customer acceptance, remote customer verification, and electronic consent system. In 2016, he started working as the Product Management and Development Manager. He thus played a role in the commissioning of many products that pioneered the digitalization of finance and public sectors and paved the way for transparent and data-based trade in the real sector. Since 2020, Mr. Siyasal has been the Director of Product Management and Development and assumed critical responsibilities in the establishment of institutions which are critical to our national financial architecture such as establishment of the Asset-Backed Securitization (ABS) infrastructure of the Türkiye Securitization Company and the actualization operation of the Backing Management System since the establishment of İhracatı Geliştirme A.Ş..

### **Erşan Rasim Hoşrik** **Regulatory Compliance, Legal** **and Operations Department** **Director**

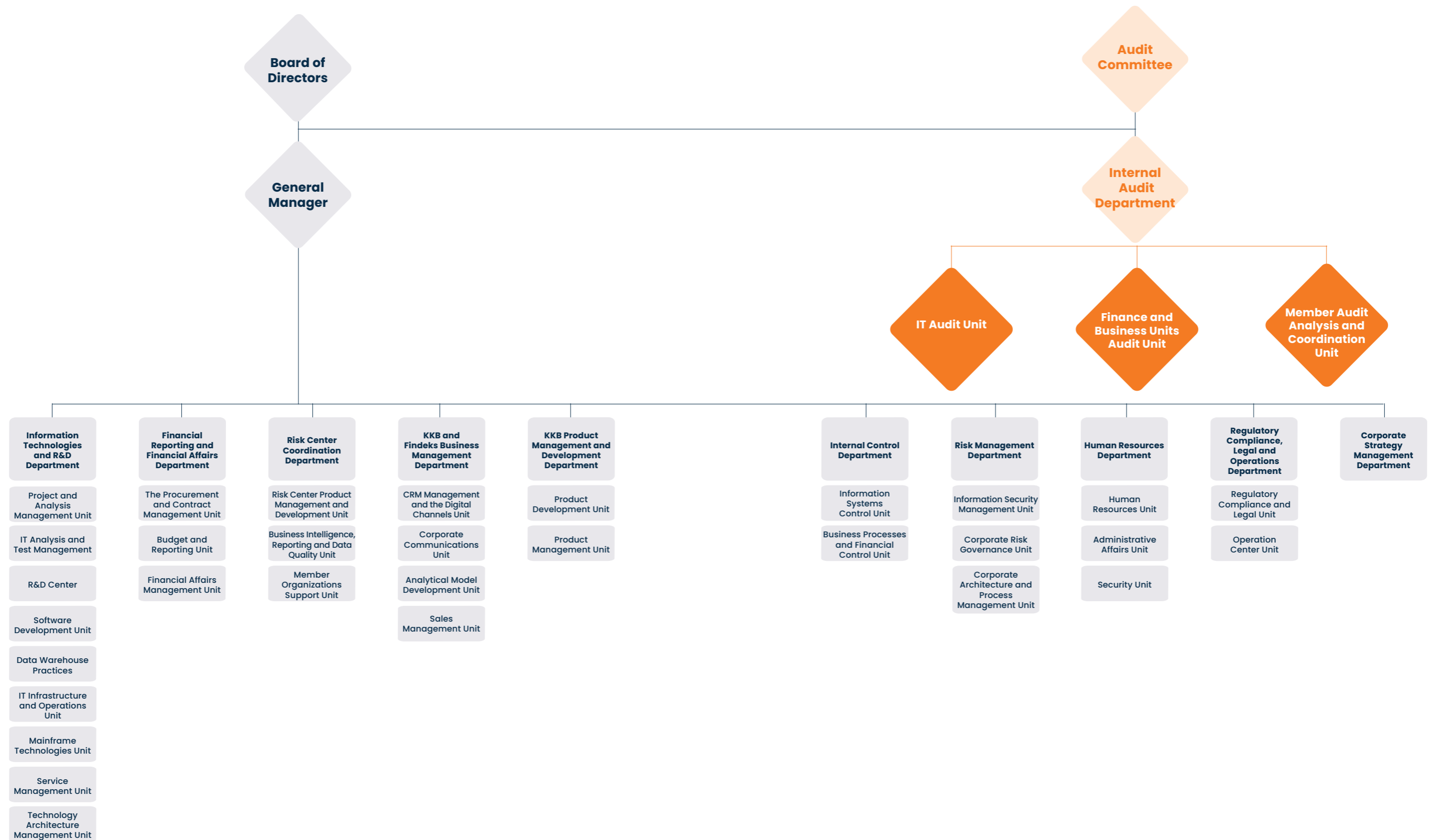
Erşan Rasim Hoşrik started his professional career in 2006 as Assistant Inspector at Yapı Kredi Bank. He went on to hold various positions in the Branch Audit, Headquarters Audit, and Investigation units at Yapı Kredi Bank. After resigning from his post with the Inspection Board in 2012, he worked in the Compliance Office as Financial Crimes Prevention Manager and Banking Legislation Manager, respectively. During his tenure in the Compliance Of-

fice, 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 Director of the Regulatory Compliance, Legal, and Operations Department.

### **Hazar Tuna** **Internal Control Department** **Director**

Hazar Tuna holds 17 years of professional experience. After completing his studies at Üsküdar American High School, he graduated from Purdue University, Department of Computer Engineering in 2005. He completed his Executive MBA at Boğaziçi University in 2012. Mr. Tuna started his career in the Corporate Risk Services Department at Deloitte Denetim in 2006. 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 Information Technologies Audit Department at Yapı Kredi Bank from 2008 to 2013. In addition, he conducted pilot installation work of the audit workflow software program, which was designed for use within the entire UniCredit Group, playing a key role in shaping the final version thereof. Having served as the Certified Information Systems Auditor (CISA), Certified Internal Control Professional (CICP), Certified Data Privacy Solutions Engineer (CDPSE), ISO 27001 Information Security Management System and ISO 22301 Business Continuity Management System Chief Auditor, Mr. Tuna has been the Internal Control Director at KKB since April 2013.

# 13. ORGANIZATIONAL CHART







# **OUR ACTIVITIES**

# 14. OUR HOLISTIC PRODUCTS AND SERVICES

Name of the 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
Credit Reference System (CRS)	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆
Individual Customer Objection Assessment System (Individual MIDES)		◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆
Alert System For False Information, Documents, Declarations or Applications (SABAS)		◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆
CRS Information Verification System				◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆
Personal Credit Rating (PCR)						◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆
Corporate Bureau System (CBS)							◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆
Limit Control System (LCS)								◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆
Internet Frauds Alert System (IFAS)									◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆
Bounced Cheque Inquiry and Information Sharing Services											◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆
Personal Indebtedness Index (PII)														◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆
Cheque Report														◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆
Risk Report														◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆
Credit Limit Credit Risk Inquiry and Sharing Services															◆	◆	◆	◆	◆	◆	◆	◆	◆	◆
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															◆	◆	◆	◆	◆	◆	◆	◆	◆	◆
Accounts Expired															◆	◆	◆	◆	◆	◆	◆	◆	◆	◆
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 Information about Cheques under Interim Injunction																	◆	◆	◆	◆	◆	◆	◆	◆
Sharing of Information About Companies Which Have Declared Bankruptcy/ Suspended Bankruptcy/ Debt Concordatum																	◆	◆	◆	◆	◆	◆	◆	◆

# 14. OUR HOLISTIC PRODUCTS AND SERVICES

Name of the 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
Sharing Service About Customers Banned from Using Cheques																	◆	◆	◆	◆	◆	◆	◆	◆
Revenue Administration Imprint Inquiry Service																	◆	◆	◆	◆	◆	◆	◆	◆
Cross Cheque Relations Inquiry Service																	◆	◆	◆	◆	◆	◆	◆	◆
Credit Insurance Notification 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 Individual Inquiry																				◆	◆	◆	◆	◆
Individual Inquiry Reports																					◆	◆	◆	◆
Loan Utilization Instant Sharing Service (KAPS)																					◆	◆	◆	◆
Electronic Letter of Guarantee																					◆	◆	◆	◆
Telecommunications Information Inquiry																					◆	◆	◆	◆
Foreign Currency Credit and Income Inquiry																					◆	◆	◆	◆
Findeks QR Code Cheque Registration System																					◆	◆	◆	◆
BRSA Product and Service Fees Portal																						◆	◆	◆
Provision of Risk Center Report via the E-State Gateway																						◆	◆	◆
NOVA																						◆	◆	◆
Cheque Score																						◆	◆	◆
Bill Report Service																							◆	◆
Electronic Investment Incentive Certificate (e-YTB) Information Sharing Service																							◆	◆
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 Application																							◆	◆
Noncompliance with Board Resolution (10265) Sharing Service																							◆	◆
MKK Derivative Transactions Sharing Service for Banks																							◆	◆



# 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
False Information/Document/Declaration/Application Alert System (SABAS)	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆
Personal Credit Rating (PCR)		◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆
Limit Control System (LCS)			◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆
Internet Frauds Alert System (IFAS)				◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆
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																	◆

### 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.

## 15. KKB'S PRODUCTS AND SERVICES

### 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.

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' post-dated 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.

### 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. This simplifies the process of monitoring the external behavior of loan customers.

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,



## 15. KKB'S PRODUCTS AND SERVICES

- 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.

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, TÜİK (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 rediscount 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.

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.

## 15. KKB'S PRODUCTS AND SERVICES

### 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.

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 and GSM 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.

### 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.



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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.

### 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 10 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.

### INTERNET FRAUDS ALERT SYSTEM (IFAS)

In what has become a very common criminal act, fraudsters obtain information such as the username and password of bank customers at the internet branches and enter the accounts of the customers, transferring money to their own accounts, which they usually open using counterfeit identity documents. Even though banks use highly advanced security systems to prevent such attempts, criminals continue to develop new methods to bypass these systems.

The Internet Fraud Alert System (IFAS), developed by KKB, primarily aims to establish communication between member institutions regarding incidents of fraud carried out over the Internet. To that end, requests to block an account in the event of money transfer scams can be transmitted through the IFAS. Accordingly, it is possible to establish more effective communication between corporations, while all kinds of information regarding transactions can be stored in the data processing system.

Given the increasingly complex nature of money transfers, an automatic graph-drawing feature was added to the system to facilitate investigations of such incidents. Thanks to this option, a flow chart of money movements for every fraud that occurs can be obtained.

Another important feature of IFAS is that it can be integrated and operated in parallel with SABAS. Perpetrators of online fraud generally open deposit accounts using false identification documents to withdraw the money they have transferred from customers' bank accounts. Data pertaining to such accounts is shared within SABAS so the relevant departments of corporate members are able to access this information. Hence, information which had been previously used for fraudulent purposes and detected by IFAS can never be used again.

### 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 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.

## 15. KKB'S PRODUCTS AND SERVICES

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

### 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.

## 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
Credit Reference System (CRS)	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆
Individual Customer Objection Assessment System (Individual MIDES)		◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆
CRS Information Verification System			◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆
Corporate Bureau System (CBS)				◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆
Bounced Cheque Inquiry and Information Sharing Services					◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆
Credit Limit Credit Risk Inquiry and Sharing Services						◆	◆	◆	◆	◆	◆	◆	◆	◆	◆
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						◆	◆	◆	◆	◆	◆	◆	◆	◆	◆
Accounts Expired						◆	◆	◆	◆	◆	◆	◆	◆	◆	◆
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							◆	◆	◆	◆	◆	◆	◆	◆	◆
Sharing Information about Cheques under Interim Injunction								◆	◆	◆	◆	◆	◆	◆	◆
Sharing of Information About Companies Which Have Declared Bankruptcy/Suspended Bankruptcy/Debt Concordatum								◆	◆	◆	◆	◆	◆	◆	◆
Sharing Service about Customers Banned from Using Cheques								◆	◆	◆	◆	◆	◆	◆	◆
Revenue Administration Imprint Inquiry Service								◆	◆	◆	◆	◆	◆	◆	◆
Cross Cheque Relations Inquiry Service								◆	◆	◆	◆	◆	◆	◆	◆
Credit Insurance Inquiry Service								◆	◆	◆	◆	◆	◆	◆	◆
Mersis Inquiry Service									◆	◆	◆	◆	◆	◆	◆
RC Warning Services									◆	◆	◆	◆	◆	◆	◆
Force Majeure Inquiry										◆	◆	◆	◆	◆	◆
BKM Member Merchant Turnover Information and POS Cancellation Individual Inquiry											◆	◆	◆	◆	◆
Individual Inquiry Reports											◆	◆	◆	◆	◆
Telecommunications Information Inquiry												◆	◆	◆	◆
Foreign Currency Credit and Income Inquiry													◆	◆	◆
BRSA Product and Service Fees Portal														◆	◆
Provision of Risk Center Report via the E-State Gateway															◆
Bill Report Service															◆
Electronic Investment Incentive Certificate (e-YTB) Information Sharing Service															◆
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															◆
Declaration System Application															◆
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 Application															◆
Noncompliance with Board Resolution (10265) Sharing Service															◆
Derivative Transactions from MKK Sharing Service with Banks															◆



## 16. PRODUCTS AND SERVICES WHICH WE OFFER TO THE TBB RISK CENTER BY PROXY

### CREDIT LIMIT-RISK NOTIFICATION AND SHARING SERVICE

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 rediscount information on loans.

Within the scope of the service, information regarding 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. (MKK) 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 the use of another service.

### CREDIT REFERENCE SYSTEM (CRS)

The Credit Reference System (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) provides members with commercial credit information on a day-to-day basis. Launched in 2005, this groundbreaking application offers a highly comprehensive data set for use by members to perform a risk assessment on 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 DETAILS NOTIFICATION AND SHARING SERVICE

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 also shared with all 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 NOTIFICATION AND SHARING SERVICE

Bounced cheques, cheques paid after being processed as bounced cheques, and cheques under interim injunction are shared in 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.

### 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.

The service greatly contributes to the risk analysis of cheques, one of the sector's most important instruments of payment, by allowing members to realize cheque transactions in a more secure and controlled way.

### 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 and follow-up actions which were taken.

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. The MERSIS inquiry service also provides:

- 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.

### REVENUE ADMINISTRATION (RA) PERSONAL RECORD SEARCH SERVICE

Within the Ministry of Finance, Revenue Administration (RA), and under the "RA Personal Record Search Service," Active/Inactive status is shared with information on the identity of the customer (taxpayer), date of establishment, address including NACE and 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 (NACE) of taxpayers that have multiple branches. After the improvement made in 2022, Portable EFT POS information held by the RA started to be shared with member banks free of charge.

Through the "Personal Record Change Web Service", in addition to the "RA Personal Record Search" service, the daily changes in company/person records and the type of operation are shared.

The collection of customer information through the RA Personal Record Search Service is important for the prevention of operational human errors in customer recognition and customer identification.

### CROSS CHEQUE RELATIONS INQUIRY SERVICE

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 SYSTEM

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.

Consequently, KKB provides an early warning service to its members against any potential payment problems their customers may face in the future.

### 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:

- When an announcement is published in regard to prohibited entities and natural persons, a warning report is generated specially for the financial institutions 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.

## 16. PRODUCTS AND SERVICES WHICH WE OFFER TO THE TBB RISK CENTER BY PROXY

### DATA SHARING ABOUT DERIVATIVE TRANSACTIONS

Under this service, KKB shares data about futures, options, and similar derivative contracts sold by banks to natural persons and legal entities on a semi-monthly basis.

Data sharing regarding derivative transactions can be performed either collectively or individually (through CLCR). These efforts enabled the monitoring of risks regarding derivative transactions between members and their customers.

### SHARING INFORMATION REGARDING CHEQUES UNDER INTERIM INJUNCTION

This service covers the daily collection of cheque information from the banks, which is out of the hands of the customers without the consent of the customers and for which the court takes a precautionary injunction, the annulment of the precautionary injunction, the cheque cancellation decision and sharing them through individual inquiries and collective feedback.

The service enables clarification whether there is an interim injunction or 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 collectively and daily by the Risk Center with banks.

### SHARING OF INFORMATION ABOUT COMPANIES WHICH HAVE DECLARED BANKRUPTCY/ SUSPENDED BANKRUPTCY/ DEBT CONCORDATUM

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.

### TELECOMMUNICATIONS INFORMATION 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 CUSTOMER REPORT SERVICE

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.

### FORCE MAJEURE INQUIRY

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

- Curfew,
  - 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 CENTER REPORT VIA THE 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](http://www.turkiye.gov.tr) (E-state).

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 customers who have been banned from using cheques

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 Project of Sharing Bankruptcy and Concordatum Decisions in the National Judiciary Informatics System (UYAP), implemented on 15 January 2021, allows the sharing of up-to-date information on bankruptcy and concordatum decisions, which are highly important in our country's agenda and are of intensive interest for our members.

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

### SHARING INFORMATION REGARDING ELECTRONIC INVESTMENT INCENTIVE CERTIFICATES (E-YTB) KEPT BY THE MINISTRY OF INDUSTRY AND TECHNOLOGY OF THE REPUBLIC OF TÜRKİYE

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 is collected monthly from the JCR Eurasia Rating Institution and shared with members during the following month.

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

### BKM MEMBER MERCHANT TURNOVER AND POS CANCELLATION INFORMATION INQUIRY

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.

