

A legacy of trust for over 30 years...

KKB Annual Report 2024



Fiscal Period of the Report:
Commercial Title:
Trade Registry No.:
MERSIS Number:
Tax Office/Number:
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Website:
Call Center:

01.01.2024-31.12.2024
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With its technological infrastructure, products and services that stand out through innovation, commitment to information security, and a sustainability mindset, KKB symbolizes trust in the financial world.

Beyond being a credit bureau, KKB is also preparing a sustainable future through its operations not only for financial institutions but also for individuals and the real sector. *It transforms information into reliable outcomes that contribute to future success.*

It has been 30 years since KKB's establishment as a joint venture of nine banks. During this time, KKB has pioneered many initiatives and continues to do so.

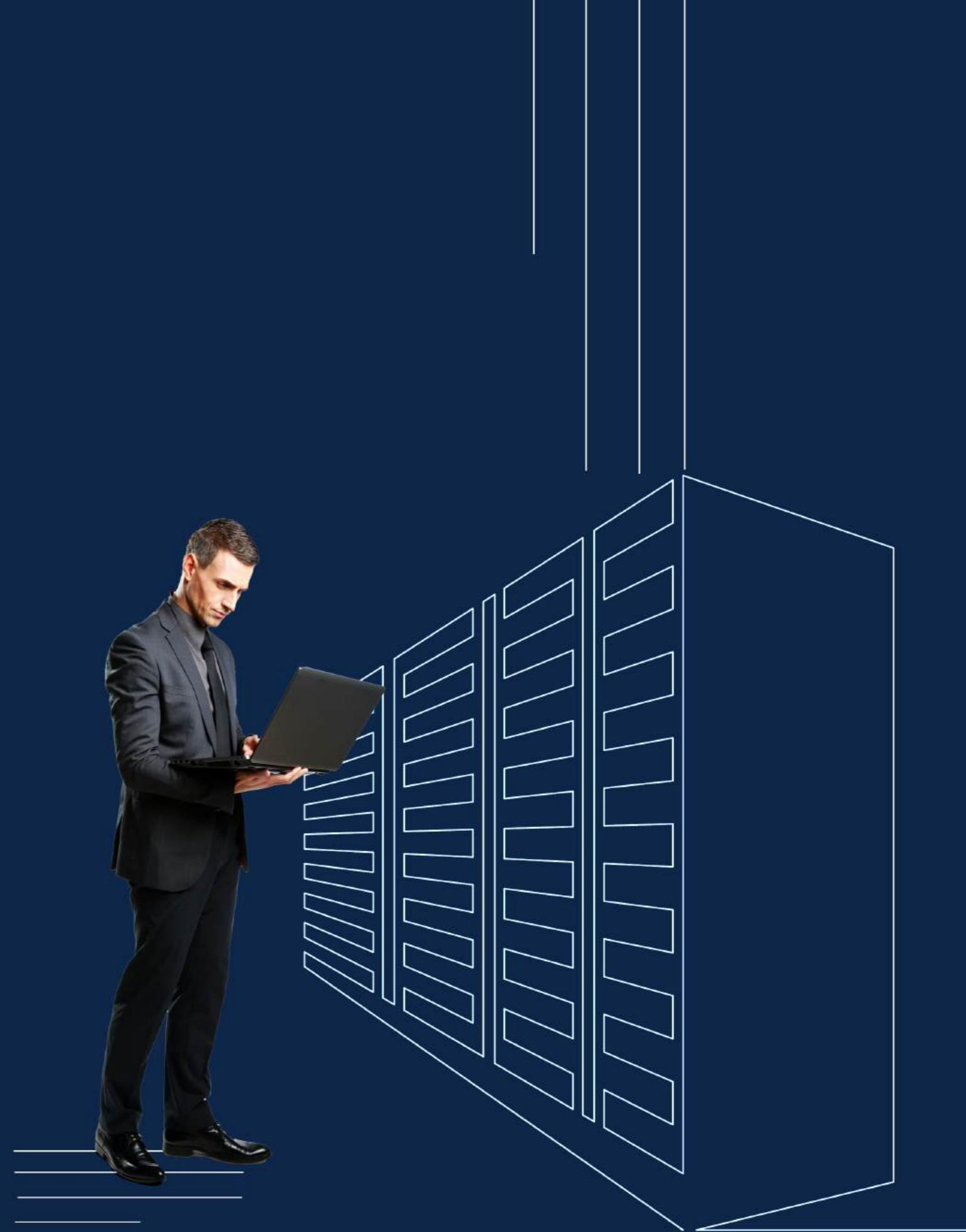
KKB remains at the forefront of technology, innovation, and the future.



Nurturing a Future Built on **Trust for**

30 years

KKB creates value-added for the financial system with hundreds of members, a robust technological infrastructure, and a staff of subject matter experts. It enhances financial efficiency through its data collection and processing capabilities and also plays a crucial role in safeguarding data security. The Anadolu Data Center, with its cutting-edge technologies, is positioned to meet the critical needs of Turkish financial institutions regarding data protection, storage, and management.



Celebrating a Legacy
of Success and
Trust for

10 
years

As a provider of effective applications and solutions tailored to the needs of individuals and the real sector, Findeks is celebrating its 10th anniversary with 8 million members.

FINDEKS 10.yıl



Pioneering a
Sustainable
Future **through**
Innovation for

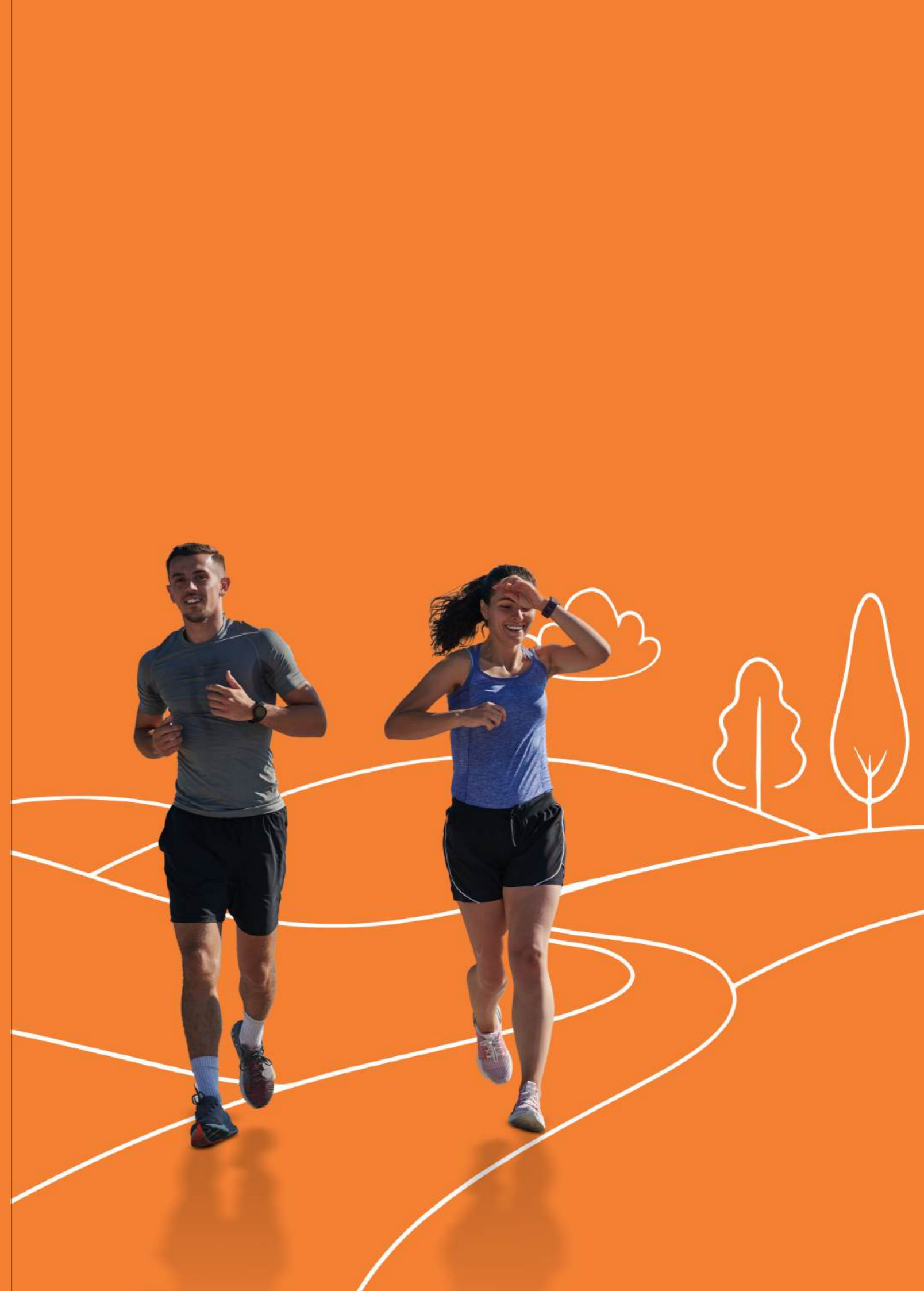
30
years

KKB assumed an important responsibility in green transition and has launched Greendeks to address the financial system's sustainability needs. The Greendeks sustainability index is designed to be an essential tool for measuring companies' environmental, social, and governance performance.



Fostering a Responsible Future with **Commitment for** **30** years

KKB is dedicated to driving social benefit through its corporate social responsibility initiatives carried out in accordance with its corporate values. It undertakes lasting initiatives through corporate social responsibility and employee volunteerism.



1. ABOUT KKB

A pioneer in the financial sector

Kredi Kayıt Bürosu (KKB), a pioneering institution in the Turkish financial sector, offers its members and clients services in credit information sharing, risk management, and financial solutions.


Kredi Kayıt Bürosu (KKB), established on April 11, 1995, through the partnership of nine banks and recognized as one of the most established organizations in the financial sector, has a total of 197 members as of December 31, 2024. These include:

- 64 banks,
- 24 consumer finance,
- 48 factoring,
- 19 financial leasing,
- 10 insurance,
- 24 asset management,
- 8 other companies.

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

With the issuance of Law No. 6111 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 was established under 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 these institutions and with the customers themselves, or with any private legal entities and third parties, provided that the customers have given their consent.

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 197 financial institutions which are members of the Risk Center (RC).

 **197**
Total Number
of Members

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 2024 year-end, KKB offers 95 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.

As of the end of 2024, KKB minimizes uncertainty in commercial life and transforms data into a secure future, backed by its knowledge and a qualified, specialized workforce of 709 employees. 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.



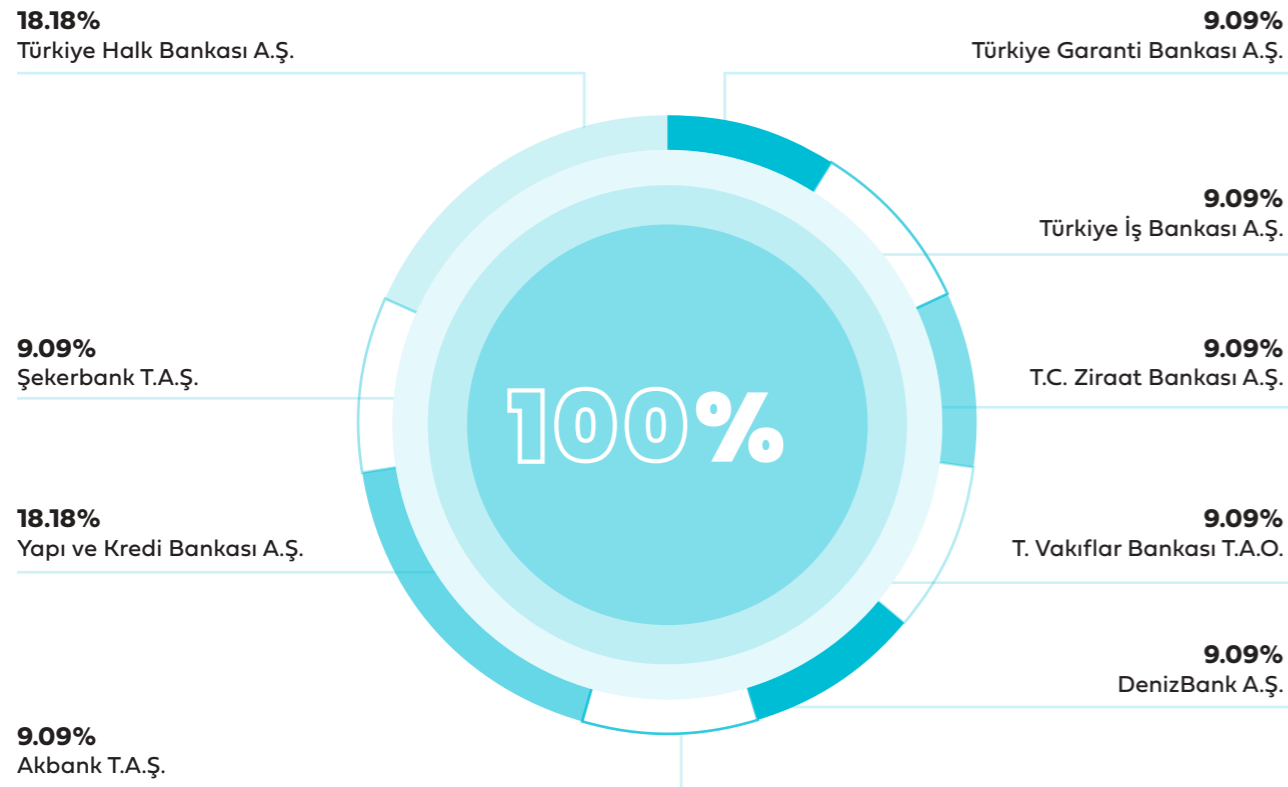
1.6
Billion
LCS
Inquiries



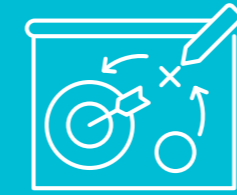
2. SHAREHOLDING STRUCTURE

The strength derived
from Türkiye's
leading banks

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



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.