### RC WARNING SERVICES

This product enables the delivery of negative notifications to requesting members with a warning file through FTP. These negative notifications include different institutions' cheques, bills, credit insurance, and tender bans belonging to the individual and commercial customers who are notified by members to the Risk Center.

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, Postdated 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.

The benefits of the system can be briefly summarized with the following three items;

- As well as being able to access sector-wide figures, members are able to access figures belonging to their own institutions instantly, 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.

### 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 Central Bank of the Republic of Türkiye, 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.



## 17. FINDEKS WORLD

# A system benefiting the finance sector

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.

*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 is a financial services platform launched by KKB in 2014 with the mission of allowing financial life in Türkiye to better function. To that end, 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.

*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.*

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.

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 superior customer experience for Findeks members.

Findeks, which offers a wide range of products to its users, reaches its customers 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.

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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.

The Findeks Credit Rating functions as a summary of the Findeks Risk Report. Banks and other financial institutions take into consideration the credit rating and the payment history while assessing loan applications and managing their consumer loan portfolio. They can also predict future 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 customers the right product at the right price, boost automation in decision processes, reduce operational costs and increase customer 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.

## 17. FINDEKS WORLD

# The system tracing payment behavior

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.

*The Findeks Cheque Index is calculated based on the past cheque payment behavior of legal entities and natural persons.*

### 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 housing loans, auto loans 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 system allows an issuer's past cheque payment status to be viewed, without an approval process or checking for potential forgery of the cheque, by scanning the QR Code on the Findeks Mobile Application. The QR code is then produced upon the request of the customers from the bank, along with legal enforcement functionality, and without the need for consent.

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.

### FINDEKS QR CODE CHEQUE REPORTS

The Findeks QR Code Cheque Report is a report where the details of cheque payment history of the issuer can be viewed through a QR code, which became mandatory with effect from 1 January 2017. 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 accessed easily 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.



17. FINDEKS WORLD

# Active access to current financial position

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.

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. With this service, customers may keep their current finances under control 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 TRY 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.

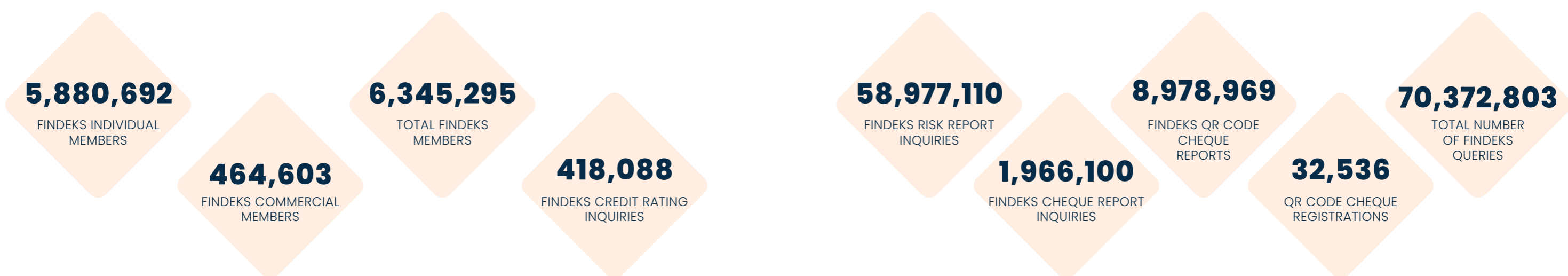
**MY FINDEKS RATING CONSULTANT**

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 allows 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.





## 18. KKB ANADOLU DATA CENTER

# The first data center with the “LEED Platinum” certificate

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.



*Since its establishment in 2016, corporations with activities in the banking and finance sector have realized their system move and started using the KKB Anadolu Data Center.*

KKB Anadolu Data Center was built on 43 thousand m<sup>2</sup> 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 2022, KKB conducted its business continuity test studies which it undertakes every year and covers the capability to provide services from the Emergency Center.

In line with corporations' continued intensive use of the KKB Anadolu Data Center in 2022, the Data Center carried out capacity efforts.

*According to the project carried out by the method of life cycle analysis using the CCaLC software, the CML2001 method, and the Ecoinvent database, the annual carbon footprint of KKB was determined to be approximately 16.01 kton CO<sub>2</sub>eq.*

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 16.01

tons CO<sub>2</sub>eq, 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. Approximately 90.57% of the determined annual carbon footprint originates from the activities of the KKB Anadolu Data Center, being approximately 23% higher than the carbon footprint of an average data center in the USA. 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 16% 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 1,385x10<sup>6</sup> m<sup>3</sup>, with the annual consumption limited to just 700 tons 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.



## 18. KKB ANADOLU DATA CENTER

The annual consumption was limited to just 700 tons 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 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).



*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 Center.*

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 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

# Technological infrastructure under constant development

In order to provide members with better quality service, measures aimed to improve the Commercial Credit System requested by the member, RC, and business unit were implemented in the CBS system.

# 23%

Increase in test automation scenarios



*Thanks to microservice architecture, important steps were taken to improve development speed and quality of business continuity by making KKB's current applications compatible with new generation cloud platforms.*

### Software Development Unit

Important steps were taken to improve development speed and quality of business continuity by making KKB's current applications compatible with new generation cloud platforms. Productivity increase, faster launch of products and variety in choice of technology were aimed with autonomous and modular services with low dependency. Efforts towards minimizing cut offs were made by maximizing accessibility with the services' structure that can be scaled horizontally and vertically in an easier and faster manner under pressure.

In addition, activities were carried out regarding the KKB Chatbot application on the KKB website based on machine learning.

In order to provide members with better quality service, measures aimed to improve the Commercial Credit System were applied. In addition, we aimed to provide access with the new password infrastructure in Mainframe systems.

*In line with the needs of KKB members, activities are carried out as projects that contribute to the real sector and finance sector regarding new services such as Safe EFT and Card Verification.*

Developments, maintenance and security patches for the innovations required by the Findeks platform, through which KKB serves individuals and the real sector, continued throughout the year. Reports provided to companies within the scope of KOSGEB support as result of increased financial report range efforts are planned to be made available on Findeks within the first quarter of 2023.

Additional measures were implemented to provide corporations founded to contribute to the financial system such as Credit Guarantee Fund (CGF) and İhracatı Geliştirme A.Ş. (IGE) and Türkiye Securitization Company (TSC) and newly-established corporations with access to individual and corporate credit systems information. Specialized support was provided, and projects were developed for the needs of these corporations. In addition, the functionality and dissemination of the system was ensured by completing electronic letter of guarantee integration with the State Supply Office. The technological infrastructure of some Risk Center services provided by KKB was renewed. Activities are carried out regarding new services such as Safe EFT and Card Verification.

Processes were improved through developments suitable to needs, in line with the protection of personal data agenda and within the scope of BRSA and legal compliance requirements. A new captcha was developed exclusive to KKB regarding real person verification for safer application access and integrated with all applications.

Training and consultation activities regarding employees who joined the Software Development team within the scope of Young Talent Programs were carried out throughout the year.

In order to disseminate this culture, KKB and its activities, primarily software development, were promoted by participating in career days events of educational institutions.

Training activities aimed at tracking developments in current technologies used in Software Development to strengthen human resources, increasing company employees' competencies, improving adaptation to change and correct steering of intellectual capital were provided to employees.

### Data Warehouse Practices

The installation of Big Data Analytic Platform was completed in 2022. Development of the old GeoMIS platform within the new environment was commenced as a pilot project. The project is expected to launch in the first quarter of 2023. In 2022, the installation of the new reporting platform and the move of some important reports to the new environment was completed. In 2022, reports within the environment were enhanced by adding new products to the Risk Center Interactive Data Platform.

Regarding CRM applications, the channel played an active role in projects such as KVKK and GSM Verification and fulfilled requests regarding platform maintenance.

The ERP Applications Team carried out new development and maintenance activities on the ERP modules towards needs of acquisition, accounting and human resources teams and moved the e-finance application to its ideal location.

### IT Service Management Unit

In the 2022 operating period, 101 services included in the Risk Center (RC) and 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 reports on the side of Risk Center (RC) were shared with interested parties on a weekly, bi-weekly and monthly basis.



## 19. INFORMATION TECHNOLOGIES AND R&D

Data analytics activities of the institution were shared with the sector in the presentation titled “New Generation of Analytics with Vertica” in the “Micro Focus Realize 2022” event organized by the Micro Focus company.

*In 2022, reports within the environment were enhanced by adding new products to the Risk Center Interactive Data Platform.*

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) continuing. In regard to the infrastructure, server availability reporting is monitored and forwarded on a weekly basis. In addition, any detected warning and critical alarm messages are instantly forwarded to the relevant teams, who then perform the necessary interventions. The monthly SLA performance report of services received from external companies continued to be shared with the TBB Risk Center. In 2022, Information Technologies Department Service Management records, a Daily Service Quality Status Report on service interruption and service quality continues to be sent to the relevant teams at the end of each working day.

Special monitoring systems and methods are used, and robotic monitoring activities are carried out in order for members to use the products and services offered through KKB's strong infrastructure without interruption and at the highest quality. Investments are made in methods that allow findings with a potential to be problematic to be dealt with without affecting members.

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 energy consumption and logs of cabinet activity are transmitted to 23 different customers on a monthly basis. Energy, temperature and humidity values are constantly monitored and managed through Service Management. The AVM Bulletin, produced using data from the Service Management application, is shared with department managers in a monthly basis. The SLA measurements of third party firms we work with as KKB Headquarters and KKB Anadolu Data Center are provided to all shareholders.

The Solution Center Team, set up as a single point to address all kinds of problems, errors, complaints, consultations and support from members and customers to be considered under IT, was established in 2022. The Solution Center Team continues its efforts to address all kinds of problems, errors, complaints, consultations and support requests received from KKB Internal users and to be considered under IT. Along with the separation between Member and Customer and the 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.

As for KKB, accessibility reports for 66 services within internal services continued to be reported monthly in 2022. Third party service transmissions continued to be provided to the TBB Risk Center (RC). Disclosures for Alpha records with an open status, generated specifically for the IT Department, were shared throughout KKB in 2022. 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.

### IT Project and R&D Management

With its active role in IT and R&D governance, the IT Project and R&D Management unit provides a transparent and up-to-date flow of information along with the identification, definition and management of risks. In addition, the unit plays an active role in the management of the reporting, audits and related relations regarding the Republic of Türkiye Ministry of Industry and Technology, with the cooperation of universities, institutions and organizations in line with R&D management activities it carries out within the scope of R&D activities.

In the area of project and R&D management, it was started in 2021 and was expanded with improvement effort in 2022 and was made available to the use of project teams.

Work continued on the development of an artificial intelligence-based Autonomous Project Management Assistant, which is the next step of the IT Project and R&D Management Office in the perception of digitalization, throughout 2022. It is envisaged that the outputs of the project will serve as successful examples of the use of artificial intelligence in project management processes at national and international levels.

Training programs and workshops were organized within the institution in order to raise the level of project and R&D management maturity and to popularize the use of current project management techniques and tools. KKB has

been a Member of the Executive Committee of the Communication and Cooperation Platform of R&D Centers (ARGEMIP) since 2020. This membership ensures an active role is taken in increasing the quality of R&D and design centers, supporting communication between the centers, representation of the centers collectively at the Ministry level and realizing joint contributions.

In addition, within the scope of business relationship management defined under ISO 20000 certification, a draft process was created in 2021 in order to determine an authorized person to represent business units in IT. In 2022, the application was expanded to cover all departments within KKB.

### IT Business Analysis and Test Management

The IT Business Analysis and Test Management Unit provided analysis and carried out testing in all commissioned projects and software change requests submitted during 2022 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.

The number of test automation scenarios for applications and the scope of these scenarios was expanded. This was performed with a perspective of continuity and sustainability of service quality as well as increased quality under the software development lifecycle. An automated and integrated system was planned throughout the entire software development lifecycle, from the analysis phase of scenarios up to the transition into reality. A test automation infrastructure was established for all actors in this cycle to contribute and its continuity was ensured. Test automation scenarios were increased by 23% to cover 50% of all applications for the sustainabil-

ity of overall quality. Minimization of errors in development quality and the replacement of teams' work with automatic processes for test activities were prioritized by running over 8,000 test automation scenarios every day. The unit ensured that regression sets were run regularly with the perspective of “end-to-end testing” in all kinds of infrastructure, software and configuration changes and the results were shared by e-mail.

With a continuous development perspective,

- A new User Interface Design tool to make user interface designs more practical, comprehensible and user-friendly, and
- A new test management tool for effective planning and functional management and the integrated monitoring of tests with the software development lifecycle was positioned.

Especially within the scope of the latter, regression test scenarios were prepared for current applications and uploaded to the new test management tool.

Regarding collaborations with universities, efforts to use Artificial Intelligence for Test Automation were started with a collaboration with Sabancı University within the scope of the Industry-focused Projects program. As a continuation of these efforts, in 2022, the Use of Artificial Intelligence in Test Automation Activities project was started. Expected to be completed in 2023, this project aims for the automatic detection of objects with artificial intelligence in test automation scenarios to be written for screens. This application will accelerate the production of test automation scenarios and facilitate their maintenance. This application is aimed to be made into product and run as a cloud service in the finance sector.

In 2023, in order to allow mobile regression tests to be run on different devices and managed remotely, a POC study is planned to be conducted for device farm management products. In line with the results of the POC study, in 2023, KKB has set out the aim of increasing the level of maturity in mobile device tests by positioning a new product in this field.

## 19. INFORMATION TECHNOLOGIES AND R&D

KKB employees allowed university students to benefit from their sectoral/field knowledge by sharing their current experience and knowledge in the classes they attended.

*The number of test automation scenarios for applications and the scope of these scenarios was expanded. This was performed with a perspective of continuity and sustainability of service quality as well as increased quality under the software development lifecycle.*

### Technology Architecture Management Unit

In 2022, approximately 4.5 billion web service requests were met in line with KKB's strategy of sharing its products and services through the services. This amount expresses a 35% increase over the number of 2021 web service calls. In August 2022, the monthly corporate record was broken with 452 million web service calls. Thanks to the infrastructure created in 2021 to monitor API's, the detection rate of service interruptions by KKB sources reached 80% in 2022, while detection time reduced to minutes.

Major version updates were made on framework software and libraries of corporate use in 2022. Both support for new technology and security maintenance was ensured for corporate framework software and libraries. "Risk Center Member Security and Web Service Authorization App", "Electronic and Mobile Signature" and "Corporate Central Encryption" applications were reworked using up-to-date software development technologies and framework software and included in production according to its schedule.

In 2022, as Technology Architecture Management, KKB's software development processes were supported under software life cycle management and DEVOPS. Products and infrastructures for all products and services used for software lifecycle management were continuously updated during the year. These efforts enabled the relevant products to remain at

a supportable level. The process of moving various software life-cycle products and tools belonging to applications operating on KKB's internal cloud technology to the production environment was planned.

Classified data analysis of the source codes of the applications developed by the institution has been ensured to be carried out continuously. Processes regarding the adaptation of external developments of other companies developing applications for KKB to KKB's software lifecycle were planned. Dotnet applications developed by the Digital Platforms team were included in the Software Development Life Cycle (SDLC) processes set out by the institution.

In 2022, the development of the process and dictionary application for a "Business Data Dictionary" were completed regarding Data Architecture management. Related efforts are being made to establish a structure in which business processes/products, business data dictionary and physical data elements are associated. As a result of these efforts, the automatization of the KVKK inventory is being planned. In the final days of 2022, the decision was made for the production of a data masking and encryption application to further improve the maturity of institutional data privacy and the product selection process was completed. In 2023, positioning activities will be carried out regarding the data masking and encryption product.

### IT Infrastructure and Operations Unit

#### KKB Anadolu Data Center Activities:

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, it is aimed to prevent 150kW installed power consumption by installing prototypical humidification system within the scope of productivity efforts toward minimizing weather impact. All operational activities, such as energy-cooling-structural wiring, aimed to meet internal requests of members served within Anadolu Data Center have begun to be carried out by the technical personnel of the center. Anadolu Data Center continues its uninterrupted activities 7/24 with monitoring systems renewed and expanded with the increase of the number of its served members and operational activities.

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:

In 2022, the Mainframe operating system was updated. Additionally, products were updated to final versions in order to be compatible with the operating system.



The infrastructures required for the automatic realization of closing and opening transactions of all mainframe environments operating in the Istanbul and Ankara ODM center were installed.

All mainframe FTP server and client infrastructure security was improved. The back-up infrastructure process was reworked, and cartridge stock was increased.

#### Database Management:

The infrastructure serving databases within the scope of ODM in Ankara AVM was updated and made more secure. Exadata DBM Image Upgrade studies have been carried out to render the Machine more secure and stable. Replication of the DWH databases to the scope of the 2022 ODM was made and included in the automation activities.

Updates 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 equipment 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:

Within the scope of Central IT Operations, preprod and prod environment monitoring was put in place for approximately 70 applications.

Information security agents dissemination activities were carried out. Developments were made on online meeting platforms. 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.

#### IT Open Systems:

In 2022, the Financial Cloud infrastructure was completed. Old cartridges were transformed with new technology.

Operating system and virtualization infrastructure modernizations have been completed. Tightening work was completed on the entire inventory.

Licensing works have been done. The storage infrastructure in the Ankara ODM data center was transformed into a new generation storage infrastructure.

#### Network and Network Security:

Latest technology updates were made towards network management and security.



## 20. KKB AND FINDEKS BUSINESS MANAGEMENT

# Value-added products for member institutions

In 2022, the second version of the Individual Indebtedness Index was released, and development activities were carried out for new analytic products.

**30** thousand  
Branch-user  
interviews



*The dissemination of existing systems in the field of fraud prevention continued while a new SABAS system was developed, in addition to two new fraud prevention systems.*

### Analytical Model Development Unit

The Analytical Model Development and Decision Support Systems Unit, 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 main objective of the unit is to ensure that banks and financial institutions

can better manage their risks. For this purpose, numerous analytical forecasting models and five different national fraud prevention systems and central decision support systems have been developed and brought into use. In 2022, the second version of the Individual Indebtedness Index was released, and development activities were carried out for new analytic products. The dissemination of existing systems in the field of fraud prevention continued while a new SABAS system was developed, in addition to two new fraud prevention

systems. The Artificial Intelligence functions, introduced in the past few years, has started to carry out activities to meet member institutions' and KKB's internal needs in various areas and achieve important results.

In 2023, efforts will be continued on new models which use alternative data sources. Regarding fraud prevention, the renewed SABAS system will be released and two other systems to allow banks to take measures against various methods of fraud will be provided. In order to make more use of artificial intelligence and machine learning methods in all areas in accordance with the strategic goals of the institution, efforts will continue in 2023 within the scope of the technological and analytical transformation program.

### Sales Management Unit

Responsible for the sales and promotion activities of KKB and Findeks products for all shareholders, primarily banks, finance institutions and the real sector, the Sales Management Unit's activities are carried out under the functions of Bank Channel Management, Member Channel Management, Findeks Sales Business Development, Business Partnerships Management, Customer Contact Center and the Sales Channels Marketing Management.

Thanks to its continued hard work in 2022, the unit ensured that the benefits of innovative products and services offered by KKB and Findeks were transferred to shareholders 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 contacting the banks' headquarters, regional directorates and branches, carrying out and expanding sales and marketing activities for all Findeks products which are broadly available to banking customers.

In 2022, around 30 thousand branch-customer interviews were conducted by Findeks Communication Consultants, who are in charge of improving Findeks awareness and product/process knowledge through one-on-one meetings via the banking branch channel. The sales efficiency of this channel is planned to be improved in 2023, aimed to increase Findeks's new customer acquisition rate and existing customer penetration.

In addition to managing the current Findeks field team with maximum efficiency and effectiveness, the target of placing Findeks as a banking product in the head office business lines of banks, positioning it among sustainable growing products and expanding awareness of the product in all channels, especially the mobile and internet branches of banks, is being carried out at an increasing pace every year.

### Member Channel Management Unit

The unit, which is responsible for managing KKB's relationships with the finance sector, provides services to banks, finance companies, factoring and leasing companies, asset management companies and other companies which are members of the Risk Center. In 2022, 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 Sales Business Development Unit

In 2022, the Business Development Unit, serving as the institution's gateway to the real sector in terms of determining the financial risk management needs of the real sector and accessing KKB's services, carried out activities for the dissemination of our digital finance services in every segment of the country's commercial life. As its penetration and number of integrated systems increased in the corporate segment, the unit continued to disseminate the Electronic Letter of Guarantee service, especially in this segment. In 2022, in the commercial segment, especially within the scope of joint training activities with KOSGEB, the unit fulfilled the requirements of the protocol implemented to improve the financial literacy of our SMEs and completed the training of personnel to train SMEs. The unit is also working on the follow-up and development of the process for the development and expansion of training activities regarding SMEs in the coming years. Additionally, activities with the Union of Chambers and Commodity Exchanges of Türkiye (TOBB) and chambers of the union were continued in 2022.

In 2022, collaborations with members in the corporate segment were made to disseminate KKB services. Within this scope, members shared texts including their advice and instruction regarding the institution's services with dealers, suppliers and customers. As a result, promotional and informational activities towards SMEs were varied.

## 20. KKB AND FINDEKS BUSINESS MANAGEMENT

In 2022, collaborations with members in the corporate segment were made to disseminate KKB services.

*While monitoring the development of current business models, the unit developed new partnership models with sector partners such as payment and e-currency companies, insurance companies and consumer financing companies.*

Activities towards dissemination of the Electronic Letter of Guarantee Platform (ELGP) were continued and the integrations of this service within prominent corporations in the company were increased. As a result, important steps toward its dissemination into commercial life and becoming a habit in commercial life were taken. Thanks to the promotion announcements made with customers in the corporate segment, ELGP, QR Code Cheque service and other report services were promoted to the sub segments of sectors.

Maintaining its work for insurance and electronic money or payment institutions under the finance sector, the unit continued to expand its verification services in the sector in 2022. In this period, various system development activities and penetrations were carried out in the energy, automotive, insurance, payment-electronic currency, climatization, agriculture and bonded sales sectors.

### **Business Partnerships Management**

Business Partnership Management, which realizes business partnership models where KKB and Findeks awareness is represented at the top level among individuals and in the real sector, develops business models with industry-leading software companies, ERP solution partners, GSM operators, e-commerce platforms that have extensive customer networks, and works with the aim of extending Findeks products and packages to all areas.

While monitoring the development of current business models, the unit developed new partnership models with sector partners such as payment and e-currency companies, insurance companies and consumer financing companies. Findeks products and services are at the core of these efforts to provide sustainable financial awareness to individuals. In addition, in the real estate sector, the production of Findeks-based products towards needs was ensured by bringing together important sector shareholders during the secure tenant selection process.

At a time when digitalization is integrated into every are 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 2022.

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. New business models are continued to be worked on with a new perspective in order to increase financial literacy in establishments and individuals active in the agriculture and livestock sector.

### **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 2022 within the framework of this principle. The Customer Contact Center continued to provide sustainable customer service support to Findeks and the TBB Risk Center.

In parallel with the developing technology, business processes are constantly undergoing improvement and speech analytics technology (from voice to text) 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 through internal and external communication channels to a higher level in line with KKB's strategies in 2022.

In order to ensure the spread of Findeks' products and services through member and customer channels, the unit created visual communication materials, especially guides, presentations and brochures for banks and business partners and delivered them. In addition, the unit supported marketing campaigns and events organized in accordance with the needs of the 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 2022, product and service promotion materials were created, media plans were set out in line with communication strategies, sponsorship activities were organized at sectoral events and live broadcast webinars were held.

In 2022, 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 2022, 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. Within the scope of the project, which included 20 stakeholder corporations, public institutions and non-governmental organizations active in banking and finance, 8 different online events were held open to public. The second instalment of the event where informative content for the public is shared on the krediokuryazarlikhaftasi.com website is planned to take place in 2023.

Corporate social responsibility project studies are being carried at the same pace and the ninth edition of the "You Imagine, We Realize" competition was completed successfully.

The KKB Volunteers Platform, launched in 2022, was supported to take an active part in corporate social responsibility projects. 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 customer at the heart of its operating strategy and carries out new customer 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 2022, 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. Based on the implementation of this decision, Findeks product management and product development activities have also started to be run by the CRM Management and the Digital Channels Unit.



## 20. KKB AND FINDEKS BUSINESS MANAGEMENT

The KKB Volunteers Platform, launched in 2022, was supported to take an active part in corporate social responsibility projects.

*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.*

Activities managed by the unit have been put under two titles:

### **CRM Management and Channel Development Activities**

Within the scope of CRM management and channel development activities, among the core responsibilities of the unit are:

- Determining strategies to increase the use of Findeks products, their positioning and their dissemination 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 productivity in product use using innovative digital publicity methods and following trends,
- Maintaining efforts to perfect the purchasing and user experience of Findeks products and services in all digital channels through the Omnichannel strategy and providing mobility between digital channels,
- Disseminating projects realized on digital platforms on Findeks and KKB's other digital platforms and increasing efficiency.

The unit was supported with analytical approaches in accordance with core strategies and targets set out for 2022 throughout the year. Activities were carried out to provide Findeks campaign management activities where targeting and segmentation activities are carried on Findeks digital channels, CRM activities and digital marketing platforms.

In addition, in the last quarter of 2022, new and company-exclusive customer acquisition and product sales was provided to small and medium sized companies using Findeks products and services with the new solution produced towards B2B campaign activities.

After the Findeks Mobile application was renewed, Findeks Mobile maintained triggering 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.

The unit continued development efforts of [www.kkb.com.tr/uye](http://www.kkb.com.tr/uye), a platform exclusive to KKB member company employees, and carried out improvement activities towards establishing a fast, effective 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 2022.

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. The product/benefit relationship was improved with activities in the product purchasing phase and campaign customizations specific to the purchased products.

In addition, preparations have got underway for the dissemination of chatbot and Smart CRM applications in the other digital channels in the future.

In 2022, the unit also maintained its activities to increase the financial literacy of its followers on social media channels. In addition, prominent innovations were adapted to Findeks accounts by following new developments in all social media accounts.

The unit continued 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.

### **Findeks Platform Product Management and Product Development Activities**

The CRM Management and Digital Channels Unit is responsible for carrying out the activities necessary for the determination of strategies for the products and services offered by Findeks, the follow-up of the technological developments for these strategies, the improvement of existing products, and the design, launch and management of new products. The unit carries out all processes regarding bringing products that will contribute to 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 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.

Powered by technology, KKB provided Findeks access to the visually impaired in order to contribute to an equal and disability-free world. This approach and practice allowed Findeks to receive the "Visually Impaired-Friendly Brand" title and award in the Eyebrand Ceremony 2022 event organized for December 3<sup>rd</sup> World Visually-Impaired Day as one of the 45 pioneer and inclusive brands in Türkiye.

The unit will continue its activities regarding Findeks services including:

- Developing new products to contribute to the technological transformation and improving existing products by determining its marketing strategies with a focus on digitalization,
- 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,
- In 2023, as a follower of new technology trends, KKB will ceaselessly continue its activities regarding the development of Turkish information sector and supporting local capital through allowing new collaborations with start-ups or specialist companies in the Turkish information sector.



## 21. RISK CENTER COORDINATION

# Supporting the healthy development of the finance sector

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.

*Data collected from Risk Center members and source institutions is shared with Risk Center members for effective risk evaluation.*



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 A.Ş. (KKB) 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 Turkish 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.

The responsibilities of the Business Intelligence, Reporting and Data Quality Unit also include executing the activities required to control, measure the quality of, and improve the data, which is the main raw material of all the products and services offered both by KKB and the Risk Center. Intense communication and reconciliation efforts towards members are

carried out within the scope of this responsibility. 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.

## 22. FINANCIAL REPORTING AND FINANCIAL AFFAIRS

# Well-planned, effective financial management

In the 2022 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 line with corporate strategies, the "Robotic Process Automation" system was included in the accounting process in 2022.*

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 2022 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 the institution's strategies, the "Robotic Process Automation" system was included in the accounting processes in 2022. 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 unit aims to further increase efficiency in 2023 by continuing to develop robotic accounting process and reporting infrastructure.

- 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.

### Budget and Reporting Unit

The Budget and Reporting Unit carries out budget planning, financial and MIS 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.

Within this scope, 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, in 2022, analysis efforts for the use of new generation reporting instruments were completed and report transmission was started. In addition, development efforts in the "Robotic Process Automation" system, included in the reporting instruments in 2021, were continued in 2022 and routine reporting regarding sales and communication channels were added to the robotic process. Source saving through active technology use (automation) allowed the production of value-added new reports to increase. In 2023, 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 2022, 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.



## 23. KKB PRODUCT MANAGEMENT AND DEVELOPMENT

# Supporting the digitalization of the country's economy

KKB 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 unit ensured the continuous response to various and high-volume needs arising in the financial and real sectors and plays an important role in ensuring that the designed services are sustainable and accessible.*

### Product Management and Development Department

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.

### 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.

### 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 individuals 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 2022. In addition to the needs of all member institutions, it contributes to the product, service

and infrastructure work needed by public institutions and organizations and steps taken towards the digitization of the Turkish economy with 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 2022, 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 generate value for users with a rapidly growing product portfolio and business partnerships in 2023.



## 24. HUMAN RESOURCES MANAGEMENT

# Human Resources Partnership structure

As of January 2022, we transitioned to the Human Resources Partnership structure in order to enhance the positive employee experience.

**4,628**

Applications for Young Talent Program

*More than five thousand students were reached in nine career events attended by students from every university in Türkiye.*

The Human Resources Department continued its activities in 2022 in line with the "employee-oriented, transparent, fair and sincere human resources strategy". The focus areas of the Human Resources Department in 2022, 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.

### Transitioning to the Human Resources Partnership Structure

As of January 2022, we transitioned to the Human Resources Partnership structure in order to enhance the positive employee experience. With this new structure, HR Partners began to accompany co-workers in the departments they are responsible of in all HR processes end-to-end, including recruitment, career and performance management, training and development needs and personal management and support them as first contact in all of their questions and requests regarding HR processes.

### Young Talent Program

In 2022, the 3<sup>rd</sup> Young Talent Program was launched. The education of young talent growing and developing with KKB's corporate culture is aimed by bringing on new graduates with high motivation and potential with the program. Competence-based interview processes were made with 157 candidates out of 4,628 application received through the program in which KKB takes supporting the employment of newly graduate youth on as a 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 33 Young Talented individuals joined the staff of KKB after a comprehensive evaluation process.

### University Career Events

Within the scope of the events which bring us together with young talent throughout the year, more than 5,000 students were reached in 9 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. In addition to university career events, specialist leaders of Human Resources and KKB participated in university course programs as guest speakers.

### Sector Events

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



### Transition to the Permanent Hybrid Working Model

As of September 19, 2022, transition was made to the permanent operating model covering three different operating models; working from the office, hybrid working and complete remote working, taking into account managerial decisions, work efficiency and the suitability of job descriptions. In order to ensure the efficient and spacious use of offices, office floors were reviewed and working environment arrangements were made by reviewing manager-employee feedback. A new break room was designed for the R&D Center. In 2023, efforts continue to realize projects and practices to further increase positive employee experience.

### Alternative Working Hours Practice

As of December 1, 2022, we transitioned to "Alternative Working Hours Practice" to make working hours more flexible. With the practice, employees can maintain their work-private life balance by selecting from two different working hours according to their needs. In addition to the current 09:00-18:00 working hours, alternative working hours were determined as 08:00-17:00.

## 24. HUMAN RESOURCES MANAGEMENT

Transition was made to the permanent operating model covering three different operating models; working from the office, hybrid working and complete remote working, taking into account managerial decisions, work efficiency and the suitability of job descriptions.

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

### Onboarding Program

Together with the new working model, a comprehensive onboarding process was designed to ensure that employees joining KKB were quickly and effectively integrated into the organization. The Onboarding Program, which aims to adapt new employees to the corporate culture and integrate employees into the organization, covers the process starting from the employee's candidacy to their first 6 months of employment. Efforts are underway to offer this process, which includes a very detailed program including areas such as corporate orientation training, assigning teammates to assist new employees, acquaintance meetings with the units of the organization and periodic feedback and feedback meetings, on a more interactive platform.

By improving the digital orientation program for Young Talents starting to work in 2023 will experience with feedback, we aim to expand and structure its scope to be presented to all new KKB employees.

### 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 its recruitment and workforce strategy and recruits new employees who will be the partners in this vision. During 2022, a total of 28,286 candidates were included in the evaluation process, in which 5,014 candidates passed the preliminary evaluation process and 1,850 candidates were invited to attend an interview. In total, 144 new employees joined KKB during the year.

### In-House Career Opportunities

A total of 13 internal advertisements were published throughout 2022, and 9 KKB employees were transferred to different departments/units/teams with changes to their duties within the company. A total of 82 employees were promoted in 2022.

### Competence Inventory Study

The Institution-wide institution competence inventory updating work continues. Among the aims of this work is to determine basic and technical competences with differentiating features in the separation of roles, identifying and weighing levels, and structuring the competence evaluation process and contribution areas. In the study targeted to be completed in June 2023, KKB's basic behavior-based competence set reached its final form. Regarding technical competence, competence leveling and weighing studies have reached their final form. Studies regarding remaining departments are ongoing.

### Continuous Learning and Development

Thanks to its focus on "continuous development", which is one of KKB's four values and is embedded in its corporate DNA, the development of employees and, therefore, the organization is at the heart of the Human Resources Department's activities. In this context, in addition to certain training programs which are provided based on demand, a training catalog created in accordance with the needs and expectations of the institution and organized quarterly has been published with the aim of supporting the professional and competence development of employees. Mandatory certification acquisitions expected to be achieved by employees in the performance of their duties were supported. Training programs for managers were prepared and competence developments were observed at all levels.

Due to the continuing impact of the pandemic in 2022, in-class trainings were held online or physically with trainer attendance. During the year, 202 in-class training and development programs were performed. Training day per person was 5.6 days for in-class trainings, 5.7 days for e-learning and 11.3 in total.

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

- Vocational Technical Training: 46 trainings with 236 days, 988 hours
- Competency/Soft Skill Training: 36 trainings with 43 days, 217 hours
- In-House Training: 112 trainings with 59 days, 160 hours
- Seminar/Conference: 8 trainings with 14 days, 64 hours

The leadership program of the "Management Academy", consisting of 6 modules, in which a total of 82 corporate managers participated, was completed. "Leadership in the Dark" workshops were started with leaders in the "Dialogue in the Dark Museum". Within this scope, activities to strengthen communication between teams are planned for 2023.