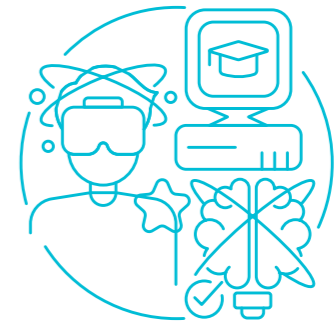
Main Strategies

The main strategies determined by KKB for 2024 were as follows:



Basic Bureau Services

Performing other services, as defined by contracts, particularly data collection, storage, and sharing, provided to the TBB Risk Center, in accordance with the highest security and service standards. This is done by leveraging KKB's expertise in information gathering, secure storage, sharing, and the development of value-added products and services to meet similar needs across various sectors. Additionally, this includes enhancing data resources to achieve these objectives and providing the necessary analysis and reports to support stakeholders' 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.

2024

Artificial Intelligence has been included among the strategic priorities for 2024, with the goal of developing new products through data analysis and modeling.

3. VISION, MISSION AND STRATEGIES

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.

2024

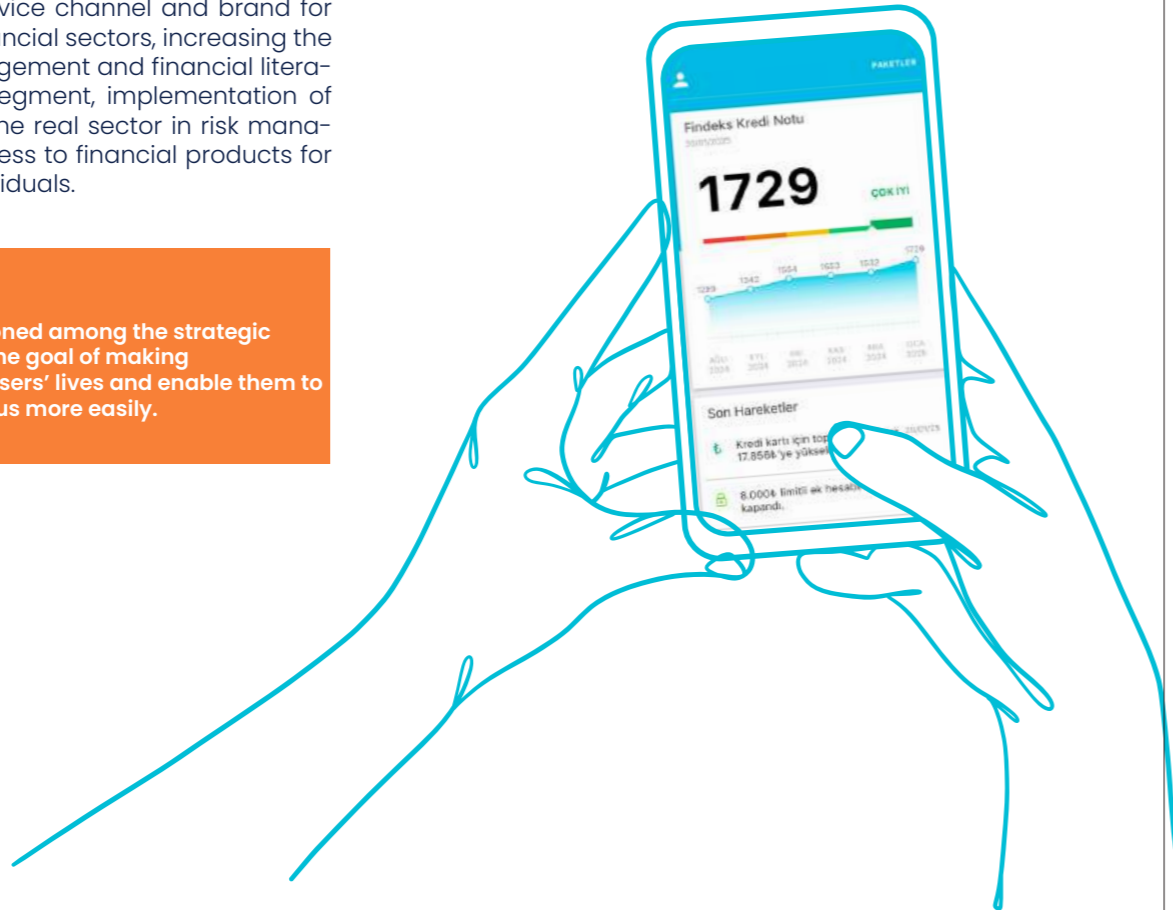
In 2024, the Digital Document Center has been included among the strategic priorities with the aim of developing a solution to transfer the commercial customers' documents of banks to a digital platform and enable these documents to be viewed by all banks.

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.

2024

Findeks has been positioned among the strategic priorities for 2024, with the goal of making improvements to ease users' lives and enable them to track their financial status more easily.



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.

2024

KKB, which generates value for the reliability and transparency of the financial and commercial ecosystem, has included sustainability among its strategic priorities for 2024. As part of its sustainability strategy, KKB has launched Greendeks, a service that reports the current sustainability status of institutions based on ESG (Environmental, Social, and Governance) criteria, identifies areas for improvement, provides action recommendations, and facilitates access to green finance.



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.

2024

In 2024, "Simplicity and Efficiency" has been prioritized as a strategic focus. Through company-wide efforts, focus has been placed on activities aimed at optimizing processes, products, technologies (tools), and the organization itself to enable employees to work effectively and purposefully.



4. CORPORATE VALUES

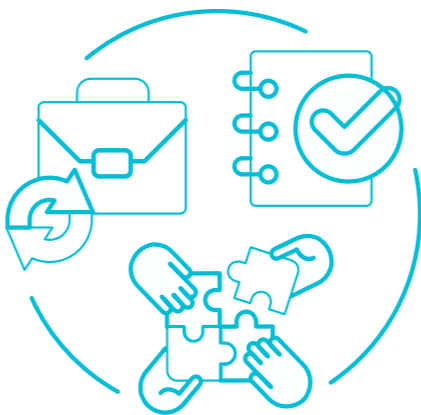
Rooted in strong values

KKB’s corporate values support the continuous development of its products, service quality, and technological infrastructure.



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

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



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

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



5. AWARDS AND ACHIEVEMENTS

A journey full of pride
and enthusiasm

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
The second price at IDC Türkiye Finance Summit “Best Financial Technology Projects of the Year” awards

Audio Question Bank Project
Association of Private Sector Volunteers The “Most Successful Volunteering Project” Award
Prizes at the Felis Awards, organized by MediaCat, in the categories of “Education” and “Voluntary Work for Disabled People” under the main heading of Social Responsibility and Sustainability

2019
QR Code Cheque System Project
The Golden Sardis Award in the “Product and Service Innovation” category at the Sardis Awards

Electronic Letter of Guarantee Project
The Silver Sardis Award in the “Product and Service Innovation” category at the Sardis Awards

Audio Question Bank Project
The Innovation Award at the Corporate Social Responsibility Awards organized by the Turkish Confederation of Employers’ Associations (TİSK)
The Grand Prize in the “Organizations Adding Value to Sustainable Development Goals” category at the Corporate Social Responsibility Summit.
The Gold Award in the “Social Responsibility Project Communications” category at the Istanbul Marketing Awards

2020
Findeks Mobile Project
The Silver Sardis Award in the “Product and Service Innovation” category at the Sardis Awards

“Findeks Renewed Mobile App Communications” Campaign
The Bronze Effie Award in the “Banks and Financial Institutions” category at the Effie 2020 Awards

Corporate Performance Management Application
The first prize in the “Future of Business – Metrics & KBIs” category at the IDC Türkiye CIO Summit Awards

Digital Transformation Project
The second prize in the “Digital Trailblazer” category at the IDC DX Awards 2020

2021
Turkish ID Number-GSM Verification Service
The second prize in the category of “Corporate Banking” at IDC Türkiye Finance Technology Awards

Mobile Application Test Automation Infrastructure Project
The second prize in the “Future of Digital Infrastructure” category of IDC Türkiye Digital Transformation Awards

Third Party Risk Management Program
The third prize in the category of “Security and Fraud Management” at IDC Türkiye Finance Technology Awards

UCMDB Content Enrichment Project
The second prize at IDC Türkiye Finance Technology Awards

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

KKB TARDES Service
Türkiye’s most innovative 50 companies list determined by Fast Company magazine

2022
Strategic Performance Management Platform and Methodology (OKR) Project
IDC Türkiye CIO Summit 2022 The second prize in “Metrics and Key Business Indicators” in Future of Business Awards

Robotic Process Request Management Methodology Project
The third prize in “Automation” category in IDC Türkiye CIO Summit 2022 Future of Business Awards

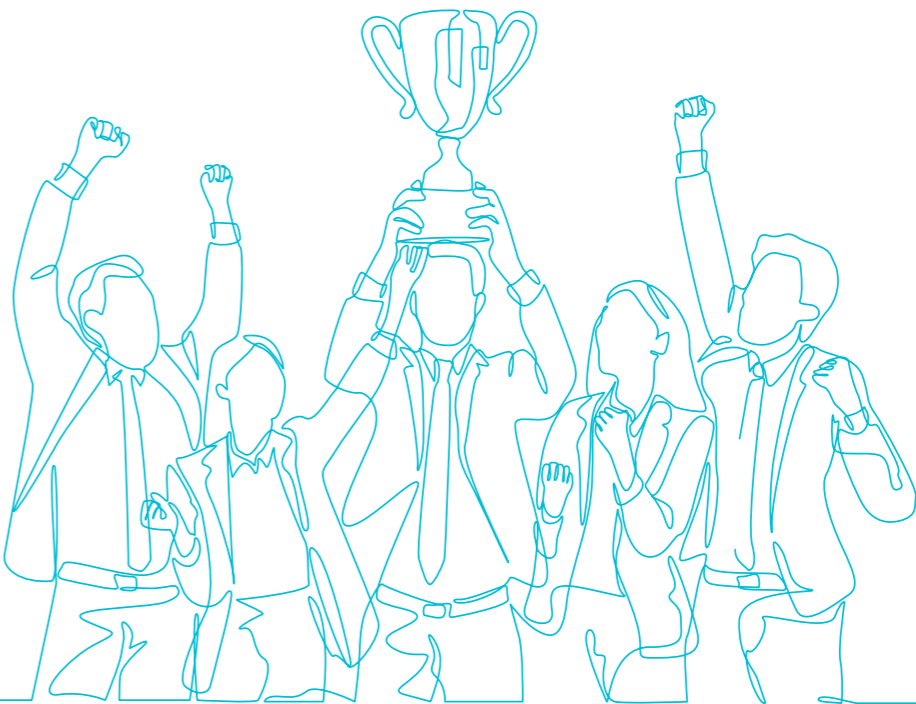
2023
Findeks and KOSGEB Enterprise Assessment Report (EAR) Integration Cooperation Project
First prize in the “Effective Coopetition” category at PSM Awards

2024
TEGEP Education and Development Platform Association Learning and Development Awards
“Best Internal Trainer Development Program” Award.

IDC Türkiye, Artificial Intelligence-based Test Automation Project
“Best IT Cost Efficiency Project of the Year” Award.

Great Place to Work
Türkiye’s Best Employers Award, Best Large 500-999 Category.

Achievements
recognized with
awards



6. MEMBERS

Member Type	2018	2019	2020	2021	2022	2023	2024
Bank	52	53	54	55	57	63	64
Factoring	59	56	55	54	49	49	48
Financial Leasing	24	23	22	22	21	20	19
Consumer Financing	14	15	15	17	19	20	24
Asset Management Companies	18	21	18	21	23	24	24
Insurance and Other	13	13	14	16	17	18	18
Total	180	181	178	185	186	194	197*

* As of 31 December 2024, the number of KKB members is 185 and this figure identifies the members who are served through the Risk Center.

BANKS
AKBANK T.A.Ş.
AKTİF YATIRIM BANKASI A.Ş.
ALBARAKA TÜRK KATILIM BANKASI A.Ş.
ALTERNATİF BANK A.Ş.
ANADOLUBANK A.Ş.
ARAP TÜRK BANKASI A.Ş.
BANK MELLAT TEHRAN HEADQUARTERS – İSTANBUL TÜRKİYE BRANCH
BANK OF AMERICA YATIRIM BANK A.Ş.
BANK OF CHINA TURKEY A.Ş.
BANKPOZİTİF KREDİ KAL BANK A.Ş.
BİRLEŞİK FON BANKASI A.Ş.
BURGAN BANK A.Ş.
CITIBANK A.Ş.
D YATIRIM BANKASI A.Ş.
DENİZBANK A.Ş.
DESTEK YATIRIM BANKASI A.Ş.
DEUTSCHE BANK A.Ş.
DİLER YATIRIM BANK A.Ş.
DÜNYA KATILIM BANKASI A.Ş.
ENPARA BANK A.Ş.
FIBABANKA A.Ş.
GOLDEN GLOBAL YATIRIM BANKASI A.Ş.
GSD YATIRIM BANK A.Ş.
HABİB BANK LIMITED PAKISTAN HEADQUARTERS – İSTANBUL TÜRKİYE BRANCH
HAYAT FİNANS KATILIM BANKASI A.Ş.
HEDEF YATIRIM BANKASI A.Ş.
HSBC BANK A.Ş.
ICBC TURKEY BANK A.Ş.
INTESA SANPAOLO S.P.A. ITALY İSTANBUL HEADQUARTERS BRANCH
İLLER BANKASI
ING BANK A.Ş.
İSTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.
JPMORGAN CHASE BANK NATIONAL ASSOCIATION MERKEZİ COLUMBUS OHIO İSTANBUL TÜRKİYE BRANCH
KUVEYT TÜRK KATILIM BANKASI A.Ş.
MİSYON YATIRIM BANKASI A.Ş.
MUFG BANK TURKEY A.Ş.
NUROL YATIRIM BANK A.Ş.
ODEA BANK A.Ş.
PASHA YATIRIM BANKASI A.Ş.
Q YATIRIM BANKASI A.Ş.
QNB BANK A.Ş.
RABOBANK A.Ş.

SOCIETE GENERALE S.A.PARİS MERKEZİ FRANSA İSTANBUL TÜRKİYE HEADQUARTERS BRANCH
STANDARD CHARTERED YATIRIM BANKASI TÜRK A.Ş. HEAD OFFICE
ŞEKERBANK T.A.Ş.
T.C. ZİRAAT BANKASI A.Ş.
T.GARANTİ BANKASI A.Ş.
T.SİNÂİ KALKINMA BANKASI A.Ş.
T.VAKIFLAR BANKASI T.A.O.
TERA YATIRIM BANKASI A.Ş.
TOM KATILIM BANKASI A.Ş.
TURKISH BANK A.Ş.
TURKLAND BANK A.Ş.
TÜRK EKONOMİ BANKASI A.Ş.
TÜRK TİCARET BANKASI A.Ş.
TÜRKİYE EMLAK KATILIM BANKASI A.Ş.
TÜRKİYE FİNANS KAT BANKASI A.Ş.
TÜRKİYE HALK BANKASI A.Ş.
TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
TÜRKİYE İŞ BANKASI A.Ş.
TÜRKİYE KALKINMA VE YATIRIM BANKASI A.Ş.
VAKIF KATILIM BANKASI A.Ş.
YAPI VE KREDİ BANKASI A.Ş.
ZİRAAT KATILIM BANKASI A.Ş.

FINANCIAL LEASING COMPANIES
AT FİNANSAL KİRALAMA A.Ş.
AK FİNANSAL KİRALAMA A.Ş.
ALTERNATİF FİNANSAL KİRALAMA A.Ş.
ANADOLU FİNANSAL KİRALAMA A.Ş.
ARI FİNANSAL KİRALAMA A.Ş.
BNP PARIBAS FİNANSAL KİRALAMA A.Ş.
BURGAN FİNANSAL KİRALAMA A.Ş.
DENİZ FİNANSAL KİRALAMA A.Ş.
GARANTİ FİNANSAL KİRALAMA A.Ş.
HALK FİNANSAL KİRALAMA A.Ş.
ING FİNANSAL KİRALAMA A.Ş.
İŞ FİNANSAL KİRALAMA A.Ş.
MİNT FİNANSAL KİRALAMA A.Ş.
PERVİN FİNANSAL KİRALAMA A.Ş.
QNB FİNANSAL KİRALAMA A.Ş.
SIEMENS FİNANSAL KİRALAMA A.Ş.
ŞEKER FİNANSAL KİRALAMA A.Ş.
VAKIF FİNANSAL KİRALAMA A.Ş.
YAPI KREDİ FİNANSAL KİRALAMA A. O.

FAKTORING COMPANIES
ABC FAKTORING A.Ş.
ACAR FAKTORING A.Ş.
AK FAKTORING A.Ş.
AKDENİZ FAKTORING A.Ş.
AKIN FAKTORING A.Ş.
ANADOLU FAKTORING HİZMETLERİ A.Ş.
ATILIM FAKTORING A.Ş.
BAŞER FAKTORING A.Ş.
BAYRAMOĞLU FAKTORING A.Ş.
BİEN FİNANS FAKTORING A.Ş.
CREDITWEST FAKTORING A.Ş.
ÇAĞDAŞ. FİNANS FAKTORING HİZMETLERİ A.Ş.
ÇÖZÜM FAKTORING A.Ş.
DENİZ FAKTORING A.Ş.
DESTEK FİNANS FAKTORING A.Ş.
DORUK FAKTORING A.Ş.
EKO FAKTORING A.Ş.
EKSPO FAKTORING A.Ş.
FİBA FAKTORING A.Ş.
FİGO FİNANS FAKTORING A.Ş.
GARANTİ FAKTORING A.Ş.
GSD FAKTORING A.Ş.
HALK FAKTORING A.Ş.
HUZUR FAKTORING A.Ş.
İSTANBUL FAKTORING A.Ş.
İŞ FAKTORING FİNANSMAN HİZMETLERİ A.Ş.
KAPİTAL FAKTORING A.Ş.
KENT FİNANS FAKTORING A.Ş.
LİDER FAKTORING A.Ş.
MERT FİNANS FAKTORING HİZMETLERİ A.Ş.
MNG FAKTORING HİZMETLERİ A.Ş.
OPTİMA FAKTORING A.Ş.
PARA FİNANS FAKTORING HİZMETLERİ A.Ş.
QNB FİNANS FAKTORING A.Ş.
SÜMER FAKTORING A.Ş.
ŞEKER FAKTORING A.Ş.
ŞİRİNOĞLU FAKTORING A.Ş.
TAM FİNANS FAKTORING A.Ş.
TEB FAKTORING A.Ş.
TERA FİNANS FAKTORING A.Ş.
TRADEWIND FAKTORING A.Ş.
ULUSAL FAKTORING HİZMETLERİ A.Ş.
VAKIF FAKTORING A.Ş.
VDF FAKTORING A.Ş.
YAPI KREDİ FAKTORING A.Ş.
YAŞAR FAKTORING A.Ş.
YEDİTEPE FAKTORING A.Ş.
ZORLU FAKTORING A.Ş.

CONSUMER FINANCE COMPANIES
ALJ FİNANSMAN A.Ş.
DGFİN FİNANSMAN A.Ş.
EVKUR FİNANSMAN A.Ş.
FAİR FİNANSMAN A.Ş.
HEPSİ 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.
ORFİN FİNANSMAN A.Ş.
PRATİK FİNANSMAN A.Ş.
QUICK FİNANSMAN A.Ş.

TEB FİNANSMAN A.Ş.
TİRSAN FİNANSMAN A.Ş.
TOM FİNANSMAN A.Ş.
TT FİNANSMAN A.Ş.
TURK FİNANSMAN A.Ş.
TURKCELL FİNANSMAN A.Ş.
VFS FİNANSMAN A.Ş.
VODAFONE FİNANSMAN A.Ş.
VOLKSWAGEN DOĞUŞ FİNANSMAN A.Ş.
ZİP FİNANSMAN A.Ş.

INSURANCE COMPANIES
AKSİGORTA A.Ş.
ANADOLU ANONİM TÜRK SİGORTA ŞİRKETİ
ATADIUS CREDITO Y CAUCION S.A. DE SEGUROS Y REASEGUROS SPAIN TÜRKİYE İSTANBUL 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.
BOĞAZİÇİ VARLIK YÖNETİM A.Ş.
DENGE VARLIK YÖNETİM A.Ş.
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DÜNYA VARLIK YÖNETİM A.Ş.
EFES VARLIK YÖNETİMİ A.Ş.
EMİR VARLIK YÖNETİM A.Ş.
EPS VARLIK YÖNETİM A.Ş.
GELECEK VARLIK YÖNETİMİ A.Ş.
HEDEF VARLIK YÖNETİM A.Ş.
İLKE VARLIK YÖNETİM A.Ş.
İSTANBUL VARLIK YÖNETİM A.Ş.
MEGA VARLIK YÖNETİM A.Ş.
MET-AY VARLIK YÖNETİM A.Ş.
ORTAK VARLIK YÖNETİM A.Ş.
POZİTİF VARLIK YÖNETİM A.Ş.
SÜMER VARLIK YÖNETİM A.Ş.
TUNA VARLIK YÖNETİM A.Ş.
YUNUS VARLIK YÖNETİM A.Ş.

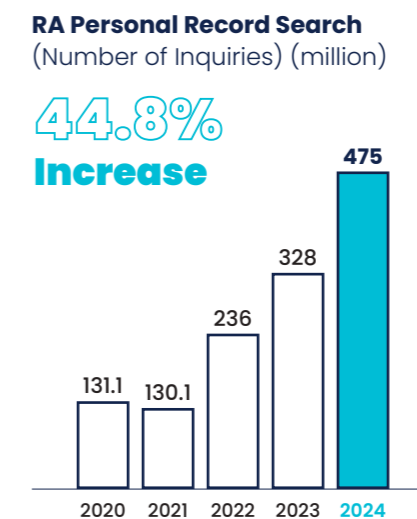
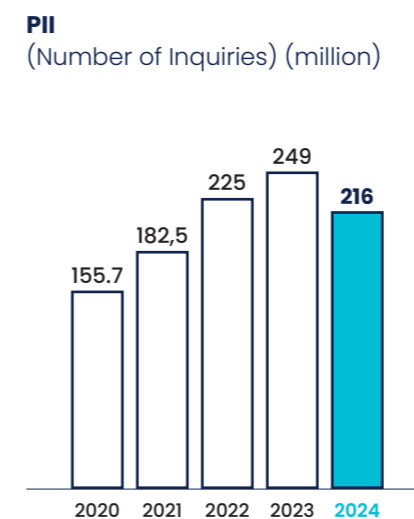
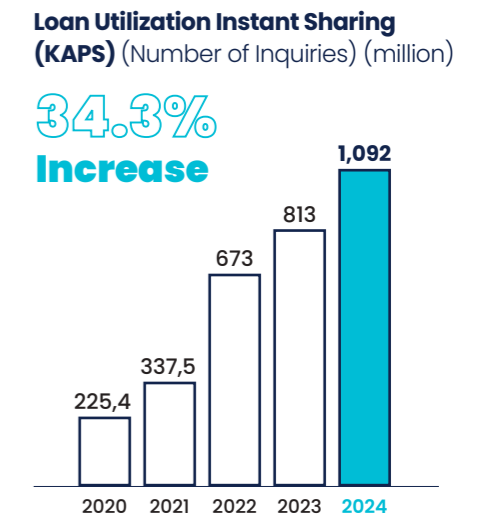
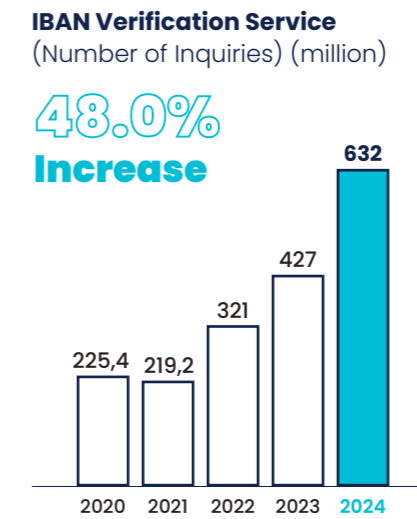
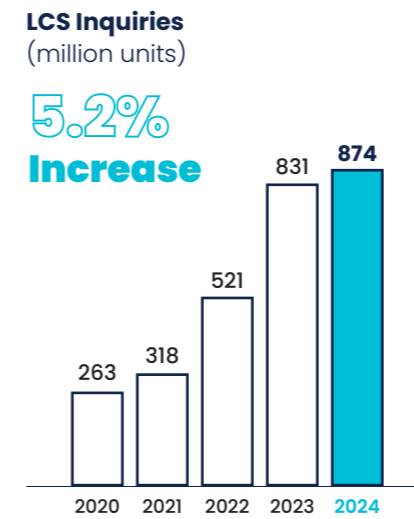
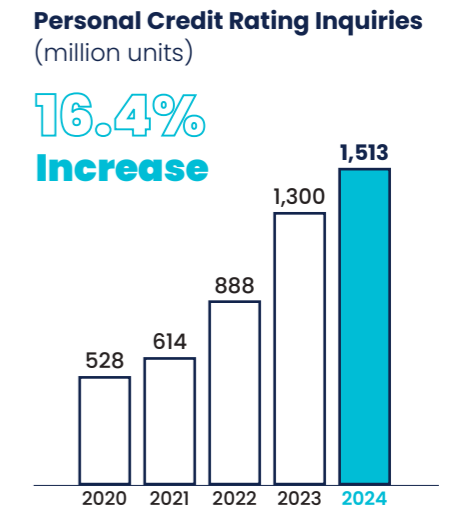
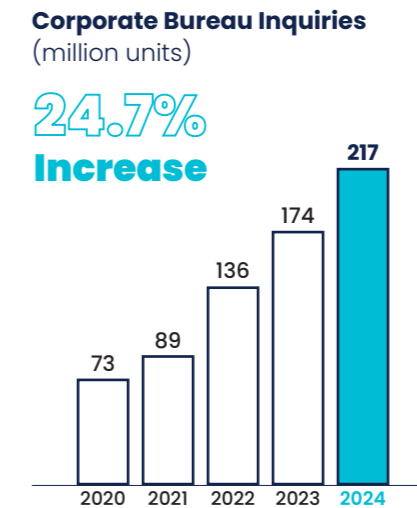
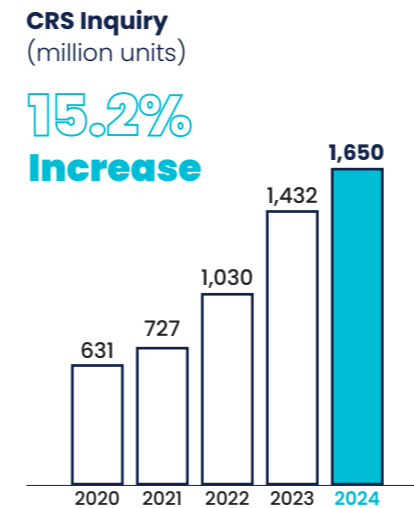
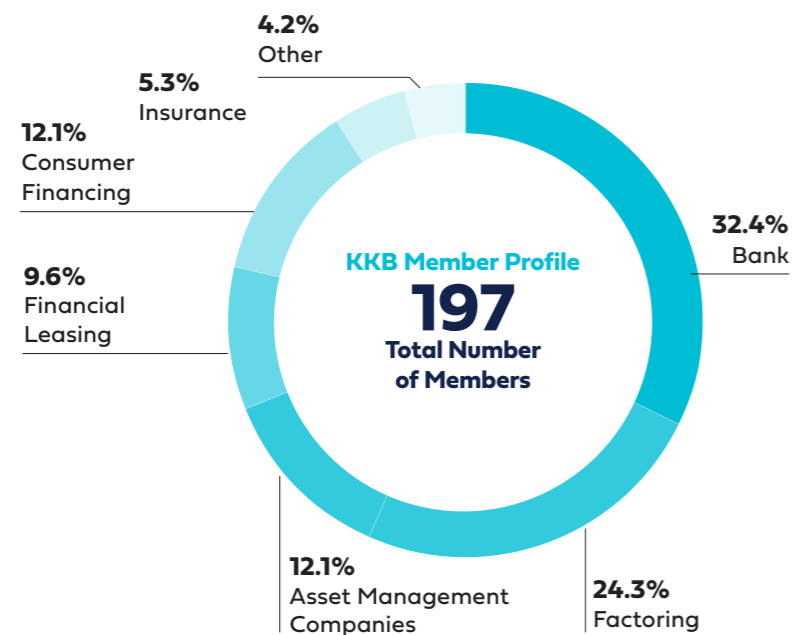
OTHER
BİRLEŞİK İPOTEK FİNANSMANI A.Ş.
BORSA İSTANBUL A.Ş.
İHRACATI GELİŞTİRME A.Ş.
JCR AVRASYA DERECELENDİRME A.Ş.
KATILIM FİNANS KEFALET A.Ş.
KREDİ GARANTİ FONU A.Ş.
SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ORGANIZATION OF TÜRKİYE
AGRICULTURAL CREDIT COOPERATIVES OF TÜRKİYE CENTRAL ASSOCIATION

7. OPERATIONAL INDICATORS

Solid growth in operational indicators

KKB's growth in operational activities highlights its critical role in the financial ecosystem.