In 2022, in addition to in-class trainings, mandatory trainings and examinations were held on the KKB Training platform. A total of 1,217 days/3,412 hours were spent learning in 15 different training programs on the platform.

In 2022, remote training experience sessions were held on the LinkedIn Learning platform to provide employees with access to global educational content. Following the 2-week in-class orientation programs with Young Talents starting to work in August 2022, the 1-month LinkedIn Learning Challenge was started. By the end of this process, 33 Young Talents have completed 1,856 trainings and spent an average of 50 hours per person for one month. Based on the positive experience and feedback from the Young Talent process, the LinkedIn Learning platform was made available to all KKB employees with unlimited access to over 17,000 pieces of content for 1 month following mid-October. By the end of experience period of 1 month, 414 employees (82%) completed user activation and completed at least 1 training. In total, 2,705 trainings were completed and an average of 2 hours 46 minutes per person was spent on training and development. In 2023, collaboration with the LinkedIn Learning platform will continue to support the development of employees' technical/vocational competences and personal/social skills by observing adult learning rules. In addition, corporate agreements will be made with PluralSight, O'Reilly, INE, Interskill technical development platform.

The realization of the "KKB Development Guides", one of the prioritized activities for 2023 and the completion of the training and development activities of the first internal trainer staff is planned to take place within the activity period.

Live sessions with business specialists in the sector were held with KKB Talks in order to improve employees' sectoral competence. In this talk series, which offers the opportunity to learn about the financial technology ecosystem, 8 sessions were organized under the theme of Technology and 2 sessions were organized under the theme of Society. In 2023, sessions will continue under the titles of Society, Economy, Regulation, and Strategy.

In order to support the academic development of employees and to further increase the academic strength of the institution, the institution's support rate for the education costs of employees who want to pursue master's and doctorate degrees was increased from 15% to 50% for graduate studies, and from 30% to 80% for doctoral studies, and 5 days of thesis writing leave was granted as a new right in addition to 5 days of education leave. Awards such as the academic writing award and R&D project idea award were increased in consideration with the Dinamo-In-House Entrepreneurship Platform process.

### Five O'clock Tea Chats

Periodic meetings with the attendance of the General Manager of KKB continued in 2022 and five o'clock tea conversations were made with 200 employees during 15 meetings.

### New Human Resources Platform

The search for a new human resources platform, which was launched with the goal of digital, integrated, automated, next-generation and end-to-end human resources process management, was concluded after a comprehensive evaluation process. In 2022, efforts for integrating the selected platform into the institution continued. It will be made available with basic features as of the first quarter of 2023.



## 24. HUMAN RESOURCES MANAGEMENT

In 2022, five o'clock tea conversations were made with 200 employees during 15 meetings with the attendance of the General Manager of KKB.

*Complementary Health Insurance (TSS) feature was added to the health insurance to cover KKB employees and their families.*

### Dinamo in-House Entrepreneurship Platform

Three of the valuable enterprise ideas transmitted through Dinamo, the in-house entrepreneurship platform, within the scope of the importance of innovation and entrepreneurship and made investments were approved by the Evaluation Committee and teams were formed to develop the ideas. Three teams successfully completed the preparatory stage of the enterprise process and still continue their development work.

### Employee Health and Wellness

Complementary Health Insurance (TSS) feature was added to the health insurance to cover KKB employees and their families. This feature provided the alternative between institutions with 100% and partial coverage, supported employees' treatment limit management and allowed them to benefit from the health insurance in a more productive way when needed.

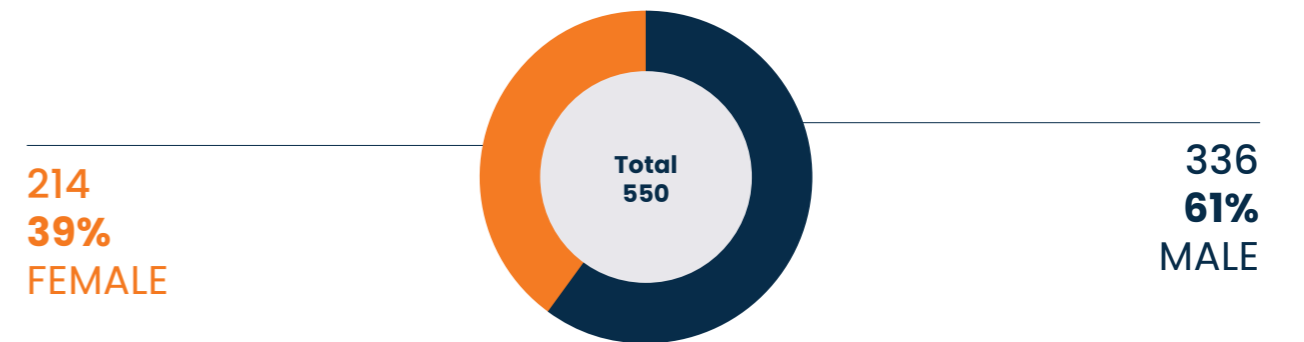
Aside from private health insurance, thanks to a collaboration between KKB and one of the most prominent health institutions, discount price agreements were made for members and first-degree relatives.

In 2022, employees and their family members continued to receive uninterrupted service 24/7 from the specialist team of the AVITA Employee Support Program, in a range of different fields such as financial legal consultancy, gardening and care of house plants, medical consultancy and veterinary support.

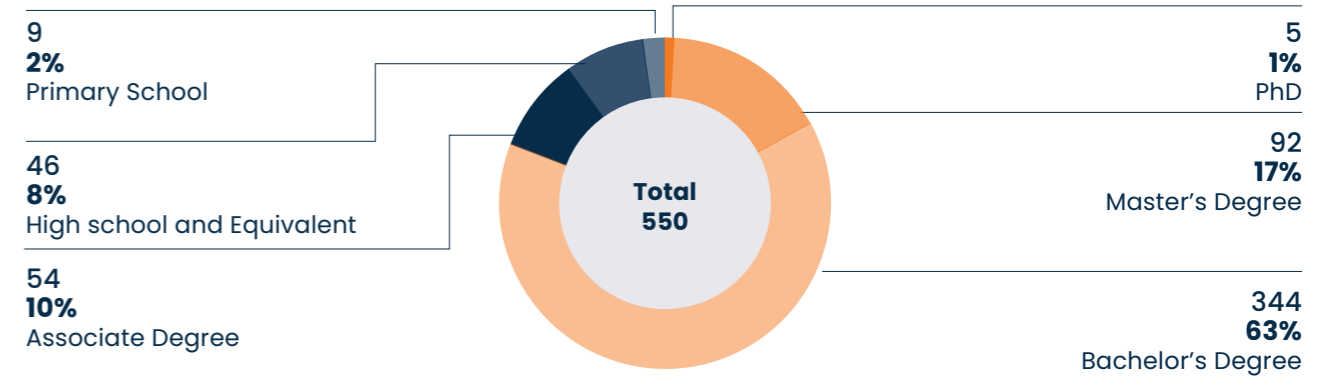
The "Annual Paid Leave Use Standard" was prepared for a more planned and balanced management of annual paid leave processes and the annual leave period was split into 2 periods as summer and winter. Practices that support the holistic wellbeing of employees and their family members will be continued.



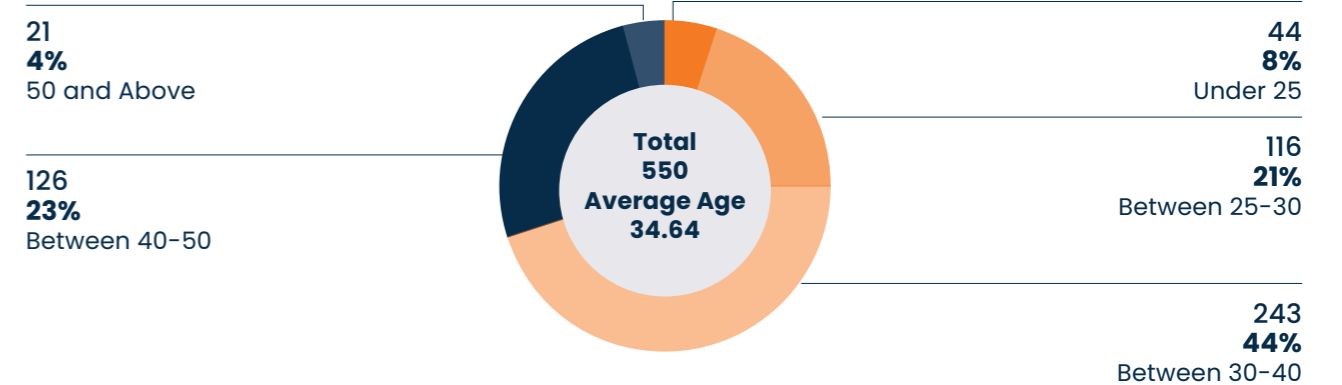
Gender Distribution



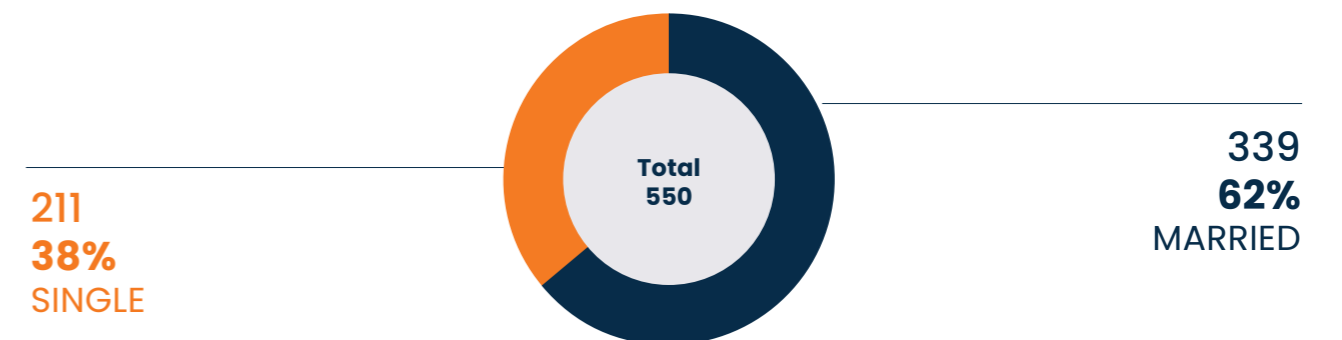
Education Distribution



Age Distribution



Marital Status





## 25. RISK MANAGEMENT

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), the Business Continuity Management System (ISO 22301) and the Service Management System (ISO 20000). 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 help mitigate all external risks, including the risk arising from support services.

KKB, which holds the ISO 27001:2013, ISO 22301:2019 and ISO 20000:2018 certificates, increased its maturity by targeting best practices in these fields in 2022 and renewed all its certificates after successfully passing the audits. In addition, the ISO 14001:2015 certificate for the Environmental Management System, which was established in 2020 at the KKB Anadolu Data

Center, was obtained to expand the scope of the certificate and cover the entire institution.

In 2022, 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 2021, 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 this year, following audits carried out since 2018, with the results were reported in accordance with the ISAE3402 reporting standard and the report shared with shareholders 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 organized with the participation of the senior management, and possible development areas were revealed by evaluating KKB's level of preparedness for these crises. The benefit of crisis simulations was especially apparent during the COVID-19 pandemic, which started in 2020 and partially continued during 2022, and in the management of the pandemic which was carried out by the Risk Management Department with the aim of minimizing the impact of the pandemic on the institution.

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. As part of Corporate Process Management, all corporate processes have been aligned with the current operations; the impact of changes in processes has been analyzed, and these changes have continued to be disseminated in a more effective manner. In order to identify areas of efficiency in the processes and increase their effectiveness, analytical studies have been carried out by studying key performance indicators regarding the processes that have been determined together with the process owners in recent years. 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 addition, the first cycle of the in-House Entrepreneurship process was completed, and the second cycle was started in order to encourage employees to produce ideas which they believe will carry the organization and themselves further or which set out improvements or entrepreneurial ideas about a topic, application or product. These ideas are collected, and entrepreneurial ideas are evaluated and rewarded by the senior management once the preliminary research and prototype stages have been completed.

In order to bring information security infrastructure and processes in line with best practices of companies in this field, KKB continued to invest in information security infrastructure and increase its detection capabilities in the field of cyber security in 2022.



ISO 22301: 2019  
Business Continuity  
Management System



ISO 27001: 2013  
Information Security  
Management System



ISO 20000-1:  
2018 Information  
Technologies - Service  
Management



TS EN ISO 14001:  
2015 Environmental  
Management System

## 26. INTERNAL AUDIT



The Internal Audit Department successfully completed its 2022 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 2022 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.

As part of the audit plan prepared with a risk-based methodology in 2022, the Department completed the audit of one department, 13 specific processes, 33 IT and business processes and two external service procurements. Again, within the scope of the Regulation on Banks' Information Systems and Electronic Banking Services, it car-

ried out its activities based on the legislation catalog and related controls.

In addition to audits based on KKB's service continuity and information security requirements, the Ankara Data center audit, externally shared data audit, products and services audits were performed. In addition, reports regarding Budget Reporting and Financial Affairs were prepared based on continuous checks throughout the year. As well as KKB and Findeks Business Department audits, other business processes were included in the 10 business processes audited as business units.

Using technology effectively in every aspect of its operations, the Internal Audit Department monitors findings and actions with au-

tomatic reporting through the GRC system. The results of the monitoring are reported on a monthly basis to KKB and the TBB Risk Center administrations. In addition, the Department continues to carry out its audits effectively with the latest technologies, using the artificial intelligence models and robotic automation processes which it has established.

### 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.

In 2022, the unit performed risk analysis and previous period comparisons with respect to 40 audits conducted by independent auditors at member institutions. The results of the audits were shared with the Risk Center administration and the relevant actions were followed.

In 2022, member inspection team conducted on-site inspections at Risk Center member organizations based on risk analysis, and the early warning system, in which the risk structures of members and end users were analyzed in an analytical model, continued to operate based on various criteria. Models created using artificial intelligence are constantly undergoing improvement.

Within the scope of Findeks Web Service Data Security Analysis in 2022, studies were carried out on 11 Findeks members with the methodology focused on data security.

## 27. INTERNAL CONTROL



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,
- 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.

### 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. The unit operates with two teams; the Authorization Management and Official Correspondence. In

2022, the Authorization Management and Official Correspondence teams successfully continued to meet their main responsibilities of member authorizations and responding to requests from official institutions.

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 2022, pending lawsuits filed against the Company with pecuniary compensation claims were as follows:

- The lawsuit filed on November 28, 2013, with a claim of TRY 100,000 for pecuniary and non-pecuniary damages, with each of which amounting to TRY 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 TRY 98,237.20 for pecuniary damages and TRY 30,000 for non-pecuniary damages, amounting to a claim of TRY 128,237.20,
- The lawsuit filed on July 30, 2018, with a non-pecuniary damage claim amounting to TRY 20,000,

- The lawsuit filed on March 3, 2020, with a claim of TRY 33,000,
- The lawsuit filed on January 5, 2022 against a bank and KKB with a claim of TRY 60,000 for pecuniary damages and TRY 50,000 for non-pecuniary damages, amounting to a claim of TRY 110,000,
- The lawsuit filed on August 8, 2022, with a pecuniary and non-pecuniary damage claim amounting to TRY 24,412.20,
- The lawsuit filed on September 1, 2022, with a non-pecuniary damage claim amounting to TRY 20,000,
- Two reinstatement lawsuits,
- Seven labor receivables and/or severance and/or notice pay law-suits.

In 2022, administrative fines of total TRY 3,900 were imposed on the Company.

### 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 members present at the meeting unanimously resolved to approve the financial statements of the company for the year ending on December 31, 2022;

And to propose to the General Assembly not paying the Banks Association of Türkiye within the scope of Article 28 of the Articles of Association of the Company, and approving the net amount left after deducting any legal liabilities from the Company's 2022 gross loss, and monitoring the loss on the "Previous Year Losses" Account.





## 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.

### 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.

The image features a dark blue background with two overlapping diamond shapes. The left diamond is orange, and the right diamond is white. The word "SUSTAINABILITY" is written in bold, dark blue, uppercase letters across the center of the white diamond.

**SUSTAINABILITY**

## 30. SUSTAINABILITY APPROACH

# Effective environmental assessment systems

KKB addresses the phenomenon of sustainability with a holistic understanding and takes care of both its activities and its relationships with its stakeholders.

*Publishing the second of the Sustainability Reports it prepared according to the Global Reporting Initiative Standards (GRI) in 2022, KKB will continue to be transparent and share the social, economic and environmental dimensions of its activities.*

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 shareholders. 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 shareholders, 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 second of the Sustainability Reports it prepared according to the Global Reporting Initiative Standards (GRI) in 2022, KKB will continue to be transparent and share the social, economic and environmental dimensions of its activities.

### Sustainability Organization

The Sustainability Committee, formed by the Board of Directors, which is the highest governing body in KKB, determines the sustainability performance criteria in line with corporate targets, and audits their performance.

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 (Chairman)
- 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 - 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 ASSESSMENT

# End-to-end life cycle method

In order to evaluate its environmental performance according to measurable criteria, KKB calculates the carbon footprint and water footprint values using an end-to-end lifecycle method.



**5%**  
The Goal of Reducing Carbon Emission

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

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.

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.

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 Ankara Data Center, electricity consumption at the Istanbul Office, and fuel consumption of vehicles used for personnel transportation.

Continuing its efforts at full pace to minimize its environmental footprint, KKB started to meet 5% of the Anadolu Data Center's electricity consumption from solar energy (photovoltaic) panels with the roof type SPP project in June 2022. The company will continue efforts to

completely supply the electricity Anadolu Data Center consumes from renewable sources and further minimize carbon emission levels in the following period.

According to CcaLC data, KKB's annual carbon footprint as of 2022 was measured as 16.01 kton CO<sub>2</sub>eq and its water footprint as 1.385x10<sup>6</sup> m<sup>3</sup> water eq. Approximately 90.57%

of the institution's carbon footprint and 54.80% of its water footprint is due to KKB Anadolu Data Center activities. 648.422 kWh of renewable energy was produced with the Solar Power Plant (SPP) launched in the second half of 2022 and the energy produced covered all energy consumption in KKB ODM and 31.6% of energy consumed in KKB CLOUD.

### KKB Istanbul Headquarters Office Carbon Footprint Distribution (kton CO<sub>2</sub>eq)

	2021	2022
Energy	1.39 kton CO <sub>2</sub> eq	1.47 kton CO <sub>2</sub> eq
Raw Material (Packaging, Paper, Water, Fuel Oil, etc.)	0.0227 kton CO <sub>2</sub> eq	0.0420 kton CO <sub>2</sub> eq
TOTAL	1.41 kton CO <sub>2</sub> eq	1.51 kton CO <sub>2</sub> eq

### KKB Anadolu Data Center Carbon Footprint Distribution (kton CO<sub>2</sub>eq)

	2021	2022
Customer IT	7.75 kton CO <sub>2</sub> eq	9.78 kton CO <sub>2</sub> eq
Customer AHU	1.49 kton CO <sub>2</sub> eq	1.79 kton CO <sub>2</sub> eq
KKB ODM*	0.298 kton CO <sub>2</sub> eq	-
KKB CLOUD*	-	0.0642 kton CO <sub>2</sub> eq
MOM Building	0.272 kton CO <sub>2</sub> eq	0.262 kton CO <sub>2</sub> eq
AVM Facility Consumption	0.549 kton CO <sub>2</sub> eq	0.780 kton CO <sub>2</sub> eq
General Loss	0.872 kton CO <sub>2</sub> eq	1.52 kton CO <sub>2</sub> eq
Consumables	0.212 kton CO <sub>2</sub> eq	0.212 kton CO <sub>2</sub> eq
SPP	-	0.0329 kton CO <sub>2</sub> eq

\*All of the energy (591,506 kWh) consumed in KKB ODM and 31.6% of the energy (180,251 kWh) consumed in the KKB CLOUD was supplied by renewable energy produced by the SPP.

## 32. OUR SOCIAL CONTRIBUTION

# Social awareness raising projects

KKB organized the ninth edition of the “You Imagine, We Realize,” contest and brought together innovative ideas in various categories.



*As a result of the jury evaluation, the winners were awarded TRY 50,000 as the first-place prize, TRY 30,000 as the second-place prize, TRY 20,000 as the third-place prize, and TRY 10,000 as the special Findeks prize.*

### YOU IMAGINE, WE REALIZE

KKB organized the ninth edition of the social innovation ideas contest, “You Imagine, We Realize,” which was implemented for the first time in 2013 to raise awareness of social responsibility and increase sensitivity towards social issues among university students, and brought together innovative ideas in various categories. The “You Imagine, We Realize” Social

Innovation Project Ideas contest was open for applications from university students between 1 November 2021 and 11 February 2022. Around 200 project applications were received regarding agriculture, health, financial literacy and cyber security during the application period. Among the hundreds of valuable creative ideas, projects qualifying for the top 100 joined the “Back to Entrepreneurs” online platform and passed the necessary steps to reach the final phase to further develop their projects. Pre-evaluation interviews with these 100 projects were conducted on our online system. The top 10 finalists held mentoring meetings for three weeks with the KKB Manager assigned to them. After the mentoring phase, the videos prepared by the finalists to present their projects were delivered to the jury members along with the project documentation. The First Prize went to the “Natural Cycle Drone” project.

As a result of the jury evaluation, the winners were awarded TRY 50,000 as the first-place prize, TRY 30,000 as the second-place prize, TRY 20,000 as the third-place prize, and TRY 10,000 as the special Findeks prize. Other project owners to reach the finals received a TRY 10,000 Special Jury Award and obtained a certificate having completed the enterprise program.

### KKB VOLUNTEERING PLATFORM

#### Wellness Runs

KKB participated in the running organizations of N Kolay Istanbul Half Marathon and N Kolay Istanbul Marathon held in 2022 with its volunteer employees. 17 KKB employees running for good cause reached 80 donators within the scope of the N Kolay Istanbul Half Marathon and collected a donation of TRY 29,555 in total for the benefit of Village Schools Development Network (KODA).

Within the scope of the 44<sup>th</sup> N Kolay Istanbul Marathon, KKB employees carried out a charity run donation campaign for the benefit of Turkish Education Foundation’s (TEV) “Yarida Kalmasin” (Keep Them in School) project. The volunteer running team covered the annual scholarship for six student by reaching 241 donators and a total donation amount of TRY 72,810 with this campaign.

#### Donations

Within the scope of the hybrid working model, 200 unused caissons in the General Management office were donated for general use to the Balikesir Edremit Nihat Tansoy Primary School.

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.

#### Koruncuk Foundation Wish Tree Project

Within the scope of the Wish Tree project realized by the Koruncuk Foundation, lists of requirements to be used in schools located in Bolu and Urla Koruncuk Villages started to be gathered with the support of

KKB Volunteers. The products collected within the scope of the project realized at the end of the year are planned to be delivered in the first weeks of 2023.

Within the scope of social contribution activities, various efforts were made throughout the year by KKB business units.

KKB and its activities, primarily software development, were promoted by the participation of the Information Technologies and R&D Department in career days of educational institutions.

The “Basic Data Warehouse” training was given to newly graduated youth for 10 weeks with the voluntary support of the Data Warehouse team and the collaboration of the Women in Technology Association.

In addition, the Software Development Unit shared articles on social platforms such as Medium with the awareness of the importance of sharing experience and information to contribute to the society. Two different courses on “HTTP Fundamentals” and “Object-oriented Java Programming” were taught in software development in Medipol University with the support of volunteer KKB employees. Additionally, training and consultation activities regarding employees

who joined the Software Development team within the scope of the Young Talent Program were carried out throughout the year.

As for IT Project and R&D Management, the gamification concept in the project and R&D management which lacks a global or local example and was launched in 2021 with a digital transformation perspective was expanded through improvement efforts in 2022 and made available to the use of project teams. With this study, the unit participated in a number of international and national events and carried out presentations, sharing information aimed at promoting the development of the sector. As a result of these activities, it was possible to host a number of institutions from the financial sector and other sectors while facilitating the direct transfer of the current approach and experience. The offer of becoming the shareholder of an international project was evaluated according to this vision and understanding, and experiences were shared. Project management achievements were transferred and KKB’s global maturity level was once again solidified by providing consultancy in the “Digitalization of Project Management Processes” study realized under public authority coordination in Ireland.





**FINANCIAL  
INFORMATION**



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

To the Shareholders of KKB Kredi Kayıt Bürosu Anonim Şirketi

### Opinion

We have audited the annual report of KKB Kredi Kayıt Bürosu Anonim Şirketi (the "Company") for the period between 1 January 2022 and 31 December 2022, since we have audited the complete set financial statements for this period.

In our opinion, 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 for Opinion

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 unqualified opinion on the complete set of financial statements of the Company for the period between 1 January 2022 and 31 December 2022 on 23 February 2023.

### 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:

- 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.
- 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.
- 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



Ali Tuğrul Uzun, SMMM  
Partner  
23 February 2023  
İstanbul, Türkiye

Convenience Translation of Financial Statements and Related Disclosures and Footnotes Originally Issued in Turkish, See Note 2

## KKB Kredi Kayıt Bürosu A.Ş.

31 December 2022 Financial Statements  
Together with Independent  
Auditors' Report Thereon



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## INDEPENDENT AUDITOR'S REPORT

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

### A) Audit of the Financial Statements

#### Opinion

We have audited the accompanying balance sheet of KKB Kredi Kayıt Bürosu Anonim Şirketi ("the Company") as at 31 December 2022 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, the financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2022, 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 Opinion

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 Turkey 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 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.

**Revenue Recognition**

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

<p><b>Key audit matter</b></p> <p><b>Revenue Recognition</b> The Company has a total of TL 879.774.658 income that was recognised under “revenue” in the comprehensive income for the period between 1 January 2022 and 31 December 2022. Disclosures and notes related to the revenue are presented under notes 2.4 and 18 of the accompanying financial statements prepared as of 31 December 2022.</p> <p>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.</p>	<p><b>How our audit addressed the key audit matter</b> 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 evaluated and tested the design and operational effectiveness of the internal controls applied by the management to ensure revenue is recognised in accordance with relevant accounting legislation. We tested the transaction details of a selected sample from revenue transactions subject to the audit by comparing these transaction details to the relevant supporting documentation to verify that the amounts were recognised properly on a transaction basis.</p>
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**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 BRSA 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.

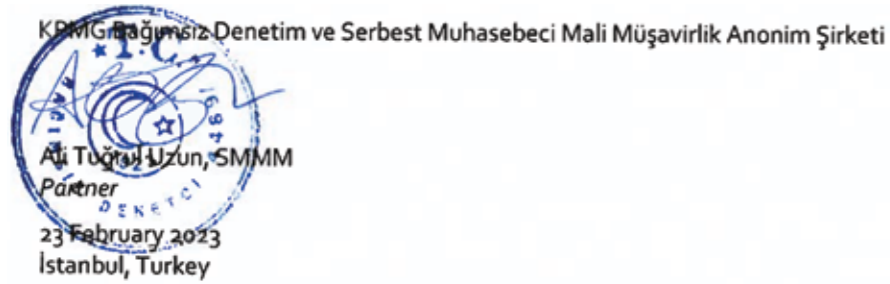




### B) Other Legal and Regulatory Requirements

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 2022, 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.



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## KKB KREDİ KAYIT BÜROSU A.Ş.

CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH, SEE IN NOTE 2

### STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2022

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

	Notes	Audited Current period 31 December 2022	Audited Prior period 31 December 2021
Current assets		444.397.475	291.751.984
Cash and cash equivalents	3	230.516.958	193.490.634
Financial investment	4	304.239	-
Trade receivables		109.071.573	45.992.503
- Trade receivables due from related parties	5,7	77.647.188	42.871.515
- Trade receivables due from other parties	5	31.424.385	3.120.988
Inventories	8	7.068.014	5.832.401
Prepaid expenses	15	70.720.001	42.275.078
- Prepaid expenses due from related parties	7	14.025.621	6.892.507
- Prepaid expenses due from other parties		56.694.380	35.382.571
Other current assets	16	6.534.176	1.540.544
Current income tax assets	23	20.182.514	2.620.824
Non-current assets		431.085.481	333.958.083
Tangible assets	9	337.512.362	265.454.977
Right of use asset	11	2.834.457	5.180.869
Intangible assets other than goodwill	10	74.527.909	57.340.427
Prepaid expenses	15	16.132.976	5.923.552
- Prepaid expenses due from other parties	15	16.132.976	5.923.552
Other non-current assets	16	77.777	58.258
<b>Total assets</b>		<b>875.482.956</b>	<b>625.710.067</b>

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

## KKB KREDİ KAYIT BÜROSU A.Ş.

CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH, SEE IN NOTE 2

### STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2022

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

	Notes	Audited Current period 31 December 2022	Audited Prior period 31 December 2021
<b>Short-term liabilities</b>		<b>729.855.982</b>	<b>228.330.966</b>
Lease liabilities	11	2.689.266	3.115.936
Trade payables		177.056.474	63.434.413
- Trade payables due to related parties	5,7	15.423.205	8.494.086
- Trade payables due to other parties	5	161.633.269	54.940.327
Corporate tax liability on period profit		-	-
Other payables		23.904.757	8.008.356
- Other payables due to other parties	6	23.904.757	8.008.356
Short term provisions	14	124.223.058	50.553.670
- Short term provisions for employee benefits		77.711.669	40.102.743
- Other short term provisions		46.511.389	10.450.927
Payables related to employment benefits	14	11.820.862	3.080.815
Deferred income	15	390.161.565	100.137.776
<b>Long-term liabilities</b>		<b>28.159.677</b>	<b>27.592.025</b>
Lease liabilities	11	599.380	2.506.083
Deferred tax liability	23	8.041.753	17.807.008
Long term provisions	14	19.518.544	7.278.934
- Long term provisions for employee benefits			17.548.495
- Other long term provisions		1.970.049	1.701.517
<b>Total liabilities</b>		<b>758.015.659</b>	<b>255.922.991</b>
<b>Shareholders' equity</b>		<b>117.467.297</b>	<b>369.787.076</b>
Share capital	17	7.425.000	7.425.000
Reserves on retained earnings	17	41.005.074	14.377.525
Adjustment to share capital	17	2.574.025	2.574.025
Extraordinary reserves	17	-	204.868.081
Special funds	17	1.822.577	1.608.259
Accumulated other comprehensive expense that will not be reclassified to profit or loss (-)		(9.532.613)	599.357
- Remeasurement losses of defined benefit plans (-)		(9.532.613)	599.357
Retained earnings		75.972.754	63.028.023
Net profit for the period		(1.799.520)	75.306.806
<b>Total liabilities and shareholders</b>		<b>875.482.956</b>	<b>625.710.067</b>

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

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2022

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

	Notes	Audited Current period 1 January – 31 December 2022	Audited Prior period 1 January – 31 December 2021
Sales	18	879.774.658	506.465.078
Cost of sales (-)	18	(366.810.209)	(169.203.807)
<b>Gross profit</b>		<b>512.964.449</b>	<b>337.261.271</b>
Marketing, selling and distribution expenses (-)	19	(274.241.356)	(67.013.050)
General administrative expenses (-)	19	(320.674.950)	(224.511.896)
Other incomes from main operations	21	9.367.713	5.767.157
Other expenses from main operations (-)	21	(352.687)	(648.817)
Research and development expenses (-)		(840.827)	(454.038)
<b>Operating profit</b>		<b>(73.777.658)</b>	<b>50.400.627</b>
Income from investing activities	24	212.436	556.236
<b>Operating profit before financial income</b>		<b>(73.565.222)</b>	<b>50.956.863</b>
Financial income	22	71.871.770	114.738.388
Financial expense (-)	22	(7.338.331)	(65.883.453)
<b>Profit before tax from continuing operations</b>		<b>(9.031.783)</b>	<b>99.811.798</b>
<i>Continuing operations tax income/(expense)</i>			
Current tax expense for the period	23	-	-
Deferred tax income/(expense)	23	7.232.263	(5.397.165)
<b>Net profit for the period</b>		<b>(1.799.520)</b>	<b>75.306.806</b>
<i>Other comprehensive income/(expense)</i>			
<i>Other comprehensive income which will be not reclassified in profit or loss</i>			
Defined benefits plans remeasurement gains/(losses)	14	(12.664.962)	1.595.137
Deferred tax income/(expense)	23	2.532.992	(319.027)
<b>Other comprehensive income/(expense)</b>		<b>(10.131.970)</b>	<b>1.276.110</b>
<b>Total comprehensive income</b>		<b>(11.931.490)</b>	<b>76.582.916</b>

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



## STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2022

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

	Audited Statement of Changes in Equity – 31 December 2021					Audited Statement of Changes in Equity – 31 December 2022				
	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 (-)	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 (-)
1 January 2021	7.425.000	2.574.025	14.377.525	146.513.689	(676.753)	7.425.000	2.574.025	14.377.525	204.868.081	599.357
Transfers from retained earnings	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	58.354.392	-	-	-	-	58.354.392	-
Dividend paid (-)	-	-	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	1.276.110	-	-	-	-	1.276.110
Net profit for the period	-	-	-	-	-	-	-	-	-	-
Other comprehensive expenses (-)	-	-	-	-	-	-	-	-	-	-
31 December 2021	7.425.000	2.574.025	14.377.525	204.868.081	599.357	7.425.000	2.574.025	14.377.525	204.868.081	1.822.577
1 January 2022	7.425.000	2.574.025	14.377.525	204.868.081	599.357	7.425.000	2.574.025	14.377.525	204.868.081	599.357
Transfers from retained earnings	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	26.627.549	(204.868.081)	-	-	-	26.627.549	(204.868.081)	-
Dividend paid (-)	-	-	-	-	-	-	-	-	-	-
Addition	-	-	-	-	2.146	-	-	-	-	2.146
Total comprehensive income	-	-	-	-	(10.131.970)	-	-	-	-	(10.131.970)
Net profit for the period	-	-	-	-	-	-	-	-	-	-
Other comprehensive expenses (-)	-	-	-	-	-	-	-	-	-	-
31 December 2022	7.425.000	2.574.025	41.005.074	-	(9.532.613)	7.425.000	2.574.025	41.005.074	-	(9.532.613)

(\*) 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.