(Number of Inquiries) (million)	2020	2021	2022	2023	2024
CRS Inquiry	631	727	1,030	1,432	1,650
Corporate Bureau Inquiries	73	89	136	174	217
Retail Credit Ratings	528	614	888	1,300	1,513
LCS Inquiries	263	318	521	831	874
IBAN Validation Service	90.1	219.2	321	427	632
Loan Utilization Instant Sharing (KAPS)	225.4	337.5	673	813	1,092
PII	155.7	182.5	225	249	216
RA Personal Record Inquiry	131.1	130.1	236	328	475



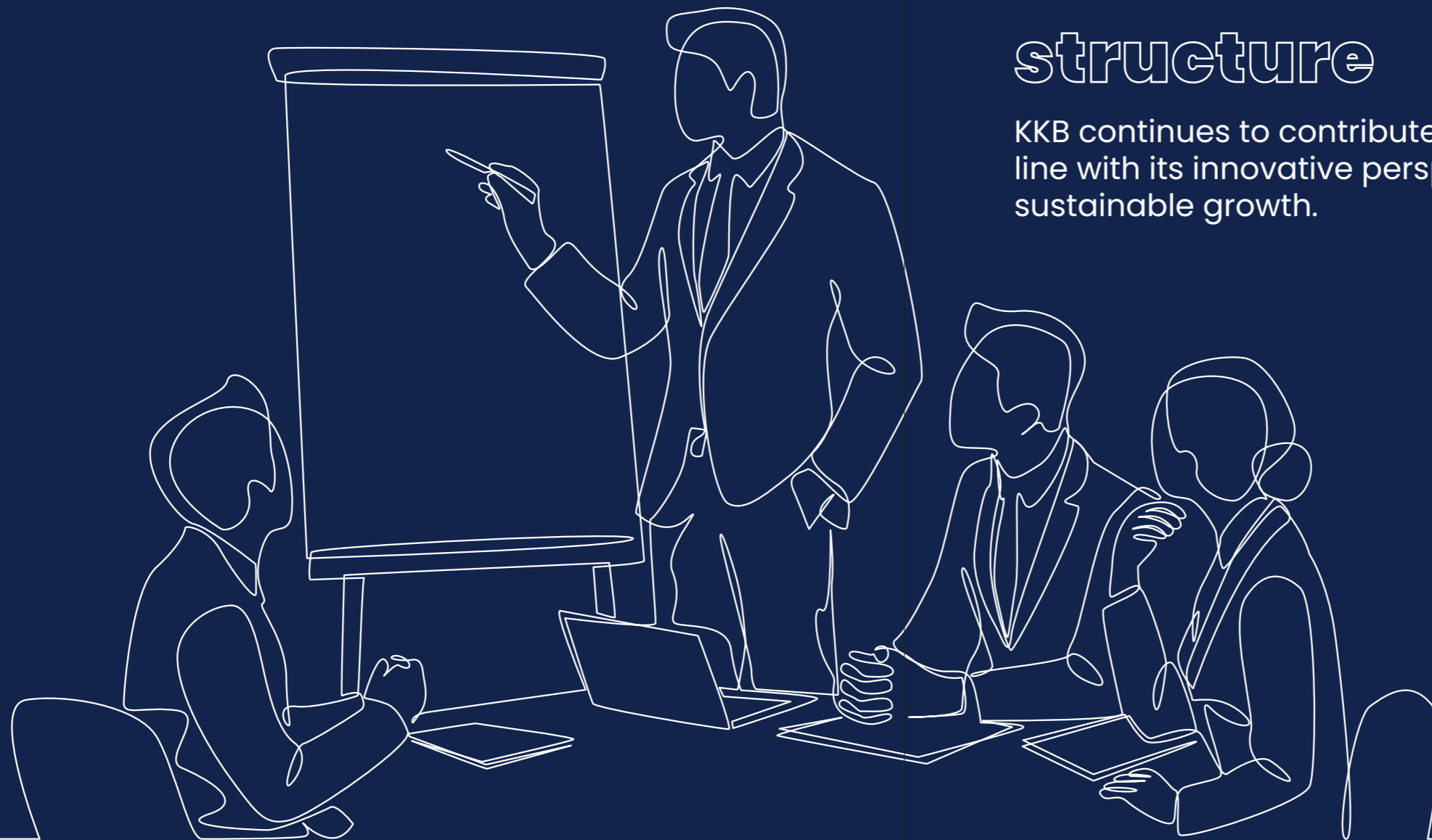
8. MILESTONES



MANAGEMENT

High-performance and efficient organizational structure

KKB continues to contribute to the economy and society in line with its innovative perspective, trust, and principles of sustainable growth.



9. MESSAGE FROM THE CHAIRPERSON

The benchmark of trust and innovation

Since our establishment, we've upheld our role as the guarantee of trust in the banking, finance, and real sectors.

Dear Stakeholders,

The year 2024 has underscored the significant effects of the global economy and international dynamics. In this context, it has become increasingly clear that institutions require robust roadmaps and guiding principles to navigate these challenges effectively. Despite a discernible slowdown in global growth, our country has successfully maintained economic stability through effective monetary policies, fiscal discipline, and structural reforms. By prioritizing financial stability, our economic management team continued to support sustainable growth objectives and strengthen the real sector.

We support transparency and trust in the financial ecosystem

At Kredi Kayıt Bürosu, we continued to contribute to the strong economic structure of our country in 2024 with our innovative products and services. We continued to enhance the business processes of our stakeholders owing to our business models that swiftly adapt to changing macroeconomic conditions and our robust digital transformation strategies.

Since our inception, we have established ourselves as a trusted partner in the banking, financial, and real sectors. In 2024, we have prioritized transparency and trust within the financial ecosystem through the introduction of innovative solutions. Our objective continues to be creating value for our customers and business partners while contributing to economic stability.

By positioning technology at the heart of our business processes, we have developed sustainable and forward-thinking solutions. In 2024, we have strengthened our customer-centric service approach and made significant investments in digitalization and data security. Additionally, we have focused on bols-

tering the resilience of our economy by designing new business models and solutions that address the diverse needs of the entire business community, particularly within the financial sector.

Over the past 30 years, we have not only served financial institutions but have also emerged as a vital source of transparency and reliability for individuals and the real sector, achieving noteworthy successes. With pride in these achievements, we are committed to taking further decisive steps as we enter our 30th year, continually striving to expand our success and to introduce innovative products and services.

We extend our sincere gratitude to all our dedicated colleagues for their unwavering commitment to fostering an innovative and sustainable future. We also appreciate the support and collaboration of our valued stakeholders and Board of Directors, which have been instrumental in our successes.

Sincerely,



Olgun Tufan Kurbanoglu
Kredi Kayıt Bürosu
Chairperson of the Board

Technology- driven processes



10. MESSAGE FROM THE GENERAL MANAGER

We are shaping the future of financial technologies

In our 30th year of service, we continue to work with the same enthusiasm as the first day to develop new products and services and to create societal benefits.

Dear Stakeholders,

The year 2024 was quite productive for Kredi Kayıt Bürosu. Our central position in the financial system, along with our innovative products and services, allowed us to continue contributing to the national economy and streamlining processes for our stakeholders, as we have done in previous years.

In our 30th year of service, we continue to develop new products and services with the same enthusiasm as on our first day, aiming to create societal benefits. In light of changing technology, contributing to the sharing economy has become more important than ever for us.

In the past year, we focused on strategic priorities in critical areas such as efficiency, sustainability, and artificial intelligence. We carried out efforts with the support of our teams of experts in cloud technologies, data security, and synthetic data. The second phase of our Anadolu Data Center projects continues at the same pace.

In 2024, as a credit bureau, we focused on exploring the potential applications of artificial intelligence, one of today's most important technological tools. We laid the foundation for our institution's artificial intelligence strategy. During this process, we signed a cooperation protocol with TÜBİTAK to advance artificial intelligence deployment in the finance industry. Moving forward, we are working on local and national projects to address needs in areas such as information security, artificial intelligence, and cloud technologies.

We undertake all our operations with the motivation of creating success stories that we can share with future generations. As the KKB family, driven by the passion of giving back to the land that gave us so much, we are determined to take our efforts to the next level.

Celebrating the 10th Anniversary of Findex

We are pleased to celebrate the 10th anniversary of Findex, which has supported individuals and the real sector in managing their financial affairs more effectively and in creating a secure trading environment. Over the past decade, we have made significant contributions to the sector, especially in terms of financial literacy. In the coming year, we aim to develop projects supported by Findex' evolving structure and state-of-the-art technologies.

We have successfully completed our preparations for the sustainability index

Sustainability has become one of the top priorities for the corporate sector. At KKB, in line with our goal of shaping the future of financial technologies, we have integrated sustainability into all our business models and corporate strategies. With our new product, which is still in the branding phase, we aim to provide benefits to the financial system in the field of sustainability.

Through this new product, which will allow us to measure the sustainability index of the real sector, we aim to play a key role in bridging the financial system and our companies.

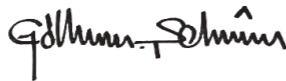
Our employees are the source of our strength

To build a high-performing and efficient organizational structure, we draw strength from the valuable contributions of our employees. In 2024, with the Great Place to Work Certification, we managed enter the list of Türkiye's Best Employers 2024 again.

In the coming years, we aim to develop innovative projects that meet the shared needs of the financial system. By offering the products and services that the system needs, we are committed to continuing to contribute to the economy and society with an innovative perspective, trust, and principles of sustainable growth.

The efforts of our employees and KKB's strong performance are our most important supporters in achieving this goal. I would like to thank all our colleagues and our esteemed Board of Directors for their valuable contributions throughout this process.

Respectfully,



Gökhan Şahin
Kredi Kayıt Bürosu
Board Member and General Manager



11. BOARD OF DIRECTORS



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

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

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

Olgun Tufan Kurbanoğlu
Chairman of the Board
Türkiye İş Bankası A.Ş.

Gökhan Şahin
Member of the
Board of Directors and

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

Hüseyin Üst
Member of the
Board of Directors
Şekerbank T.A.Ş.

Görkem Özdemir
Member of the
Board of Directors
T.C. Ziraat Bankası A.Ş.

Halil Şahan Elaldi
Member of the
Board of Directors
T. Garanti Bankası A.Ş.

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

11. BOARD OF DIRECTORS

Olgun Tufan Kurbanoğlu

Chairman of the Board

Türkiye İş Bankası A.Ş.

Assistant General Manager

Born in Kars in 1971, Tufan Kurbanoğlu graduated from Middle East Technical University (METU), Faculty of Economics and Administrative Sciences, Department of Public Administration. In 1993, he joined İş Bankası A.Ş. as an Inspector with the Board of Inspectors. Appointed as Deputy Manager in the Commercial and Corporate Credit Monitoring and Legal Follow Up Department in 2002, he became Unit Manager in the department in 2006, and Regional Manager of Retail Credits Monitoring and Legal Follow Up in 2011. Appointed as Commercial and Corporate Credit Monitoring and Legal Follow Up Department Manager on March 3, 2014, Tufan Kurbanoğlu was appointed as Executive Vice President on March 25, 2022 With a good command of English, Kurbanoğlu is married and has one child. Tufan Kurbanoğlu assumed the role of Chairman of the Board of Directors at Kredi Kayıt Bürosu in 2024.

Mehmet Erkan Akbulut

Vice Chairperson of the Board of Directors

Yapı ve Kredi Bankası A.Ş.

Assistant General Manager; Corporate Banking

Mehmet Erkan Akbulut graduated from Business Administration Department of Faculty of Political Science at Ankara University in 1989. Akbulut started his professional career in 1990 as an Assistant Inspector at Yapı Kredi. Following his career in inspection, he served as Unit Manager in the Credit Management, and later as Director in Corporate Banking Management and Commercial Banking Management. Akbulut served as the Deputy General Manager responsible for Credit and Risk Management at Yapı Kredi Azerbaijan from 2009 to 2013. After returning to Yapı Kredi, he served as Corporate and Commercial Credits Monitoring and Liquidation Director, and Group Director between 2013-2018. Between 2018-2020, he assumed the position of Corporate and Commercial Credit Allocation Group Director. From August 2020 to August 2021, he served as the Head of Collection and Liquidation Management. From 2021 to 2024, Akbulut served as the Deputy General Manager responsible for Credit at Yapı Kredi. As of July 2024, Akbulut serves as the Deputy General Manager responsible for Corporate Banking at Yapı Kredi. He continues to serve as a member of the Executive Committee, a position he started in 2021. Akbulut also serves as the Vice Chairman of the Board of Directors at Yapı Kredi Factoring, Yapı Kredi Leasing, and Kredi Kayıt Bürosu.