# KKB KREDİ KAYIT BÜROSU A.Ş.

CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH, SEE IN NOTE 2

## STATEMENT OF CASH FLOWS FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2022

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

	Notes	Audited Current period 1 January- 31 December 2022	Audited Prior period 1 January- 31 December 2021
<b>A. Cash flows from operating activities</b>		<b>364.558.885</b>	<b>122.740.523</b>
<b>Net profit for the period</b>		<b>(1.799.520)</b>	<b>75.306.806</b>
<b>Adjustments related to period net profit reconciliation:</b>			
Adjustments for tax income/(expense)		(7.232.263)	(5.397.165)
Adjustment related to provision expenses		71.479.531	34.899.503
Adjustments for depreciation and amortization	20	71.289.836	56.019.996
Adjustments for financial expense	12	-	-
Adjustments for interest income and (expense)	22	(42.414.561)	(19.019.871)
Adjustments for profit/(loss) on sale of tangible and intangible assets	21	(212.436)	(556.236)
Adjustments for other non-cash items		(30.881.220)	26.988.593
Adjustments for net foreign currency exchange effect		(34.581.223)	(18.922.505)
Adjustment for increases/decreases in trade receivable	5	(63.079.070)	(12.901.893)
Adjustment for increases/decreases in trade payables	5	113.622.061	(13.892.712)
Adjustment for increases and decreases in inventories		(1.235.613)	(3.692.759)
Adjustments for increases/decreases in other liabilities related to activities		150.048.976	65.800.365
Adjustments for increases/decreases in other receivables related to activities		178.857.008	(15.679.666)
Taxes paid (-)	23	(20.182.514)	(21.728.651)
Other cash outflows /inflows (-/+)		(19.120.107)	(24.483.282)
<b>B. Cash flows from investing activities</b>		<b>(116.753.586)</b>	<b>(69.510.162)</b>
<b>Investing activities:</b>			
Purchases of tangible assets (-)	9	(12.502.645)	(46.578.348)
Purchases of intangible asset (-)	10	(26.971.239)	(11.942.522)
Sale of tangible assets	9	-	-
Other cash inflows/(outflows)		(119.694.263)	(30.009.163)
Interests received		42.414.561	19.019.871
<b>C. Cash flows from financing activities</b>		<b>(244.857.841)</b>	<b>(5.229.774)</b>
<b>Financial activities:</b>			
Dividends paid (-)	17	(240.390.435)	-
Payments for finance leases (-)	12	(3.802.852)	(4.245.471)
Interests paid (-)		(664.554)	(984.303)
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>		<b>2.947.458</b>	<b>48.000.587</b>
Net currency effect		34.581.223	18.922.505
<b>D. Cash and cash equivalents at the beginning of the year</b>	<b>3</b>	<b>192.875.906</b>	<b>125.952.814</b>
<b>Cash and cash equivalents at the end of the year (A+B+C+D)</b>	<b>3</b>	<b>230.404.587</b>	<b>192.875.906</b>

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

# KKB KREDİ KAYIT BÜROSU A.Ş.

CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH, SEE IN NOTE 2

## STATEMENT OF PROFIT DISTRIBUTION FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2022

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

	Note	Audited Current Period 31 December 2022	Audited Prior Period 31 December 2021
<b>I. DISTRIBUTION OF THE PERIOD PROFIT</b>			
1.1. PERIOD PROFIT <sup>(1)</sup>		(9.031.783)	99.811.798
TAXES AND DUTIES PAYABLE		7.232.263	(24.504.992)
1.2.1. Corporate Tax (Income Tax)	23	-	(19.107.827)
1.2.2. Income Tax Deductions		-	-
1.2.3. Other Taxes and Legal Duties	23	7.232.263	(5.397.165)
<b>A. CURRENT PERIOD PROFIT (1.1 – 1.2)</b>		<b>(1.799.520)</b>	<b>75.306.806</b>
1.3. ACCUMULATED LOSSES (-)		-	-
1.4. FIRST LEGAL RESERVES (-)		-	-
1.5. OTHER STATUTORY RESERVES (-)		-	-
<b>B. NET PROFIT AVAILABLE FOR DISTRIBUTION [(A - (1.3 + 1.4 + 1.5))]</b>		<b>(1.799.520)</b>	<b>75.306.806</b>
1.6. FIRST DIVIDEND TO SHAREHOLDERS (-)		-	(55.972.040)
1.6.1. To owners of ordinary shares		-	(55.972.040)
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 (-)		-	(6.177.865)
1.12. STATUTORY RESERVES (-)		-	-
1.13. EXTRAORDINARY RESERVES		-	-
1.14. OTHER RESERVES		-	-
1.15. SPECIAL FUNDS		-	(212.172)
<b>II. DISTRIBUTION OF RESERVES</b>		<b>-</b>	<b>(204.868.081)</b>
2.1. APPROPRIATED RESERVES		-	(184.418.398)
2.2. SECOND LEGAL RESERVES (-)		-	(20.449.683)
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 (-)		-	-
<b>III. EARNINGS PER SHARE</b>		<b>-</b>	<b>-</b>
3.1. TO OWNERS OF ORDINARY SHARES		-	10,1423
3.2. TO OWNERS OF ORDINARY SHARES (%)		-	1,014
3.3. TO OWNERS OF PRIVILEGED SHARES		-	-
3.4. TO OWNERS OF PRIVILEGED SHARES (%)		-	-
<b>IV. DIVIDEND PER SHARE</b>		<b>-</b>	<b>-</b>
4.1. TO OWNERS OF ORDINARY SHARES		-	0,3238
4.2. TO OWNERS OF ORDINARY SHARES (%)		-	32,38
4.3. TO OWNERS OF PRIVILEGED SHARES		-	-
4.4. TO OWNERS OF PRIVILEGED SHARES (%)		-	-

<sup>(1)</sup> Since the profit distribution proposal for 2022 has not been prepared yet by the Board of Directors and the General Assembly has not been held, the profit distribution table for 2022 has not been filled.

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

## KKB KREDİ KAYIT BÜROSU A.Ş.

### CONVENIENCE TRANSLATION INTO ENGLISH OF EXPLANATORY NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 ORIGINALLY ISSUED IN TURKISH

(Amounts expressed in Turkish Lira ("TRY"), 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 Turkey, As of 31 December 2022, KKB is owned by 9 banks and has 171 members which consist of 53 banks, 20 consumer finance, 49 factoring, 21 financial leasings, 5 insurance, 16 asset management companies and 7 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 Turkey (TBB) 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 Turkey, the Risk Center of the Banks Association of Turkey 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 186 financial institutions which are members of the Risk Center.

KKB offers its services not only to financial institutions, but also to individuals through "Cheque Report" and "Risk Report" systems launched in 2013.

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

As of 31 December 2022, 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 2022, the Company has 550 employees (31 December 2021: 524).

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

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

## KKB KREDİ KAYIT BÜROSU A.Ş.

### CONVENIENCE TRANSLATION INTO ENGLISH OF EXPLANATORY NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 ORIGINALLY ISSUED IN TURKISH

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

#### 1. ORGANISATION AND PRINCIPAL ACTIVITIES OF THE COMPANY (Continued)

##### Approval of the financial statements

The financial statements for the period ended 31 December 2022 have been approved by the management on 23 February 2023, 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 country 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 2022 are presented below, These policies are applied consistently throughout the whole year, unless otherwise indicated.



## CONVENIENCE TRANSLATION INTO ENGLISH OF EXPLANATORY NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 ORIGINALLY ISSUED IN TURKISH

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

### 2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

#### 2.2 Basis in preparation (Continued)

##### 2.2.1 Functional 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.

The Public Oversight Authority announced on January 20, 2022 that entities applying TFRS will not be required to make any adjustments to their financial statements for the year ending December 31, 2021 in accordance with TAS 29 Financial Reporting in Hyperinflationary Economies. Since no new announcement has been made by the Public Oversight Authority regarding the application of inflation accounting, no inflation adjustment has been made in accordance with TAS 29 in the preparation of the financial statements as at December 31, 2022.

##### 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.

##### 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.



## CONVENIENCE TRANSLATION INTO ENGLISH OF EXPLANATORY NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 ORIGINALLY ISSUED IN TURKISH

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

### 2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

#### 2.2 Basis in preparation (Continued)

##### 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 Turkey 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, POA issued IFRS 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 2023 but companies can apply it earlier.

The Company does not expect that application of TFRS 17 will have significant impact on its financial statements.





## CONVENIENCE TRANSLATION INTO ENGLISH OF EXPLANATORY NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 ORIGINALLY ISSUED IN TURKISH

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

### 2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

#### 2.3 Standards and interpretations issued but not yet effective (Continued)

##### Initial Application of TFRS 17 and TFRS 9—Comparative Information (Amendment to TFRS 17)

In December 2021, 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 2023.

The Company does not expect that application of these amendments to TFRS 17 will have significant impact on its financial statements.

##### 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.



## CONVENIENCE TRANSLATION INTO ENGLISH OF EXPLANATORY NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 ORIGINALLY ISSUED IN TURKISH

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

### 2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

#### 2.3 Standards and interpretations issued but not yet effective (Continued)

##### Classification of Liabilities as Current or Non-current (Amendments to TAS 1) (Continued)

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 does not expect that application of these amendments to TAS 1 will have significant impact on its financial statements.

##### Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction – Amendments to TAS 12 Income Taxes

In May 2021 IASB issued Deferred Tax related to Assets and Liabilities arising from a Single Transaction, which amended IAS 12 Income Taxes. Related changes were published by POA as Amendments to TAS 12 on 27 August 2021. The amendments to TAS 12 Income Taxes clarify how companies should account for deferred tax on certain transactions – e.g. leases and decommissioning provisions. The amendments narrow the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision.

The amendments clarify that the exemption does not apply to transactions such as leases and decommissioning obligations. These transactions give rise to equal and offsetting temporary differences. For leases and decommissioning liabilities, the associated deferred tax asset and liabilities will need to be recognised from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. If a company previously accounted for deferred tax on leases and decommissioning liabilities under the net approach, then the impact on transition is likely to be limited to the separate presentation of the deferred tax asset and the deferred tax liability. The amendments are effective for annual reporting periods beginning on or after 1 January 2023. Earlier application is permitted.

The Company is assessing the potential impact on its financial statements resulting from the application of the amendments to Amendments to TAS 12.



## CONVENIENCE TRANSLATION INTO ENGLISH OF EXPLANATORY NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 ORIGINALLY ISSUED IN TURKISH

(Amounts expressed in Turkish Lira ("TRY"), 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)

##### Definition of Accounting Estimates (Amendments to TAS 8)

The amendments introduce a new definition for accounting estimates: clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty which is issued by IASB on 12 February 2021. Related changes were published by POA as Amendments to TAS 8 on 11 August 2021. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy. Developing an accounting estimate includes both:

- selecting a measurement technique (estimation or valuation technique) – e.g. an estimation technique used to measure a loss allowance for expected credit losses when applying IFRS 9 Financial Instruments; and
- choosing the inputs to be used when applying the chosen measurement technique – e.g. the expected cash outflows for determining a provision for warranty obligations when applying TAS 37 Provisions, Contingent Liabilities and Contingent Assets.

The effects of changes in such inputs or measurement techniques are changes in accounting estimates. The definition of accounting policies remains unchanged. The amendments are effective for periods beginning on or after 1 January 2023, with earlier application permitted, and will apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the company applies the amendments. The Company does not expect that application of these amendments to Amendments to TAS 8 will have significant impact on its financial statements.



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### 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)

##### Disclosure of Accounting Policies (Amendments to TAS 1)

IASB has issued amendments to IAS 1 Presentation of Financial Statements and an update to IFRS Practice Statement 2 Making Materiality Judgements to help companies provide useful accounting policy disclosures on 12 February 2021. Among these amendments, the ones related to TAS 1 were published by POA as Amendments to TAS 1 on 11 August 2021. The key amendments to TAS 1 include:

- requiring companies to disclose their material accounting policies rather than their significant accounting policies;
- clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and
- clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.

The amendments are effective from 1 January 2023, but companies can apply it earlier. The Company does not expect that application of these amendments to Amendments to TAS 1 will have significant impact on its financial statements.

##### Lease Liability in a Sale and Leaseback – Amendments to IFRS 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 "IFRS 2023" on 3 January 2023. Amendments to IFRS 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.



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### 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)

#### Lease Liability in a Sale and Leaseback – Amendments to TFRS 16 Leases (Continued)

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.

#### Amendments are effective on 1 January 2022

Changes that have become effective and have been adopted for annual periods beginning on or after 1 January 2022:

- 1- Annual Improvements to TFRS Standards 2018–2020 –Amendment to TFRS 1 First-time Adoption of International Financial Reporting Standards, TFRS 9 Financial Instruments, TAS 41 Agriculture
- 2- Reference to the Conceptual Framework – Amendments to TFRS 3 Business Combinations
- 3- Property, Plant and Equipment – Proceeds before Intended Use: Amendments to TAS 16 Property, Plant and Equipment
- 4- Onerous Contracts – Cost of Fulfilling a Contract: Amendments to TAS 37 Provisions, Contingent Liabilities and Contingent Assets.

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.



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### 2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

#### 2.4 Summary of Significant Accounting Policies (Continued)

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.

##### 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 "TFRS 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.





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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) (Continued)

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 2022.

#### Impairment of financial assets

As of 1 January 2018, a loss allowance for expected credit losses is provided for all financial assets measured at amortised cost in accordance with TFRS 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 188.088 in its financial statements prepared as at 31 December 2022 (31 December 2021: TL 98.041).



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### 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 Standard

#### 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.



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### 2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

#### 2.4 Summary of Significant Accounting Policies (Continued)

##### Leases Standard (Continued)

##### The company - as a lessee (Continued)

##### Right-of-use asset

The right of use asset is initially recognized at cost comprising of:

- The amount of the initial measurement of the lease liability.
- Any lease payments made at or before the commencement date, less any lease incentives received.
- Any initial direct costs incurred by the Company, and

The Company re-measure the right of use asset:

- After netting-off depreciation and reducing impairment losses from right of use asset.
- 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.

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:



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### 2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

#### 2.4 Basis in preparation (Continued)

##### Leases Standard (Continued)

##### The company - as a lessee (Continued)

##### Lease liability (Continued)

- 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.



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### 2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

#### 2.4 Basis in preparation (Continued)

##### Leases Standard (Continued)

##### The company - as a lessee (Continued)

##### Lease liability (Continued)

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.

##### 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.



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### 2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

#### 2.4 Basis in preparation (Continued)

##### 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:





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### 2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

#### 2.4 Summary of Significant Accounting Policies (Continued)

##### Tangible assets (Continued)

	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

##### 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.



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### 2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

#### 2.4 Summary of Significant Accounting Policies (Continued)

##### Intangible assets (Continued)

##### Softwares (Continued)

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



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### 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 Turkey, 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.



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### 2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

#### 2.4 Summary of Significant Accounting Policies (Continued)

##### Employment termination benefits (Continued)

##### 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.

##### 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.



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### 2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

#### 2.4 Summary of Significant Accounting Policies (Continued)

##### Revenue recognition (Continued)

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 18,6983 TL=1 US Dollars and 19,9349 TL=1 Euro (31 December 2021: 13,3290 TL=1 US Dollars and 15,0867 TL=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.

##### 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.



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

### 2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

#### 2.4 Summary of Significant Accounting Policies (Continued)

##### 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 Ministry of Industry 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 2022, R&D expenses amounting to TL 2.102.017 have been used as a deduction item in the tax calculation (31 December 2021: TL 10.608.571).

##### 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 substantially 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.



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#### 2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

##### 2.4 Summary of Significant Accounting Policies (Continued)

###### Taxes calculated on the basis of corporate income (Continued)

###### 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.

###### 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.

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### CONVENIENCE TRANSLATION INTO ENGLISH OF EXPLANATORY NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 ORIGINALLY ISSUED IN TURKISH

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#### 2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

##### 2.4 Summary of Significant Accounting Policies (Continued)

###### Related parties (Continued)

###### (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.

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#### 3. CASH AND CASH EQUIVALENTS

The details of the Company's cash and cash equivalents as of 31 December 2022 and 2021 are as follows:

	31 December 2022	31 December 2021
<b>Banks</b>		
Time deposit	210.038.808	185.701.230
Demand deposit	12.909.746	3.115.737
Credit card receivables with term of less than three months <sup>(*)</sup>	7.749.330	4.768.824
Provision for expected credit loss	(180.926)	(95.157)
<b>Cash and cash equivalents</b>	<b>230.516.958</b>	<b>193.490.634</b>

<sup>(\*)</sup> The average maturity of the Company's credit card receivables amounting to TL 7.749.330 (December 31, 2021: TL 4.768.824) as of December 31, 2022 is 30 days (December 31, 2021: 30 days). As of 31 December 2022, the interest rates of the Company's time deposits in TL are between 10% and 23,50%, 2,25 % in USD, %5 in gold and 1% in EURO. (December 31, 2021: in TL are between 10% ile 17,80%, in USD are between 0,65% ile 1% and 0.40% in Euro). As of 31 December 2022 and 2021, all time deposits have a maturity of less than three months.

As of 31 December 2022 and 31 December 2021, there is no restriction on cash and cash equivalents. In the cash flow statements of the Company as of 31 December 2022 and 31 December 2021, cash and cash equivalents are shown by deducting interest accruals from cash and cash equivalents:

	31 December 2022	31 December 2021
Cash and cash equivalents	230.697.884	193.585.791
Interest accrual (-)	(293.297)	(709.885)
<b>Cash and cash equivalents in the cash flow statement</b>	<b>230.404.587</b>	<b>192.875.906</b>

#### 4. FINANCIAL INVESTMENT

As of 31 December 2022 and 2021, the details of financial investment are as follows:

	31 December 2022	31 December 2021
Funds	304.239	-
<b>Total</b>	<b>304.239</b>	<b>-</b>

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#### 5. TRADE RECEIVABLES AND PAYABLES

As of 31 December 2022 and 2021, the details of trade receivables are as follows:

	31 December 2022	31 December 2021
<b>Trade receivables</b>		
Trade receivables from related parties (Note 7)	77.654.350	42.874.399
Trade receivables from other parties	31.424.385	3.120.988
Provision for expected credit loss (-)	(7.162)	(2.884)
- Regarding trade receivables from related parties (Note 7)	(7.162)	(2.884)
- Regarding trade receivables from other parties	-	-
<b>Total</b>	<b>109.071.573</b>	<b>45.992.503</b>

The average maturity of trade receivables is 10 days (31 December 2021: 10 days). As of 31 December 2022, there is no neither past due nor impaired receivable (31 December 2021: no neither past due not impaired receivable). As of 31 December 2022 and 2021, the details of trade payables are as follows:

	31 December 2022	31 December 2021
<b>Trade payables <sup>(*)</sup></b>		
Trade payables to related parties (Note 7)	15.423.205	8.494.086
Trade payables to other parties	161.633.269	54.940.327
<b>Total</b>	<b>177.056.474</b>	<b>63.434.413</b>

<sup>(\*)</sup> The average maturity for trade payables is between 30 and 60 days (31 December 2021: between 30 and 60 days). As of 31 December 2022 and 2021, 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.

#### 6. OTHER RECEIVABLES AND PAYABLES

As of 31 December 2022 and 2021, the details of other receivables are as follows:

	31 December 2022	31 December 2021
Other payables due to other parties	23.904.757	8.008.356
- Tax payables	23.735.526	7.965.175
- Other payables	169.231	43.181
<b>Other payables</b>	<b>23.904.757</b>	<b>8.008.356</b>

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#### 7. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

As of 31 December 2022 and 2021, the details of cash and cash equivalents with related parties are as follows :

	31 December 2022	31 December 2021
Cash and cash equivalents from related parties	222.175.552	151.078.117
<b>Total</b>	<b>222.175.552</b>	<b>151.078.117</b>

As of 31 December 2022 and 2021, the details of the Company's prepaid expense to related parties are as follows:

	31 December 2022	31 December 2021
Prepaid expenses to related parties	14.025.621	6.892.507
<b>Total</b>	<b>14.025.621</b>	<b>6.892.507</b>

As of 31 December 2022 and 2021, the details of receivables from related parties from related parties are as follows:

	31 December 2022	31 December 2021
Receivables from related parties	77.647.188	42.871.515
<b>Total</b>	<b>77.647.188</b>	<b>42.871.515</b>

As of 31 December 2022 and 2021, the details of payables from related parties from related parties are as follows:

	31 December 2022	31 December 2021
Payables from related parties	15.423.205	8.494.086
<b>Total</b>	<b>15.423.205</b>	<b>8.494.086</b>

For the periods ended at 31 December 2022 and 2021, the details of the Company's revenue and expenses to related parties are as follows:

	31 December 2022	31 December 2021
Revenue from related parties	624.823.340	374.029.420
Expenses to related parties	(190.986.938)	(57.349.133)
<b>Total</b>	<b>433.836.402</b>	<b>316.680.287</b>

#### 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 2022, the total amount of benefits provided to top management is TL 28.006.471 (31 December 2021: TL 16.198.773).

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#### 8. INVENTORIES

	31 December 2022	31 December 2021
Trade goods (*)	7.068.014	5.832.401
<b>Total</b>	<b>7.068.014</b>	<b>5.832.401</b>

(\*) 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 2022 and 2021, 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 2022 are as follows:

	1 January 2022	Additions	Transfers	Disposals	31 December 2022
<b>Cost</b>					
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
	<b>370.222.774</b>	<b>132.196.908</b>	<b>(19.436.756)</b>	<b>(2.232.543)</b>	<b>480.750.383</b>
<b>Accumulated depreciation</b>					
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)
	<b>(104.767.797)</b>	<b>(39.009.984)</b>	<b>-</b>	<b>539.760</b>	<b>(143.238.021)</b>
<b>Net book value</b>	<b>265.454.977</b>				<b>337.512.362</b>



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#### 9. TANGIBLE ASSETS (Continued)

Movements of tangible assets for the period between 1 January and 31 December 2021 are as follows:

	1 January 2021	Additions	Transfers	Disposals	31 December 2021
<b>Cost</b>					
Buildings	129.823.061	898.204	-	-	130.721.265
Machinery, plant and equipment	90.856.518	7.628.784	927.093	(4.767.431)	94.644.964
Furniture and fixtures	79.965.843	38.051.360	15.031.875	(8.637.070)	124.412.008
Constructions in progress	18.319.462	30.009.163	(27.426.133)	(457.955)	20.444.537
	<b>318.964.884</b>	<b>76.587.511</b>	<b>(11.467.165)</b>	<b>(13.862.456)</b>	<b>370.222.774</b>
<b>Accumulated depreciation</b>					
Buildings	(16.196.484)	(3.204.811)	-	-	(19.401.295)
Machinery, plant and equipment	(36.113.814)	(7.113.302)	-	4.547.982	(38.679.134)
Furniture and fixtures	(36.262.380)	(18.399.390)	-	7.974.402	(46.687.368)
	<b>(88.572.678)</b>	<b>(28.717.503)</b>	<b>-</b>	<b>12.522.384</b>	<b>(104.767.797)</b>
<b>Net book value</b>	<b>230.392.206</b>				<b>265.454.977</b>

There is no mortgage on the Company's tangible assets (31 December 2021: None).

As of 31 December 2022, the insurance amount on tangible assets is TL 4.472.428.923 (31 December 2021: TL 2.697.073.063).

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#### 10. INTANGIBLE ASSETS

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
<b>Cost</b>					
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
	<b>150.021.007</b>	<b>26.971.239</b>	<b>19.436.756</b>	<b>-</b>	<b>196.429.002</b>
<b>Accumulated depreciation</b>					
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)
	<b>(92.680.580)</b>	<b>(29.220.513)</b>	<b>-</b>	<b>-</b>	<b>(121.901.093)</b>
<b>Net book value</b>	<b>57.340.427</b>				<b>74.527.909</b>

Movements of intangible assets for the period between 1 January and 31 December 2021 are as follows:

	1 January 2021	Additions	Transfers	Disposals	31 December 2021
<b>Cost</b>					
Softwares	103.825.807	11.431.303	383.240	-	115.640.350
Rights	21.113.558	510.056	11.083.925	-	32.707.539
Other intangible assets	1.671.955	1.163	-	-	1.673.118
	<b>126.611.320</b>	<b>11.942.522</b>	<b>11.467.165</b>	<b>-</b>	<b>150.021.007</b>
<b>Accumulated depreciation</b>					
Softwares	(60.421.969)	(20.623.523)	-	-	(81.045.492)
Rights	(5.974.044)	(4.312.543)	-	-	(10.286.587)
Other intangible assets	(1.313.078)	(35.423)	-	-	(1,348.501)
	<b>(67.709.091)</b>	<b>(24.971.489)</b>	<b>-</b>	<b>-</b>	<b>(92.680.580)</b>
<b>Net book value</b>	<b>58.902.229</b>				<b>57.340.427</b>

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#### 11. LEASES

As of 31 December 2022 and 2021, the details of right of use assets are as follows:

	31 December 2022	31 December 2021
Vehicles	2.315.562	4.505.825
Buildings	518.895	675.044
<b>Total</b>	<b>2.834.457</b>	<b>5.180.869</b>

	31 December 2022	31 December 2021
<b>Beginning of the period - 1 January</b>	<b>5.180.869</b>	<b>5.856.275</b>
Additions	712.927	2.651.733
Additions depreciation expense	(3.059.339)	(3.327.139)
<b>End of the period - 31 December</b>	<b>2.834.457</b>	<b>5.180.869</b>

As of 31 December 2022 and 2021, the details of lease liabilities are as follows:

	31 December 2022	31 December 2021
Short term lease liabilities	2.689.266	3.115.936
Long term lease liabilities	599.380	2.506.083
<b>Total</b>	<b>3.288.646</b>	<b>5.622.019</b>

Movement table of the lease liabilities in the period of 1 January - 31 December 2022 and 2021 is as follows:

	31 December 2022	31 December 2021
<b>Beginning of the period - 1 January</b>	<b>5.622.019</b>	<b>6.249.721</b>
Additions	804.925	2.651.733
Payments (-)	(3.802.852)	(4.262.911)
Interest expenses	664.554	983.476
<b>End of the period - 31 December</b>	<b>3.288.646</b>	<b>5.622.019</b>

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#### 12. SHORT TERM AND LONG TERM LIABILITIES

There is no Company's short term and long term liabilities (31 December 2021: None)

#### 13. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Letters of guarantee given:

	31 December 2022	31 December 2021
Letters of guarantee	70.506	70.506
<b>Total</b>	<b>70.506</b>	<b>70.506</b>

Letters of guarantee received:

	31 December 2022	31 December 2021
Letters of guarantee received <sup>(*)</sup>	1.664.002	21.680
<b>Total</b>	<b>1.664.002</b>	<b>21.680</b>

<sup>(\*)</sup> 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 2022, 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 2021: No collateral, pledge or mortgage).

Lawsuits against the company:

As of 31 December 2022, there are 16 lawsuits filed against the Company, Provision of TL 1.382.781 has been provided based on the best estimates of the Company management regarding these lawsuits, (31 December 2021: There are 14 cases and TL 1.343.529 has been provisioned).



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### 14. EMPLOYMENT BENEFITS

#### i) Payables for employee benefits

As of 31 December 2022 and 2021, the details of the payables for the employees are as follows:

	31 December 2022	31 December 2021
Social security withholding to be paid	11.384.681	2.823.684
Payables to employees	436.181	257.131
<b>Total</b>	<b>11.820.862</b>	<b>3.080.815</b>

#### ii) Short term provisions

As of 31 December 2022 and 2021, the details of the Company's short-term provisions are as follows:

	31 December 2022	31 December 2021
Provision for personnel performance bonus	60.348.648	31.162.139
Provision for unused vacation	17.363.021	8.940.604
Provision for bank commissions <sup>(1)</sup>	24.072.543	5.977.675
Provision for uninvoiced expenses	515.357	325.879
Other provisions	21.923.489	4.147.373
<b>Total</b>	<b>124.223.058</b>	<b>50.553.670</b>

<sup>(1)</sup> The Company works with various banks from Turkey 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 2022 and 2021.

The movement table of provision for personnel performance bonus of the Company for the periods between 1 January and 31 December 2022 and 2021 is as follows:

	31 December 2022	31 December 2021
Beginning of the period - 1 January	31.162.139	22.543.603
Increase in the period	60.348.648	31.162.139
Paid during the period (-)	(31.162.139)	(22.543.603)
<b>End of the period - 31 December</b>	<b>60.348.648</b>	<b>31.162.139</b>



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### 14. EMPLOYMENT BENEFITS (Continued)

#### iii) Long term provisions

As of 31 December 2022 and 2021, the details of the Company's long-term provisions are as follows:

	31 December 2022	31 December 2021
Provision for employment termination benefits	17.548.495	5.577.417
Provision for lawsuits	1.382.781	1.343.529
Other	587.268	357.988
<b>Total</b>	<b>19.518.544</b>	<b>7.278.934</b>

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 19.982,83 which is effective from 1 January 2023 has been taken into consideration in calculating the provision for employment termination benefits of the Company (31 December 2021: TL 8.284,51, effective from 1 January 2021).

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:



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#### 14. EMPLOYMENT BENEFITS (Continued)

	31 December 2022	31 December 2021
Annual discount rate (%)	1,99	4,24

The movement of employment termination benefits during the year is as follows:

	2022	2021
<b>Provision for employment termination benefits</b>		
Beginning of the period - 1 January	5.577.417	3.514.406
Service cost	1.024.292	535.013
Interest cost	1.188.179	371.172
Termination cost	(1.200.620)	189.880
Payment within the period (-)	(1.705.735)	(628.191)
Actuarial (gain)/loss	12.664.962	1.595.137
<b>End of the period - 31 December</b>	<b>17.548.495</b>	<b>5.577.417</b>

#### 15. PREPAID EXPENSES AND DEFERRED INCOME

The details of short-term prepaid expenses of the Company as of 31 December 2022 and 2021 are as follows:

	31 December 2022	31 December 2021
<b>Short term prepaid expenses (*)</b>		
Prepaid expenses from related parties (Note 7)	14.025.621	6.892.507
Prepaid expenses from other parties	56.694.380	35.382.571
<b>Total</b>	<b>70.720.001</b>	<b>42.275.078</b>

(\*) As of 31 December 2022 and 2021, 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.

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#### 15. PREPAID EXPENSES AND DEFERRED INCOME (Continued)

As of 31 December 2022 and 2021, the details of long-term prepaid expenses are as follows:

	31 December 2022	31 December 2021
<b>Long term prepaid expenses (*)</b>		
Prepaid expenses from other parties	16.132.976	5.923.552
<b>Total</b>	<b>16.132.976</b>	<b>5.923.552</b>

(\*) As of 31 December 2022 and 2021, 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 2022 and 2021 are as follows:

	31 December 2022	31 December 2021
<b>Deferred income</b>		
Deferred income (*)	390.161.565	100.137.776
<b>Total</b>	<b>390.161.565</b>	<b>100.137.776</b>

(\*) As of 31 December 2022 and 31 December 2021, the relevant amounts consist of service income that the Company has collected in advance regarding Findeks products and has not yet accrued.

#### 16. OTHER ASSETS AND LIABILITIES

##### a) Other current assets:

The details of other current assets as of 31 December 2022 and 2021 are as follows:

	31 December 2022	31 December 2021
Other income accruals	3.998.631	-
Order advances given	1.267.375	-
Amounts to be invoiced	982.950	-
Receivables from employees	285.220	168.090
Deferred VAT	-	1.372.454
<b>Total</b>	<b>6.534.176</b>	<b>1.540.544</b>

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#### 16. OTHER ASSETS AND LIABILITIES (Continued)

##### b) Other non-current assets:

The details of other fixed assets as of 31 December 2022 and 2021 are as follows:

	31 December 2022	31 December 2021
Deposits and guarantees given	77.777	58.258
<b>Total</b>	<b>77.777</b>	<b>58.258</b>

#### 17. SHAREHOLDERS' EQUITY

The Company's authorized share capital consists of TL 7.425.000 of each TL 1 nominal share (31 December 2021: 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 2022 and 2021 are as follows:

	31 December 2022		31 December 2021	
	Share (%)	Share amount (TL)	Share (%)	Share amount (TL)
<b>Shareholders</b>				
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
<b>Paid in capital</b>	<b>100</b>	<b>7.425.000</b>	<b>100</b>	<b>7.425.000</b>

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#### 17. SHAREHOLDERS' EQUITY (Continued)

	31 December 2022	31 December 2021
<b>Reserves on retained earnings</b>		
Reserves on retained earnings	41.005.074	14.377.525
Share capital adjustment	2.574.025	2.574.025
Extraordinary reserves	-	204.868.081
<b>Total</b>	<b>43.579.099</b>	<b>221.819.631</b>

	31 December 2022	31 December 2021
Special funds	1.822.577	1.608.259
<b>Total</b>	<b>1.822.577</b>	<b>1.608.259</b>

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 2022, there are no the extraordinary reserves of the Company which are classified under the statutory reserves (31 December 2021: TL 204.868.081).

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.

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#### 18. SALES AND COST OF SALES

The Company's sales for the periods 1 January - 31 December 2022 and 2021 and the cost of sales are as follows:

	1 January- 31 December 2022	1 January - 31 December 2021
<b>Sales ve cost of sales</b>		
Sales	884.067.136	507.704.217
Sales returns (-)	(4.292.478)	(1.239.139)
<b>Total</b>	<b>879.774.658</b>	<b>506.465.078</b>
<b>Cost of sales (-)</b>		
Personnel expenses (*)	(166.090.005)	(102.960.630)
Depreciation expenses	(64.815.472)	(26.067.146)
System services expenses	(26.663.471)	(14.789.637)
Score service expenses	(12.026.106)	(8.383.059)
Query services expenses	(10.349.543)	(7.510.042)
Other expenses (*)	(86.865.612)	(9.493.293)
<b>Total</b>	<b>(366.810.209)</b>	<b>(169.203.807)</b>
<b>Gross operating profit</b>	<b>512.964.449</b>	<b>337.261.271</b>

(\*) Electricity expenses related to the production of services of the Company were classified in other expenses in 2022.