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 13.07.2020. 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 Chairperson 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, and a member of the Board of Directors of Kredi Garanti Fon A.Ş. since June 2023.

Ege Gültekin

Member of the Board of Directors

Akbank T.A.Ş.

Executive Vice President, Credit Monitoring and Legal Follow Up

Ege Gültekin was born in Aydın in 1969 and graduated from Middle East Technical University, Department of Economics. Subsequently, she earned a Master's degree from The Johns Hopkins Carey Business School. After graduating from Ziraat Bank's Banking School in 1992, she began her career at Ottoman Bank on the Inspection Board. Currently serving as the Executive Vice President of Loan Monitoring and Follow-up at Akbank T.A.Ş., Gültekin is also a Member of the Board of Directors at KKB, a Board Member at Ak Lease, and a Member of the Risk Center Management Committee at the Turkish Banks Association.

Gökhan Şahin

Board Member and General Manager

Born in 1982 in Ankara, Gökhan Şahin graduated with a bachelor's degree in finance and law. He started his professional career in 2005 as an Internal Trade Controller at the T.R. Ministry of Industry and Trade. In 2006, Gökhan Şahin started working as Assistant Sworn Bank Auditor at the Banking Regulation and Supervision Agency. He respectively served as Sworn Bank Auditor, Head of Group, Head of Department between 2006 and 2023, and finally as Deputy Chairperson of the Banking Regulation and Supervision Agency (BRSA) between 2021 and 2023. Gökhan Şahin, who currently also holds a Lawyer's License and Mediation Authorization Certificate, has been serving as the General Manager and a Member of the Board of Directors of KKB as of October 2023 and is married with one child.

Görkem Özdemir

Member of the Board of Directors

T.C. Ziraat Bankası A.Ş.

Head of Digital Portfolio Management Division

Görkem Özdemir, a graduate of the Department of Economics at the Faculty of Economics and Administrative Sciences at Gazi University, completed his Master's degree in Economic Development and Growth at the same university in 2007. Özdemir began his career in 2004 as an Assistant Specialist at the Banking School of T.C. Ziraat Bankası A.Ş., and continued his work as a Marketing Assistant Specialist at the Bank's Istanbul 1st Regional Directorate. Having spent 19 years in various roles at Ziraat Bank, Görkem Özdemir has been serving as the Head of the Digital Portfolio Management Division since 2023. In addition to these roles, Özdemir serves as a Board Member at Kredi Kayıt Bürosu.

Halil Şahan Elaldı

Member of the Board of Directors

T. Garanti Bankası A.Ş.

Director of Risk Solutions, Strategy, and Performance

Born in Ankara in 1981, Şahan Elaldı received his bachelor's degree in Industrial Engineering from Sabancı University. Elaldı started his professional career in 2006 as an Assistant Manager in Retail Loans at Citibank Individual. Between 2008 and 2011, he worked at Garanti BBVA Technology in various roles in retail, SME, and commercial loans, including E2E credit decision automation, process transformation, and several digital and reengineering projects. From 2013 onwards, he managed Retail Credit Risk Strategies, Risk Analytics, Technology, and Innovation at Garanti BBVA. After holding various international information technology project and transformation roles under BBVA Holding-Global Risk Management between 2023-24, Elaldı resumed his role at Garanti BBVA as the Director of Risk Solutions, Strategy, and Performance in 2024. Elaldı also continues to serve as a Board Member at Kredi Kayıt Bürosu as of November 2024.

Hüseyin Üst

Member of the Board of Directors

Şekerbank T.A.Ş.

Deputy General Manager - SME and Business Banking

Hüseyin Üst, a graduate of the Department of Economics at the Faculty of Economics and Administrative Sciences, Marmara University, began his career in 1995 at Şekerbank T.A.Ş. as an Assistant Specialist. Between 1996 and 1999, he served as Assistant

Inspector and Senior Assistant Inspector at Şekerbank T.A.Ş. He then worked as a Marketing Manager, Corporate Branch Manager, and Regional Manager. n November 2017, Üst was appointed as Deputy General Manager, and since January 2024, he has been serving as the Deputy General Manager responsible for SME Banking. Hüseyin Üst continues to serve as the Deputy General Manager responsible for SME and Business Banking. Üst also serves as the Chairman of the Board at Şekerbank T.A.Ş. Personnel Social Security Foundation, a Board Member at Şeker Factoring A.Ş., and a Board Member at Kredi Kayıt Bürosu.

İzzet Oğuzhan Özark

Member of the Board of Directors

DenizBank A.Ş.

Assistant General Manager

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

Seyit Mehmet Yaydemir

Member of the Board of Directors

Türkiye Halk Bankası A.Ş.

Head of Credit Risk Monitoring Department

Seyit Mehmet Yaydemir was born in Kayseri in 1978. He completed his undergraduate education at Dokuz Eylül University, Department of Business Administration in 2002. He received further education at K.I. Language College, New York. In 2004, he started his professional career at Anadolu Finans Kurumu and continued his career as Assistant Inspector, Inspector and Senior Inspector at the Board of Inspectors of Türkiye Halk Bankası A.Ş. between 2006 and 2012. Between 2012 and 2021, he served as Branch Manager at Kurtuluş Branch/Istanbul, Maltepe Branch/Istanbul, Gayrettepe Branch/Istanbul and Mecidiyeköy Commercial Branch/Istanbul, respectively. Since July 2021, he has been serving as the Head of Credit Risk Monitoring Department at Türkiye Halk Bankası A.Ş. Seyit Mehmet Yaydemir also continues to serve as a Member of the Board of Directors of Kredi Kayıt Bürosu.

12. SENIOR MANAGEMENT



Gökhan Şahin
Kredi Kayıt Bürosu
Board Member and General Manager

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

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



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

Abdullah Bilgin graduated in 1985 from Middle East Technical University, Department of Computer Engineering and received his master's degree from Istanbul University, Department of International Relations in 2002. Mr. Bilgin started his career at Bilpa A.Ş. in 1986 and worked as a Systems Manager at John Deere in the USA. Until 2012, Mr. Bilgin served as Director in charge of System and Network Management at Yapı Kredi Bank's Information Technologies Department and Self-Service Banking Group Manager at Alternative Distribution Channels. Bilgin, who joined KKB in 2012, currently serves as the Deputy General Manager responsible for Information Technologies and R&D. Bilgin has led the establishment of KKB's digital transformation, KKB Anadolu Data Center, and KKB Finance Cloud platforms, and he is leading KKB's efforts in the sharing economy within the financial sector.



Ali Kemal Cenk
Internal Audit Department
Assistant General Manager

Ali Kemal Cenk graduated from Middle East Technical University, Department of Business Administration, and completed his MBA and Finance master's degree with a dual diploma of MBA-MSF from Boston College between 2007 and 2009. Between 2000 and 2012, he held various positions at the Banking Regulation and Supervision Agency (BRSA), including Sworn Bank Auditor, Group Head, Coordinator of the 2011 FSAP Negotiations, and Deputy Head of the Audit Department. Mr. Cenk participated in the project of the Risk-Focused Supervision Project, where the BRSA established its supervisory system, and conducted studies within the scope of the Risk-Focused Supervision Project and the FDIC regarding Fed supervision. He has certifications and training in various fields including Risk Management, Basel II-III, internal control, and banking in the United States, as well as COBIT, ISO27001, ISO22301, IFRS, International Accounting Standards, Oliver Wyman Risk Management, and the European Central Bank Eurosystem Macro-Micro Financial Supervision. Ali Kemal Cenk, who has gained expertise in areas such as financial regulations and IFRS, information systems and workflows, audit information technologies, query-based artificial intelligence fraud detection modeling, as well as leadership and teamwork, continues to serve as the Assistant General Manager of Internal Audit at KKB.



Burcu Türkmen
Digital Channels, Project, and Innovation
Management Department
Assistant General Manager

Burcu Türkmen completed her undergraduate degree in Management Information Systems (MIS) at Boğaziçi University and her master's degree in Business Administration at Galatasaray University. She started her career in 2004 as a Core Banking Business Analyst at QNB Finansbank (IBTECH), then took on various roles at Turkcell in areas such as Campaign Management, CRM, and Charging Solutions. In the final phase of her career at Turkcell, she led the Digital Channels teams, spearheading large-scale digital transformation projects and managing large teams. After 15 years at Turkcell, she led the Digital Banking teams at Garanti Teknoloji in 2022, driving Garanti BBVA's mobile and internet banking projects with her team. Since 2024, he/she has been responsible for Digital Channels, Project and Innovation Management, and Agile Transformation processes at Kredi Kayıt Bürosu. She holds international certifications in agile transformation and leadership.



Can Ünver
Risk Management Department
Assistant General Manager

Can Ünver completed his undergraduate degree in the Environmental Engineering Department of Middle East Technical University (METU), and his master's degree in the Business Administration Department of the same university. Ünver began his career in 2005 as a Research Assistant in the Business Administration Department of METU, where he took on responsibilities such as software development and system management in the field of information technology. Ünver, who started working in the Consulting department of EY Türkiye in 2011, provided consulting to numerous organizations from various sectors and rose to the position of Senior Manager. Ünver, who started working as the Corporate Risk Management Manager at KKB in 2018, has taken on the responsibility of managing the institution's strategic, operational, legal, and reputational risks, as well as corporate strategic planning. Since 2023, he has been serving as the Deputy General Manager of Risk Management.



Caner Altuntaş
Corporate Strategy Department
Assistant General Manager

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

12. SENIOR MANAGEMENT



Erşan Rasim Hoşrik

Regulatory Compliance, Legal and Operations Department
Assistant General Manager

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



Hazar Tuna

Internal Control Department
Assistant General Manager

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



İnci Tümay Özmen

Financial Reporting and Financial Affairs Department
Assistant General Manager

With 28 years of experience in her professional career, İnci Tümay Özmen completed her education at Saint Benoît French High School and graduated with honors from the Business Administration Department of Boğaziçi University in 1995. Özmen, who started her professional career in 1995 at Ernst & Young Audit firm and worked on audit services for many organizations in the financial sector, obtained the title of Certified Public Accountant in 2000 and continued her activities as a Manager at the same firm. Between 2000 and 2012, Özmen served as the Executive Vice President responsible for Financial Affairs, Budget Reporting, and Operations at Yapı Kredi Leasing, where she played an active role in the Leasing BDDK adaptation process and the merger process between Koçbank and YKB. 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. Özmen also holds a professional coaching certification.



Nil Durukanoğlu

Human Resources Department
Assistant General Manager

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



Dr. Orkun Deniz

Risk Center Services and Data Management Department
Assistant General Manager

Orkun Deniz graduated from Boğaziçi University, Department of Computer Engineering. He continued his academic studies at Yeditepe University, first receiving his MBA and later his doctorate degree in Management and Organization. He started his professional career at Akbank as a Software Developer in the IT Department. In 1997, Mr. Deniz joined the founding team of Kredi Kayıt Bürosu and continued his professional career at Fortis Bank, where he served as Director in the Corporate Credits Department. Mr. Deniz rejoined KKB in 2011 as Project and Process Management Manager, developing new products and services and expanding KKB's product range. Later, he directed all relations with the financial sector as the Manager of the Banks and Financial Institutions Unit. Orkun Deniz serves as the Executive Vice President of Risk Center Services and Data Management. Deniz is also a member of the Board of Directors of the Association of Consumer Credit Information (ACCIS) and the Eurasian Consumer Credit Information Association (ACIPE).

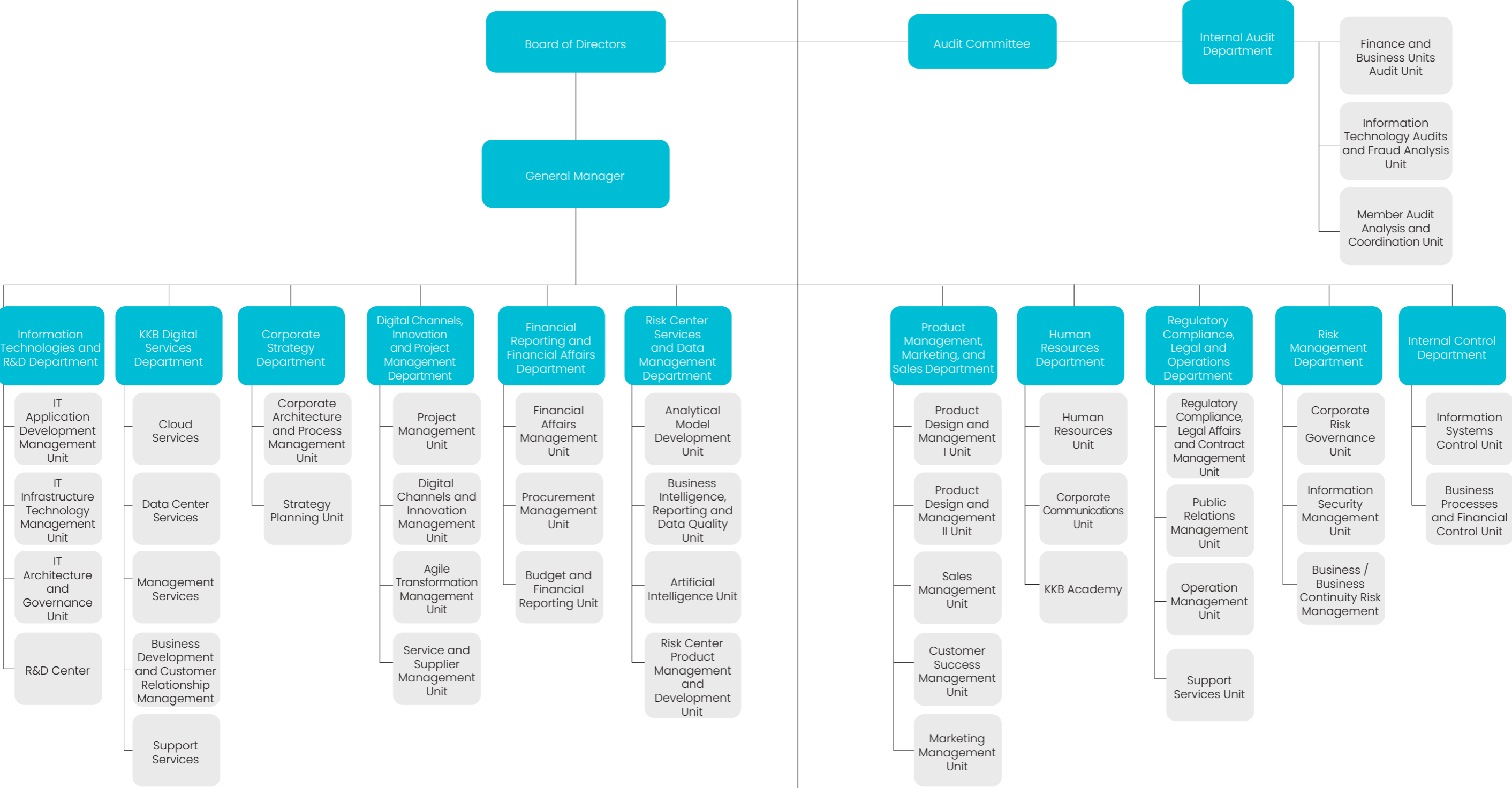


Serkan Siyasal

Product Management, Marketing, and Sales Department
Assistant General Manager

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

13. ORGANIZATIONAL CHART*



* The above Organizational Chart was approved at the KKB Board of Directors Meeting held on 19/06/2024.

OUR ACTIVITIES



30 years of **expanding services**

KKB provides services not only to financial institutions but also to individuals and the real sector.

14. OUR HOLISTIC PRODUCTS AND SERVICES

Name of Service	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Credit Reference System (CRS)*	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Individual Customer Objection Assessment System (Individual MIDES)*		●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
False Information/Document/Declaration/Application Alert System (SABAS)		●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
CRS Information Verification System*				●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Personal Credit Rating (PCR)						●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Corporate Bureau System (CBS)*							●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Limit Control System (LCS)								●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Bounced Cheque Query*											●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Personal Indebtedness Index (PII)												●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Cheque Report												●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Risk Report												●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Credit Limit Risk and Receivables to be Liquidated (CLCR)*													●	●	●	●	●	●	●	●	●	●	●	●	●	●
Bill Inquiry*													●	●	●	●	●	●	●	●	●	●	●	●	●	●
Individual Cheque Inquiry*													●	●	●	●	●	●	●	●	●	●	●	●	●	●
Applications of the Service of Statistical Information Disclosed to the Public*														●	●	●	●	●	●	●	●	●	●	●	●	●
Applications for the Service of Statistical Information Disclosed to Official Institutions*														●	●	●	●	●	●	●	●	●	●	●	●	●
Risk Center Application Report*														●	●	●	●	●	●	●	●	●	●	●	●	●
Prescribed Accounts*														●	●	●	●	●	●	●	●	●	●	●	●	●
GeoMIS Map-Based Reporting System														●	●	●	●	●	●	●	●	●	●	●	●	●
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*																●	●	●	●	●	●	●	●	●	●	●
Credit Acceptance - Rejection Notification Service*																●	●	●	●	●	●	●	●	●	●	●
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)																●	●	●	●	●	●	●	●	●	●	●
Inquiry for Cheques with Interim Injunction Decision Issued/Revoked/Canceled*																	●	●	●	●	●	●	●	●	●	●
Information Sharing Service for Companies Under Suspended Bankruptcy, Bankruptcy and Requesting Concordat*																	●	●	●	●	●	●	●	●	●	●
Sharing Service about Customers Banned from Using Cheques*																	●	●	●	●	●	●	●	●	●	●
RA Personal Record Inquiry Service*																	●	●	●	●	●	●	●	●	●	●
Cross Cheque Relations Inquiry*																	●	●	●	●	●	●	●	●	●	●

14. OUR HOLISTIC PRODUCTS AND SERVICES

Name of Service	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Credit Insurance Inquiry and Sharing*																	●	●	●	●	●	●	●	●	●	●
Findeks QR Code Cheque System																	●	●	●	●	●	●	●	●	●	●
Letter of Guarantee Status Inquiry (LGSİ)																	●	●	●	●	●	●	●	●	●	●
Collection Scores																	●	●	●	●	●	●	●	●	●	●
Inclination Scores																	●	●	●	●	●	●	●	●	●	●
Central Invoice Register System (MKFS)																	●	●	●	●	●	●	●	●	●	●
IBAN Validation Service																	●	●	●	●	●	●	●	●	●	●
LCS Customer Objections Handling System (MIDES)																	●	●	●	●	●	●	●	●	●	●
Application Fraud Attempt Detection and Prevention Service																	●	●	●	●	●	●	●	●	●	●
Loans Analysis Portal (KAP)																	●	●	●	●	●	●	●	●	●	●
Cheque Analysis Portal																	●	●	●	●	●	●	●	●	●	●
MERSIS Information Inquiry*																		●	●	●	●	●	●	●	●	●
Risk Center Warning Service*																		●	●	●	●	●	●	●	●	●
Address Processing – Map Service																		●	●	●	●	●	●	●	●	●
Force Majeures Inquiry*																			●	●	●	●	●	●	●	●
BKM Merchant Turnover and POS Cancellation Inquiry (BKM)*																			●	●	●	●	●	●	●	●
Individual Inquiry Quantity Reporting Service*																			●	●	●	●	●	●	●	●
Loan Utilization Instant Sharing Service (KAPS)																			●	●	●	●	●	●	●	●
Electronic Letter of Guarantee																			●	●	●	●	●	●	●	●
Telecommunication Invoice Debt Information (TELKO) Inquiry																				●	●	●	●	●	●	●
Foreign Currency Credit and Income Inquiry*																				●	●	●	●	●	●	●
Findeks QR Code Cheque Registration System																				●	●	●	●	●	●	●
BRSA Product and Service Fees Portal*																					●	●	●	●	●	●
Provision of Risk Report via E-State Gateway*																					●	●	●	●	●	●
Cheque Score																					●	●	●	●	●	●
Bill Report*																						●	●	●	●	●
Electronic Investment Incentive Certificate (e-YTB) Inquiry*																						●	●	●	●	●
Foreign Currency Credit and Income Customer Objections Handling System (MIDES)*																						●	●	●	●	●
Risk Center Reporting System*																						●	●	●	●	●
Risk Center Interactive Reporting System*																						●	●	●	●	●
Postdated Check Information 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)																							●	●	●	●
Member Security and Web Service Authorization Management*																								●	●	●
Member Data Analysis Service*																								●	●	●
Member Monitoring / User Management*																								●	●	●
Noncompliance with Board Resolution (10265) Sharing Service*																								●	●	●
Disclosure Service for Clients Executing Derivatives Transactions with Non-Residents Pursuant to Board Decision (10248)*																								●	●	●
Electronic Investment Incentive Certificate (E-YTB) Utilization Information Sharing Service*																									●	●
Card Validation Service																									●	●
Notification and Sharing of Documents for Loans Exceeding the 10746 th Board Decision*																										●
Greendeks																										●

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

15. KKB’S PRODUCTS AND SERVICES

LIMIT CONTROL SYSTEM (LCS)

Pursuant to the Law on Bank Cards and Credit Cards, the total limit of credit cards that may be granted by all banks to a customer who will begin to use a credit card for the first time may not exceed an amount calculated as twice their income for the first year, and four times their income for the second year. Pursuant to the regulation dated October 8, 2013, credit limits apply to all credit cardholders. KKB, in collaboration with the TBB Credit Cards Working Group, initiated work on this subject and launched the test environment of the Limit Control System (LCS) in late 2013. By January 2014, all banks had uploaded data for their credit card customers 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,
- 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 and institutions and third parties authorized by these issuers through bank branches. In addition to the financial industry, the Reports have been shared electronically via the Findeks platform with individuals outside of finance sector and the real sector since 2014.

CHEQUE REPORT

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

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 and amount 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 presented in the last 1 month, 3 months, and 12 months,
- Number and amount of cheques paid during the last 1, 3, and 12-month periods,
- The number and amount of endorsed, paid, and successfully paid cheques separately within the last 1 month, 3 months, and 12 months,
- List of dishonored cheques limited to the most recent 50 cheques,

- Number of open cheques remaining unpaid or non-dishonored,
- Number and amount of post-dated cheques remaining unpaid or non-dishonored,
- Number of cheques unreturned to the banking system,
- Cheque index,
- Table showing the lowest, highest and average amounts of cheques by year,
- Data of open cheques in addition to collection guarantee cheques,
- Information about issuers' postdated and open cheques, in addition to bounced and paid cheques.

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

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

CHEQUE STATUS INQUIRY

Cheque Status Inquiry was developed to prevent cheque fraud. With this service, one can find out whether a cheque is in circulation by making an online inquiry about the status of accepted cheques. Thanks to the system that works by making an online inquiry through the bank that issues the cheque, it is possible to obtain information about whether the

15. KKB’S PRODUCTS AND SERVICES

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 made, inquiries regarding whether the cheques are in circulation can now be made via the MICR code 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.

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.

With KKB Trend Scores, members are provided with:

- Quick access to the right customers with the right strategies,
- The ability to view extensive data on a single score with less operational burden,
- Time savings through easy identification of target audiences by product,
- More efficient and effective management opportunities in product offerings.

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, converts it into geographic coordinates, and places it on the map. It enables the visualization of all types of statistical data, color-coded according to specific categories, with details at the city and district level.

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.

Through the GeoMIS – Map-Based Reporting Service, the following reports can be obtained:

- Standard Report, which contains the portfolio information of the institution for a specific period,
- Trend Report, which allows for the examination of changes in the institution’s portfolio data within a specific time frame,
- Benchmark Report, which evaluates the institution’s portfolio information against industry averages, TURKSTAT data, and the defined comparison group.

The GeoMIS service is provided by KKB through the map-based reporting platform via the Oracle database and application servers. The placement of data on the map is achieved through a process known as “Geo-Coding” (Address Decoding). The system identifies the user’s institution based on their IP address when they access the application, and all displays are generated accordingly based on that 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 GeoMIS application was enriched with the addition of personal loan portfolio data. Since then, it has continued to provide services under the name 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.

With the reports to be obtained, it is possible to access information on balance, number of accounts, average score, credit risk/branch, and number of credit accounts per branch. As with other GeoMIS applications, the GeoMIS Corporate & Cheque application is continuously being developed and its content is constantly enriched. 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 TL 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 TL 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 environment that enables the reporting of portfolio information and payment performance for all types of installment loans, overdraft accounts, and credit card products belonging to individuals. It also provides the ability to compare these with the “comparison group” and “industry” as defined in the GeoMIS Individual application.

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.

The Loans Analysis Portal (LAP), with its different parameters and filtering options used in the reporting screens, can generate approximately 175 million different report contents from 2.5 billion rows of data. Its expertly designed infrastructure enables the rapid production of all these reports.

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.

15. KKB’S PRODUCTS AND SERVICES

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.

ADDRESS PROCESSING SERVICE

The address formatting infrastructure used in Geo-MIS, 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 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.

15. KKB’S PRODUCTS AND SERVICES

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 (IBAN Inquiry and IBAN Confirmation) and Turkish ID Number, GSM Verification Service and CARD Verification Service.

IBAN VALIDATION SERVICES

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

KKB’s IBAN Inquiry feature enables customers to view masked data such as name/surname, company name about the real person or the title of the legal entity connected to the IBAN, thus helping customers avoid incorrect money transfers. KKB IBAN Confirmation feature provides a validation service for transactions where the IBAN number and the IBAN holder’s TCKN/VKN are known, but 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,
- Increase customer satisfaction.

TURKISH ID NUMBER AND GSM VALIDATION SERVICE

The TCKN & GSM Verification Service is a service aimed at verifying customers digitally for transactions to be carried out by banks. 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. The service verifies whether the provided phone number has been previously registered with the Turkish ID number at any bank, along

with the oldest update date of the bank records, and checks if it matches the bank’s records. Banks can join the system with the web service integration and integrate the application into their own systems.

CARD VALIDATION SERVICE

The Card Verification Service was launched by KKB (Kredi Kayıt Bürosu) on March 1, 2023, with the aim of preventing potential fraud through card numbers and providing an additional control step in cases where remote verification is required.

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

ELECTRONIC LETTER OF GUARANTEE

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

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

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

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

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

LETTER OF GUARANTEE STATUS INQUIRY (LGSİ)

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

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

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

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/APPLICATIONS (SABAS)

Serving the finance industry for the past 18 years, the Alert System for False Information/Documents/Declarations/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. The second version of the SABAS product was launched in July 2023.

SABAS is structured around five main objectives:

- Protecting citizens and customers from risks and victimization by preventing use of their information, documents, possessions and property by others (e.g. identity thieves, money launderers, impostors, swindlers, and the like),
- Informing KKB members about actual or potential risks arising from malicious attempts in the face of the initiatives that are the subject of SABAS, in order to protect them against such risks or reduce their loss or damage,
- Enabling KKB members to exchange information under standards and rules that are free of “personal comments, opinions or judgments,”
- Protecting KKB members from becoming victims of crimes, which may have more destructive consequences than that of the malicious attempts described under SABAS,
- Enabling KKB members to minimize their risks, thanks to SABAS, while protecting natural persons and legal entities from becoming victims of such attempts.

APPLICATION FRAUD ATTEMPT DETECTION AND PREVENTION SERVICE

The objective is to create a national database of loan application data provided by member institutions and offer protection to the entire industry. 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.

15. KKB’S PRODUCTS AND SERVICES

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.