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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 2022 and 2021 are as follows:

	1 January- 31 December 2022	1 January- 31 December 2021
Commission expenses	160.192.663	35.076.984
Advertising, media and sales expenses	112.441.263	30.988.033
Other	1.607.430	948.033
<b>Total</b>	<b>274.241.356</b>	<b>67.013.050</b>

b) General administrative expenses:

The details of general administrative expenses for the accounting periods of 1 January- 31 December 2022 and 2021 are as follows:

	1 January- 31 December 2022	1 January- 31 December 2021
Personnel expenses	151.460.453	79.498.010
Installation, maintenance and support expense	115.282.363	58.422.454
Consultancy expenses	18.578.429	12.822.178
Communication expense	14.715.744	12.298.743
Taxes and other liabilities	6.195.864	4.885.841
Electricity, water and fuel costs	4.523.833	17.938.704
Insurance expenses	3.443.900	2.521.543
Amortization and depreciation expense	3.415.025	27.621.846
Amortisation expenses from lease	3.059.339	3.327.139
Travel expenses	-	583.559
Other	-	4.591.879
<b>Total</b>	<b>320.674.950</b>	<b>224.511.896</b>



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#### 19. MARKETING, SELLING AND DISTRIBUTION EXPENSES, GENERAL ADMINISTRATIVE EXPENSES (Continued)

Fee details for independent audit for the years ended 31 December 2022 and 2021 are as follows:

	1 January- 31 December 2022	1 January- 31 December 2021
Independent audit fee for the reporting period	390.000	295.000
<b>Total</b>	<b>390.000</b>	<b>295.000</b>

#### 20. EXPENSES BY NATURE

The details of expenses by nature for the accounting periods of 1 January - 31 December 2022 and 2021 are as follows:

	1 January- 31 December 2022	1 January- 31 December 2021
Personnel expenses	317.550.458	182.458.640
Installation, maintenance and support expense	115.282.363	58.422.454
Amortization and depreciation expense	68.230.497	53.688.992
System services expenses	26.663.471	14.789.637
Consultancy expenses	18.578.429	12.822.178
Communication expense	14.715.744	12.298.743
Score service expenses	12.026.106	8.383.059
Query services expenses	10.349.543	7.510.042
Taxes and other liabilities	6.195.864	4.885.841
Electricity, water and fuel cost	4.523.833	17.938.704
Insurance expenses	3.443.900	2.521.543
Amortisation expense related with leases	3.059.339	3.327.139
Travel expenses	-	583.559
Other	86.865.612	14.085.172
<b>Total</b>	<b>687.485.159</b>	<b>393.715.703</b>

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#### 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 2022 and 2021 are as follows:

	1 January- 31 December 2022	1 January- 31 December 2021
Provisions no longer required	5.483.880	2.262.851
Mutual funds income	1.332.552	764.601
Other income	2.551.281	2.739.705
<b>Total</b>	<b>9.367.713</b>	<b>5.767.157</b>

The details of the Company's other operating expenses for the accounting periods of 1 January - 31 December 2022 and 2021 are as follows:

	1 January- 31 December 2022	1 January- 31 December 2021
Expected credit loss provision expense	(188.088)	(98.041)
Other expenses (-)	(164.599)	(550.776)
<b>Total</b>	<b>(352.687)</b>	<b>(648.817)</b>

#### 22. FINANCIAL INCOMES AND EXPENSES

The details of financing income and expenses of the Company for the periods 1 January - 31 December 2022 and 2021 are as follows:

	1 January- 31 December 2022	1 January- 31 December 2021
<b>Financial income</b>		
Interest income on time deposits	42.414.561	19.019.871
Foreign exchange gains	29.457.209	95.718.517
<b>Total</b>	<b>71.871.770</b>	<b>114.738.388</b>
<b>Financial expenses (-)</b>		
Foreign exchange loss	(6.673.777)	(64.899.150)
Interest expense	(664.554)	(984.303)
<b>Total</b>	<b>(7.338.331)</b>	<b>(65.883.453)</b>

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#### 23. TAX ASSETS AND LIABILITIES

	31 December 2022	31 December 2021
Prepaid corporate tax (-)	(20.182.514)	(21.728.651)
Provision for corporate tax	-	19.107.827
<b>Current period tax (asset)/liability, net</b>	<b>(20.182.514)</b>	<b>(2.620.824)</b>

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. In Turkey, 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 January 1, 2021. However, with the Law No. 7316 on the Collection Procedure of Public Claims and the Law on Amendments to Certain Laws, which entered into force after being published in the Official Gazette dated April 22, 2021 and numbered 31462, with the Provisional Article 13 added to the Corporate Tax Law No. 5520, the corporate tax rate has been disposed to be 23% for corporate earnings for the 2022 taxation period. Therefore, the Company used 23% tax rate in the calculation of the period tax for 2022. Within the scope of the said amendment, the tax rate used from the deferred tax calculation in the financial statements dated 31 December 2022 is 20% (31 December 2021: 23% and 20% for the portions of temporary differences that will have tax effects in 2022 and beyond).

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 Turkey, 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 Turkey are subject to 15% income tax.

Dividend payments made from joint stock companies resident in Turkey to joint stock companies also resident in Turkey 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, as of December 31, 2017, 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. 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 Turkey, 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.

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#### 23. TAX ASSETS AND LIABILITIES (Continued)

##### Income tax withholding

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 Turkey and resident corporations in Turkey 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 2022 and 2021 are summarized below:

	1 January- 31 December 2022	1 January- 31 December 2021
Current tax charge	-	(19.107.827)
Deferred tax income/(expense)	7.232.263	(5.397.165)
<b>Total</b>	<b>7.232.263</b>	<b>(24.504.992)</b>

As of 31 December 2022 and 2021, the Company's tax reconciliation is presented as follows:

	1 January- 31 December 2022	1 January- 31 December 2021
<b>Profit before tax</b>	<b>(9.031.783)</b>	<b>95.983.316</b>
Theoretical tax expense		
calculated with current tax rate (-)	2.077.310	(24.952.950)
Effect of change in tax rate <sup>(1)</sup>	-	(468.467)
(Disallowable expenses)/discounts, net	5.154.953	916.425
<b>Total tax expense</b>	<b>7.232.263</b>	<b>(24.504.992)</b>

<sup>(1)</sup> 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 20% for taxable gains in 2023 and beyond, respectively (31 December 2021: 25%, 23% and 20% for taxable gains in 2021, 2022 and beyond, respectively).

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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 2022 and 2021 are as follows:

	Total temporary differences		Deferred tax assets /(liabilities)	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Provision for termination (Note 14)	17.548.495	5.577.417	3.509.699	1.115.483
Provision for unused vacation (Note 14)	17.363.021	8.940.604	3.472.604	2.056.339
Deductible R&D incentive	17.308.809	-	3.461.762	-
Provision for expected credit loss (Note 2.4)	188.088	98.041	37.618	22.549
Lease liabilities	454.188	441.149	90.838	101.464
<b>Deferred tax assets</b>	<b>52.862.601</b>	<b>15.057.211</b>	<b>10.572.521</b>	<b>3.295.835</b>
Depreciation adjustment of tangible and intangible assets (-)	(93.071.369)	(91.751.493)	(18.614.274)	(21.102.843)
<b>Deferred tax liabilities (-)</b>	<b>(93.071.369)</b>	<b>(91.751.493)</b>	<b>(18.614.274)</b>	<b>(21.102.843)</b>
<b>Deferred tax liabilities (-), net</b>			<b>(8.041.753)</b>	<b>(17.807.008)</b>

The details of the movement table of the deferred tax liabilities for the periods ended at 31 December 2022 and 2021 are as follows:

	2022	2021
<b>Beginning of the period - 1 January</b>	<b>(17.807.008)</b>	<b>(12.090.816)</b>
Deferred tax expense recognized under the statement of profit or loss (-)	7.232.263	(5.397.165)
Deferred tax (expense)/income recognized under equity	2.532.992	(319.027)
<b>End of the period - 31 December</b>	<b>(8.041.753)</b>	<b>(17.807.008)</b>

##### Transfer pricing

In Turkey, 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 that is not legally accepted for corporate tax.

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#### 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 2022 and 2021 are as follows:

	1 January- 31 December 2022	1 January- 31 December 2021
Income from sale of tangible and intangible assets	212.436	556.236
<b>Total</b>	<b>212.436</b>	<b>556.236</b>

#### 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 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 2022 and 2021, the credit risk exposure for the financial instruments is as follows:

31 December 2022	Trade Receivables		Other Receivables		Cash and Cash Equivalents at Banks	
	Related party	Third party	Related party	Third party	Related party	Third party
<b>Maximum amount of credit risk exposed as of reporting date (A+B+C+D+E)</b>	<b>77.647.188</b>	<b>31.424.385</b>	-	-	<b>222.175.552</b>	<b>8.341.406</b>
- Maximum credit risk secured guarantees etc.	-	-	-	-	-	-
<b>A.</b> 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>B.</b> Book value of financial assets that are restricted, otherwise which will be recognized as overdue or impaired (3, 4)	-	-	-	-	-	-
<b>C.</b> Net book value of assets past due but not impaired (5)	-	-	-	-	-	-
- Secured by guarantees etc.	-	-	-	-	-	-
<b>D.</b> 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.	-	-	-	-	-	-
<b>E.</b> Off-balance items exposed to credit risk	-	-	-	-	-	-

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

### 25. NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

#### a) Credit risk (Continued):

31 December 2021	Trade Receivables		Other Receivables		Cash and Cash Equivalents at Banks	
	Related party	Third party	Related party	Third party	Related party	Third party
<b>Maximum amount of credit risk exposed as of reporting date (A+B+C+D+E)</b>	<b>42.871.515</b>	<b>3.120.988</b>	-	-	<b>151.078.117</b>	<b>42.412.517</b>
- Maximum credit risk secured guarantees etc.	-	-	-	-	-	-
<b>A.</b> Net book value of neither past due not impaired financial assets (3)	42.871.515	3.120.988	-	-	151.078.117	42.412.517
<b>B.</b> Book value of financial assets that are restricted, otherwise which will be recognized as overdue or impaired (3, 4)	-	-	-	-	-	-
<b>C.</b> Net book value of assets past due but not impaired (5)	-	-	-	-	-	-
- Secured by guarantees etc.	-	-	-	-	-	-
<b>D.</b> 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.	-	-	-	-	-	-
<b>E.</b> Off-balance items exposed to credit risk	-	-	-	-	-	-



## CONVENIENCE TRANSLATION INTO ENGLISH OF EXPLANATORY NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 ORIGINALLY ISSUED IN TURKISH

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

### 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 2022 and 2021, the analysis of liquidity risk by type of financial liability is as follows:

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)
<b>Non derivative financial liabilities</b>					
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	-	-
<b>Total</b>	<b>204.249.877</b>	<b>204.396.018</b>	<b>201.919.163</b>	<b>1.890.452</b>	<b>586.403</b>
31 December 2021					
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)
<b>Non derivative financial liabilities</b>					
Lease liabilities	5.622.019	6.713.586	987.119	1.823.187	3.903.280
Trade payables	63.434.413	63.434.413	63.434.413	-	-
Other payables	8.008.356	8.008.356	8.008.356	-	-
<b>Total</b>	<b>77.064.788</b>	<b>78.156.355</b>	<b>72.429.888</b>	<b>1.823.187</b>	<b>3.903.280</b>



## CONVENIENCE TRANSLATION INTO ENGLISH OF EXPLANATORY NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 ORIGINALLY ISSUED IN TURKISH

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

### 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 TRY.

Foreign currency position table:

	31 December 2022		31 December 2021			
	Total	Euro	US Dollar	Total	Euro	US Dollar
1 Trade receivables	-	-	-	-	-	-
2a Monetary financial assets (including cash, cash at banks etc.)	122.563.820	13.958.661	108.605.159	42.973.735	8.302.270	34.671.465
2b Non-monetary financial assets	-	-	-	-	-	-
3 Other	-	-	-	-	-	-
4 <b>Current assets (1+2+3)</b>	<b>122.563.820</b>	<b>13.958.661</b>	<b>108.605.159</b>	<b>42.973.735</b>	<b>8.302.270</b>	<b>34.671.465</b>
5 Trade receivable	-	-	-	-	-	-
6a Monetary financial assets	881.487	837.266	44.221	31.523	31.523	-
6b Non-monetary financial assets	-	-	-	-	-	-
7 Other	-	-	-	-	-	-
8 <b>Non current assets (5+6+7)</b>	<b>881.487</b>	<b>837.266</b>	<b>44.221</b>	<b>31.523</b>	<b>31.523</b>	<b>-</b>
9 <b>Total assets (4+8)</b>	<b>123.445.307</b>	<b>14.795.927</b>	<b>108.649.380</b>	<b>43.005.258</b>	<b>8.333.793</b>	<b>34.671.465</b>
10 Trade payables	(108.754.431)	(3.239.633)	(105.514.798)	(33.955.111)	(4.276.540)	(29.678.571)
11 Financial liabilities	-	-	-	-	-	-
12a Other monetary liabilities	-	-	-	-	-	-
12b Other non-monetary liabilities	-	-	-	-	-	-
13 <b>Short-term liabilities (10+11+12)</b>	<b>(108.754.431)</b>	<b>(3.239.633)</b>	<b>(105.514.798)</b>	<b>(33.955.111)</b>	<b>(4.276.540)</b>	<b>(29.678.571)</b>
14 Trade payable	-	-	-	-	-	-
15 Financial liabilities	-	-	-	-	-	-
16a Other monetary liabilities	-	-	-	-	-	-
16b Other non-monetary liabilities	-	-	-	-	-	-
17 <b>Long-term liabilities (15+16+17)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
18 <b>Total liabilities (13+17)</b>	<b>(108.754.431)</b>	<b>(3.239.633)</b>	<b>(105.514.798)</b>	<b>(33.955.111)</b>	<b>(4.276.540)</b>	<b>(29.678.571)</b>
19 <b>Net assets/(liabilities) position of off-balance sheet derivative instrument (19a-19b)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
19a Total amount of hedged assets	-	-	-	-	-	-
19b Total amount of hedged liabilities	-	-	-	-	-	-
20 <b>Net foreign currency position of assets/(liabilities) (9-18+19)</b>	<b>14.690.876</b>	<b>11.556.294</b>	<b>3.134.582</b>	<b>9.050.147</b>	<b>4.057.253</b>	<b>4.992.894</b>
21 <b>Net foreign currency positions of assets/liabilities(monetary items) (1+2a+5+6a-10-11-12a-14-15-16a)</b>	<b>14.690.876</b>	<b>11.556.294</b>	<b>3.134.582</b>	<b>9.018.624</b>	<b>4.025.730</b>	<b>4.992.894</b>

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

### 25. NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

#### i) Currency risk (Continued)

Exchange rate sensitivity table

	31 December 2022		31 December 2021	
	Profit/loss	Profit/loss	Appreciation of foreign currency	Depreciation of foreign currency
<b>In case of 20% change in the value of US Dollars against TL:</b>				
1- US Dollar net asset/liability	626.916	(626.916)	998.579	(998.579)
2- US Dollar currency hedging (-)	-	-	-	-
<b>3- US Dollar effect-net (1+2)</b>	<b>626.916</b>	<b>(626.916)</b>	<b>998.579</b>	<b>(998.579)</b>
<b>In case of 20% change in the value of Euro against TL:</b>				
4- Euro net asset/liability	2.311.259	(2.311.259)	811.451	(811.451)
5- Euro currency hedging (-)	-	-	-	-
<b>6- Euro effect-net (4+5)</b>	<b>2.311.259</b>	<b>(2.311.259)</b>	<b>811.451</b>	<b>(811.451)</b>
<b>Total (3+6)</b>	<b>2.938.175</b>	<b>(2.938.175)</b>	<b>1.810.030</b>	<b>(1.810.030)</b>

## KKB KREDİ KAYIT BÜROSU A.Ş.

### CONVENIENCE TRANSLATION INTO ENGLISH OF EXPLANATORY NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 ORIGINALLY ISSUED IN TURKISH

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

#### 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 2022	31 December 2021
<b>Fixed rate financial instruments</b>		
Time deposits	210.038.808	185.701.230
Short term borrowings	-	-

As of 31 December 2022, the Company has no interest-sensitive financial assets, (31 December 2021: 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 trying 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.





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### 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 2022 and 2021, the carrying amount and fair value of financial assets and liabilities are as follows:

	31 December 2022		31 December 2021	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets</b>				
Cash and cash equivalents	230.516.958	230.697.884	193.490.634	193.585.791
Trade receivables	109.071.573	109.078.735	45.992.503	45.995.387
<b>Financial liabilities</b>				
Trade payables	177.056.474	177.056.474	63.434.413	63.434.413

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 2022 and 2021, the Company does not have any financial assets or liabilities which are carried at fair value.

### 27. SUBSEQUENT EVENTS

On February 6, 2023, due to the earthquakes centered in Kahramanmaraş, which affected many provinces and shook our entire country, it was decided to declare a state of emergency for three months in the provinces of Adana, Adıyaman, Diyarbakır, Gaziantep, Hatay, Kahramanmaraş, Kilit, Malatya, Osmaniye and Şanlıurfa in accordance with the Official Gazette dated Wednesday, February 8, 2023 and numbered 32098.

Since the earthquake experienced and the measures taken, the economic effects in the provinces exposed to the earthquake are uncertain as of the reporting date, the developments regarding the natural disaster in question are closely monitored and studies for due diligence are ongoing.