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 can benefit from these state-of-the-art systems, which are 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:

- Since the technical infrastructure will be provided by KKB, it requires minimal IT resources.
- Thanks to the advantage of utilizing an existing service, the integration processes for project implementation are shortened.
- It reduces costs through pricing per transaction.
- It enables the business unit to make decisions independently of IT with the new generation Strategy Design Studio software.
- The CDSS, utilizing all of KKB’s accumulated knowledge and technology, gathers and consolidates KKB data used in decision-making processes.
- All reports obtained through queries from KKB are reviewed within the KKB framework using this system.

BRSA PRODUCT AND SERVICE FEES PORTAL

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

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

ACCOUNT OPENING SHARING SYSTEM (AOSS)

AOSS is a service provided by KKB through web service infrastructure, which allows KKB member institutions to query, notify, and update account openings for customer acquisition or new accounts for existing customers. It ensures the validation of transactions and helps detect and prevent potential fraud attempts.

Member institutions will notify AOSS in real-time about the accounts opened by individual customers. When opening an account, they will be able to query how many different institutions the person has opened accounts with in the last week or 30 days.

SECURE TRANSACTION SERVICE (STS)

STS is a system provided by KKB through web service infrastructure that enables member institutions’ customers to securely perform transactions such as EFT, FAST, and other banking operations 24/7. It ensures the validation of transactions and individuals, helping to detect and prevent potential fraud attempts.

Member institutions can evaluate the responses to the set of questions returned from the corresponding bank when they query individuals. This helps them make decisions regarding the transaction flow based on reliable information about the transaction and the person attempting the transaction.

GREENDEKS

Greendeks, a sub-brand of KKB, is a service that measures, reports, and provides action recommendations for businesses’ sustainability performance within the framework of Environmental, Social, and Governance (ESG) criteria. It includes over 30 industry-specific evaluation forms, with each form containing an average of 80 different questions. The Greendeks Report shows where businesses stand in terms of sustainability, offers the opportunity to share this report with business partners, and facilitates access to green financing.

Greendeks is available for all businesses, whether large, medium, or small scale. Each company can access the ESG Index, Greendeks Report, and Certification. Banks can also monitor companies’ sustainability performance through these indexes.

Index: A company’s sustainability performance is rated from A to E based on environmental, social, and governance criteria According to the index:

- A: Excellent sustainability performance,
- B: Generally good, but with areas for improvement,
- C: Average performance,
- D: Sufficient, but significant improvements are needed,
- E: Low performance, urgent improvements required.

Action Plan: Greendeks provides specific action recommendations for businesses based on the responses to the evaluation form, helping them to achieve their sustainability goals.

Greendeks Report and Certification: The Greendeks Report provides a comprehensive summary of a business’s sustainability status and action plan. It can be downloaded as a PDF and shared with business

partners. The Greendeks Certificate includes the company’s ESG index and validity date, and it can be obtained in PDF, visual, and HTML formats.

ANALYTICAL PRODUCTS AND SERVICES

PERSONAL CREDIT RATING (PCR)

The Personal Credit Rating (PCR) is a numerical indicator calculated by KKB for individuals, comparing a customer’s credit repayment performance with other consumers. The PCR, a decision support product created with statistical models, summarizes credit repayment information obtained through the Credit Reference System (CRS).

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 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.

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.

The higher the Commercial Credit Rating (CCR), which measures the likelihood of a firm being classified as a non-performing loan within 12 months from the inquiry date, the lower the probability of the firm being classified as a non-performing loan within the same 12-month period.

The development of the new version model of CCR, made available to members through the CBS service, has been completed. Unlike the existing CCR model, which was developed using external stakeholders, the new model has been entirely developed with KKB’s internal resources, thus eliminating the dependency on external companies. The new model is expected to be implemented in 2025.

15. KKB'S PRODUCTS AND SERVICES

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 that focus on the number of days past due, it offers a different risk perspective by considering situations where borrowing exceeds repayment 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 CRM information, both instantly and as a trend.

The development of the new versions of the Commercial Credit Score (CCS), which predicts the extent to which companies will fulfill their commercial credit repayment obligations, and the Commercial Indebtedness Index (CII), which predicts repayment obligations based on a high borrowing tendency, as well as revisions to the commercial scoring system addressing basic needs, have been completed by the KKB analytical teams in 2024. The new versions are planned to be made available in 2025.

The Commercial Credit Score will continue to be positioned as the main product, covering the entire segment for risk segmentation. The Commercial Indebtedness Index has been customized for the group with no delay tendency and positioned alongside the CCS to enhance the explanatory power of the relevant segment.

CHEQUE SCORE

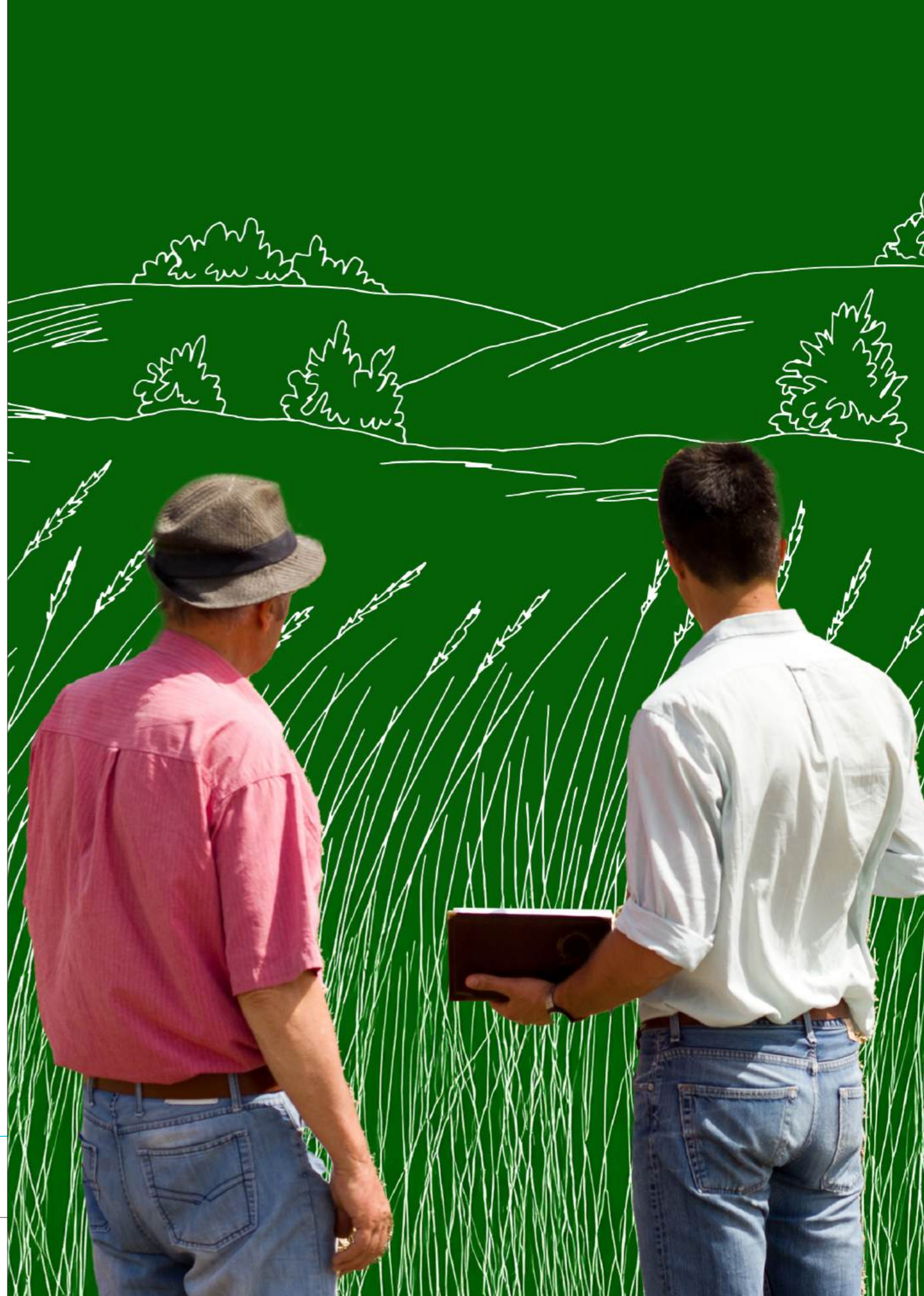
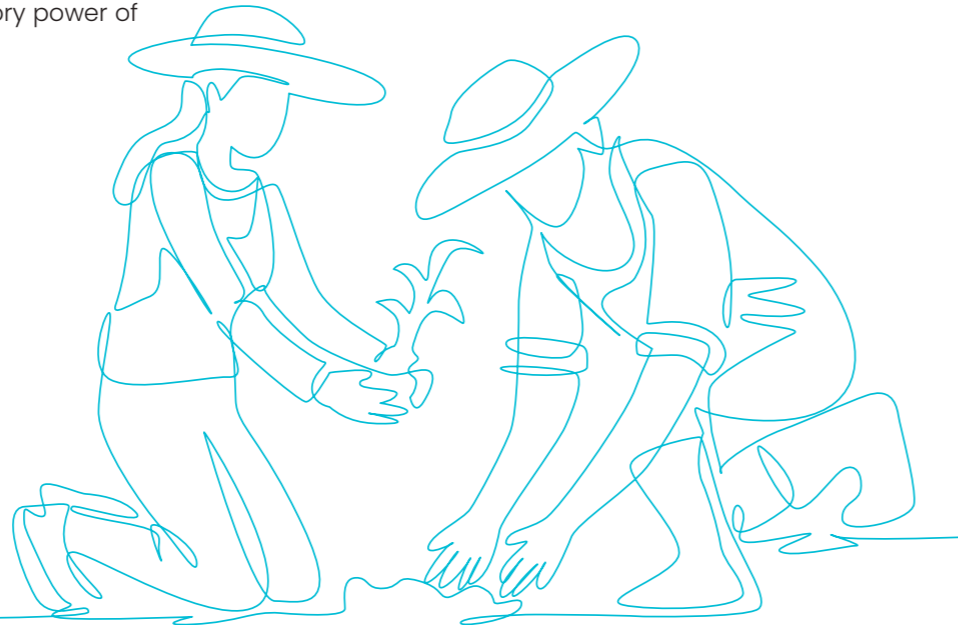
The Check Score is an analytical model developed by KKB to measure the payment risk of the check issuer. The payment risk is calculated by analyzing whether the checks issued are paid within 9 months.

The Check Score product enables faster and more objective decisions during the lending process, while allowing financial institutions to manage the risks of their clients who use checks more effectively. It also contributes to improving the quality of checks in the collateral deposit.

AGRICULTURAL SCORE

The Agriculture Score is an analytical model service that measures the payment risk of loans taken or to be taken by individuals in the agricultural sector within 12 months. This product, developed using sector data across Türkiye, supports financial risk management in the agricultural sector.

With the Agriculture Score service, financial institutions can make faster and more objective decisions in the lending process and manage their loan portfolios more effectively. The Agriculture Score also contributes to producers making accurate pricing decisions.



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

CREDIT LIMIT RISK AND RECEIVABLES TO BE LIQUIDATED (CLCR)

KKB's Credit Limit-Risk and Receivables to be Liquidated service allows the monitoring of information on credit limits, risks, and receivables to be liquidated allocated to real and legal persons over the short, medium, and long term. It also includes unpaid interest and rediscount information related to loans.

Within the scope of the service, data obtained from source organizations such as the Savings Deposit Insurance Fund and the Central Securities Depository (MKK) are shared with members, and principal debts related to financial bonds and securities are also included in this data.

Members can easily access all financial risks, credit payment performance, and sectoral indebtedness information without any customer criteria, and can obtain consolidated and derivative risk data without the need for an additional service.

In 2024, to enhance the quality of the service, the bond and security information obtained from MKK has been separated, and the monitoring of Central Bank of the Republic of Türkiye Rediscount Loans in both Turkish lira and foreign currency has been enabled.

CREDIT REFERENCE SYSTEM (CRS)

CRS provides daily access to individual credit, personal, address, and contact information related to the queried person. Additionally, it offers access to credit applications and payment performance information for the past 6 months. Score products provided by KKB, such as Personal Credit Rating and the Personal Indebtedness Index, are also provided on the CRS inquiry service.

CRS enables financial institutions to quickly access consumers' credit risk and payment habits, allowing them to base their risk assessments on concrete data. This way, both the healthy growth of the financial sector is supported, and individuals are able to access the financial support they need more easily.

By using the system, financial institutions can quickly access all information regarding a consumer's credit risk and payment habits. They can make all risk decisions regarding their clients based on concrete data and, with the bulk inquiry option, can also access this information in bulk.

CORPORATE BUREAU SYSTEM (CBS)

The Corporate Bureau System (CBS) is a service that provides members with commercial credit information on a daily basis and offers a comprehensive set of data that may be required for the risk assessments of legal entities. The information provided to members includes company and real person record details, capital-based relationship information, credit account and repayment details, guarantee information, bounced check information, tender ban information, and turnover and asset size data obtained from the Revenue Administration (RA).

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

In 2024, efforts to develop the product were completed, a richer data set was provided to members, and the information headings were simplified.

BILL INQUIRY

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

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

CHEQUE REPORT

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

The information included in the cheque reports produced for customers of Intelligence and Risk Center members is presented under the following titles:

- 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 Cheque Report service can also access the Cheque Score and Cheque Index information provided on behalf of KKB.

In 2025, the cheque data collected daily via FTP will be gathered through web service technology, ensuring that the information provided through cheque applications is faster and more up-to-date.

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

This service consolidates information about companies that have declared bankruptcy, suspended bankruptcy, or concordatum, and which was published in the Trade Registry Gazette, and shares it with all Risk Center members on a monthly basis.

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.

With the update made in 2024, simplifications were implemented in the notification and sharing areas, and new risk codes were added to the service.

RISK CENTER APPLICATION REPORT

Through www.riskmerkezi.org, the Risk Center Application Report, which provides credit data for both individuals and legal entities (one free report per year), was updated in 2024 to be available for free, with one report delivered daily.

With this update, the report has been created from the most up-to-date data reported daily to CRS and CBS, similar to the Risk Report provided through the e-Government Gateway. The report now includes delayed debt information for phone and internet services, prohibition from bidding information, cheque and promissory note details, as well as cheque prohibition/removal information.

With this development, users who receive the report can now access risk information prepared for free with a richer data set, significantly contributing to the improvement of the service provided by KKB on behalf of the Risk Center.

PROVISION OF RISK REPORT VIA E-STATE GATEWAY

The Risk Report service provided through the e-Government Gateway is a risk report service that can be requested for free by real persons and commercial businesses of real persons through the "Risk Center Report Application" step on www.turkiye.gov.tr (e-government).

The content of the report, created from the most up-to-date data reported daily to CRS and CBS, includes Credit Limit and Debt Information (Individual and Commercial Loans, as well as DBS Records), Individual Credit Application Information, Individual Guarantor Information, Prohibition from Bidding Information, Promissory Note Information, Cheque Information, Prohibition from Cheque Information, and delayed debt information for phone and internet services.

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

With the development made in 2024, the credit details of individuals who have acted as guarantors are now also accessible to the guarantors themselves.

BKM MEMBER MERCHANT TURNOVER AND POS CANCELLATION INQUIRY (BKM)

With the BKM Merchant Turnover and POS Cancellation Inquiry Service, Risk Center members are provided with turnover information for Interbank Card Center (BKM) member merchants and customer details related to canceled POS transactions.

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

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

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

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

17. FINDEKS

FINDEKS MARKS

10 YEARS

For the past decade, Findeks has been dedicated to enhancing financial decision-making.

Symbolizing sustainable trust in financial life, Findeks celebrated its 10th anniversary in 2024. Launched exactly 10 years ago with the mission of making financial life more efficient and healthy in Türkiye, Findeks continues to make significant contributions to the financial sector, the real economy, and individuals.

The introduction of indicators -long used by the financial sector to assess creditworthiness- to individuals and businesses through Findeks has enabled everyone to manage and monitor their financial lives, reinforcing the principle of transparency in the process.

Findeks aims to help companies in the real sector better understand each other financially, improve their ability to take and manage risks, protect their capital and reputation, and increase their competitive strength by ensuring safe sales growth. Findeks, with the advantages provided by its services, helps companies significantly improve the quality of their assets, thus adding value both to the Turkish financial sector and to financial life in general.



Among the key products of Findeks, covering all leading financial indicators, are the Findeks Credit Score, Findeks Risk Report, Findeks Cheque Report, and Findeks QR Code Cheque Report. In addition, Findeks offers value-added services such as "Findeks My Score Consultant," which provides expert consulting for improving credit scores, and the "Alert Service," which notifies users of changes in credit card limits and debts across all banks, as well as credit applications. In addition, the "KOSGEB Business Evaluation Report (BER)," prepared by KOSGEB, fills an important gap in this context by comparing businesses' positions in Türkiye and their industry, their performance over the last 5 years, and their financial success with industry averages. The QR Code Cheque System, implemented by Findeks, became mandatory for all cheques by law as of January 1, 2017.

The QR Code Cheque System aims to provide more transparency and security in trade, with the goal of increasing production, employment, welfare, and trade volume. The Findeks mobile application, one of the most important tools for accessing Findeks services, is continuously updated in line with the latest technological developments and user needs. The updated Findeks mobile application offers users a superior experience with its new-generation homepage, which allows them to easily track their credit scores and credit product information from all banks, along with a design that facilitates easy access to products.

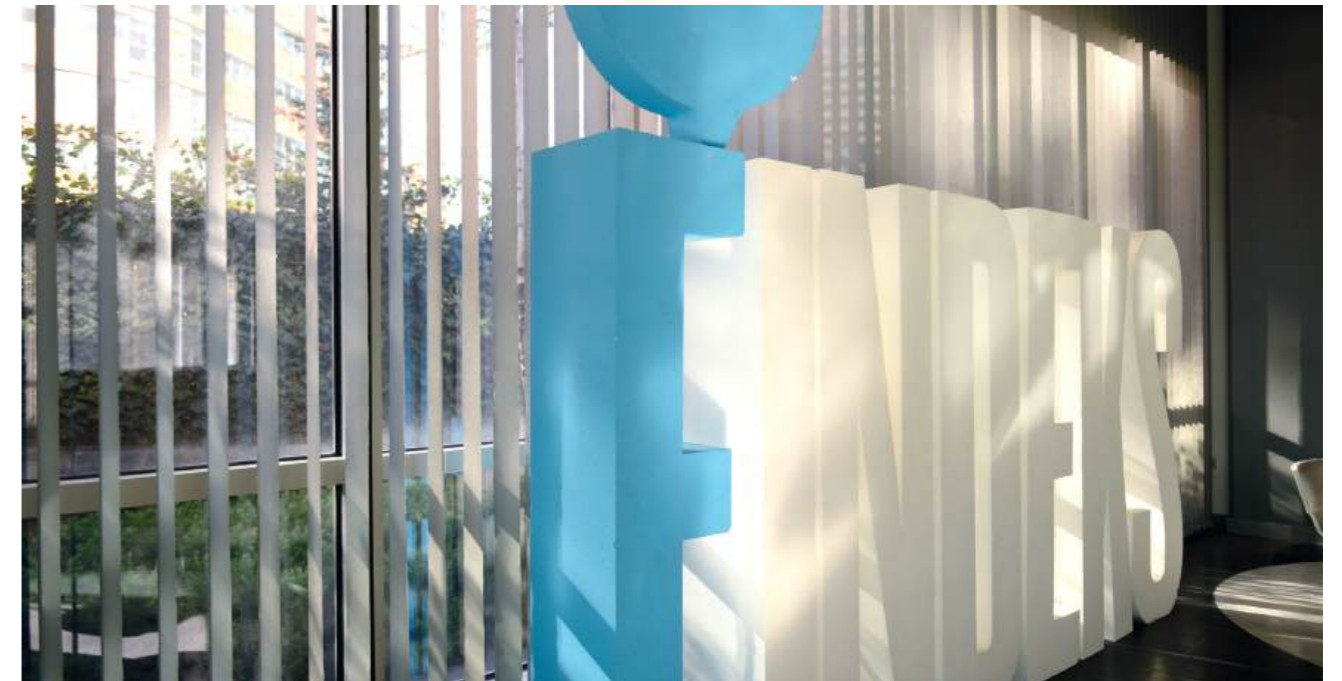
Findeks, which offers a wide range of products to its users, reaches its users through a number of different channels including the mobile application, internet branch, website, customer communications center, banks and strategic business partners. Work is underway to further develop these channels.

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 serves as a summary of the Findeks Risk Report.

Banks and other financial institutions use credit ratings to evaluate new credit applications and manage existing credit portfolios by making predictions about the future payment performance of customers based on their past payment history.

The Findeks Credit Rating stands out as a powerful decision-making tool in the real sector. 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 enter into a debt relationship.



17. FINDEKS

The Findeks Risk Report allows users to see their own financial information in detail; in addition, they can access the financial performance of other persons or enterprises, if they have their approval to do so.

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. This report covers home, auto, and consumer loans, credit cards, overdraft accounts, and commercial loans.

All information about these products is submitted to the Banks Association of Türkiye (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 access 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 determination of this index is influenced by the frequency, recency, amounts, and number of cheques issued in the last 36 months. The Findeks Cheque Index ranges from 0 to 1,000 points.

If the cheque holder, whether an individual or institution, fails to pay any of the cheques they have issued, the index value is calculated as 0; if all cheques are paid on time, it is calculated as 1,000 points. On the other hand, if there is a cheque with a backdated endorsement but has not yet been paid, the Findeks Cheque Index is evaluated between 1 and 500 points; if there is a backdated cheque that has been paid later, it is evaluated between 501 and 999 points.

The Findeks Cheque Index allows gaining insight into an individual or institution's cheque payment habits, serving as an important reference tool in commercial relationships.



FINDEKS QR CODE CHEQUE SYSTEM

The Findeks QR Code Cheque Service, as part of a legal requirement, allows QR codes on cheques, which will now be produced without the need for consent, to be scanned using the Findeks Mobile Application. This enables viewing the issuer's past cheque payment history and verifying the authenticity of the cheque without the need for an approval process.

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 January 1, 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

As of January 1, 2017, all cheques must bear a QR code. Findeks QR Code Cheque Report uses this QR code to show the cheque payment history of issuers. This report also allows the information on the cheque leaves to be compared with the information in the system.

Thanks to the Findeks QR Code Cheque Report, which can be obtained from the Findeks Mobile application, issuer information such as cheque payment performance, forward-term cheques and the number of open cheques can be easily accessed before the acceptance of a cheque for financing a future trade.

FINDEKS QR CODE CHEQUE REGISTRATION SYSTEM

The Findeks QR Code Cheque Registration System aims to create a record based on the issuance date as soon as the bearer or endorser accepts the cheque. The law supports the use of the Findeks QR Code Cheque Registration System as of January 1, 2018.

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

FINDEKS MONITORING SERVICE

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

17. FINDEKS

The Findeks Credit Rating aims to provide the necessary insight for individuals to manage their own financial lives and to establish stronger foundations for commercial relationships.

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. This service enables users to effectively monitor their current financial situation and intervene quickly when necessary.

Changes monitored by the Findeks Warning Service based on criteria set by users are communicated via SMS or email.

Under the Findeks Warning Service, alerts can be defined for situations such as the following, and a notification message is sent to the user:

- The Findeks Credit Rating falling below 1,400 points,
- The credit card debt exceeding TL 10,000,
- Delay in payments for products such as credit cards or cheques,
- A credit product (loan or credit card) application being made on behalf of the user.

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 service offers personalized advice on how to increase the Findeks Credit Rating or how to maintain a high rating.

LETTER OF GUARANTEE STATUS INQUIRY

The Letter of Guarantee Status Inquiry Service is an application that allows the validity of guarantee letters issued by banks to be instantly queried without the need for correspondence or discussions with the bank. Through this service, the validity of guarantee letters held by the counterparts can be checked online using the information such as "Bank Name," "Branch Name," "Guarantee Letter Serial Number," "Amount," "Currency Code," and "Maturity Date." Thus, information regarding whether the guarantee letter has been issued and whether there is an active risk record related to the letter is provided to the user.

KOSGEB ENTERPRISE ASSESSMENT REPORT (EAR)

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

With the KOSGEB Enterprise Assessment Report, users can analyze their enterprises in a wide array of details and make benchmarking comparisons with similar companies in the sector. At the same time, with approval, users can also access the Enterprise Assessment Report of other individuals or institutions. Enterprises with commercial activities can manage receivable risks and engage in secure trade through this report.



* The figures above are stated as cumulative within the scope of the 10th anniversary of Findeks.

FINDEKS INDIVIDUAL MEMBERS

7,566,660

FINDEKS COMMERCIAL MEMBERS

578,278

TOTAL FINDEKS MEMBERS

8,144,938

NUMBER OF FINDEKS CREDIT RATING INQUIRIES

486,769

FINDEKS RISK REPORTS NUMBER OF INQUIRIES

11,000,144

NUMBER OF FINDEKS RISK REPORT INQUIRIES

1,214,733

FINDEKS QR CODE CHEQUE REPORTS

9,509,291

NUMBER OF QR CODE CHEQUE REGISTRATIONS

33,303

* The numbers for Findeks individual members, commercial members, and total members represent cumulative data since inception. Other query and production figures pertain exclusively to the year 2024.

18. GREENDEKS

Innovative solution for a sustainable future

Greendeks, contributing to Türkiye's sustainability transformation, facilitates businesses' access to green finance and provides a competitive advantage.

1,335
Action
Suggestions

36
Sector
Specific
Question Sets

In 2024, KKB has taken significant steps in digital products and services, focusing on developing innovative solutions such as Greendeks, which will stand out in the field of sustainability. Greendeks evaluates businesses' performance in Environmental, Social, and Governance (ESG) areas by using sector-specific question sets, providing sustainability-focused index and action recommendations, and generating reports as an output. The development process of this product was initiated to respond to the growing demands of the business world for ESG reporting and sustainability. Greendeks aims to provide a comprehensive solution strategically addressing the need for ESG evaluation and green financing. The solutions developed this year have further strengthened the sustainability focus compared to previous years.

The project, which began with initial steps in December 2023, was prepared for use by August 2024, marking the start of the pilot phase. As of October 2024, its scope was expanded through the activation of web services, including member creation for banks, portfolio management, and queries related to indexes, certificates, and action plans.

With Greendeks, businesses in Türkiye are provided the opportunity to assess their ESG performance and advance their sustainability journey with more concrete steps. This enables companies to analyze their environmental and social performance in detail, helping them identify their strengths and areas for improvement.



The contributions of Greendeks to KKB and Türkiye include:

- Encouraging the transition to sustainable business models,
- Facilitating companies' access to green financing processes, and
- Providing a competitive advantage in international markets through ESG indices.

Greendeks stands out as a platform that enables businesses to assess their sustainability performance. Customized question sets for 36 different sectors are prepared based on international standards, enabling sector-specific sustainability analysis. Additionally, the platform offers 1,335 different action suggestions to help businesses achieve their sustainability goals and provides tailored solutions for small and medium-sized enterprises (SMEs) through SME-specific question sets.

With Greendeks' carbon footprint calculation module, companies can measure their environmental impact and develop more conscious sustainability strategies.

Development of the platform is progressing consistently. In this context, future plans include adding new sectors, broadening the range of question sources, and incorporating regulatory updates into the platform.

Greendeks' roadmap includes digitizing documents uploaded during the validation phase, ensuring integration with data sources, and conducting field audit processes. In the area of reporting and data processing, analytical reports and interpreted data will be provided to enable businesses to analyze their sustainability performance. User support modules will assist users in utilizing the platform more effectively. Additionally, after indexing services, businesses will be enabled to evaluate their ESG index results more efficiently. As a collaboration facilitator, Greendeks aims to offer users a wide support network by working with various companies, educational institutions, and non-governmental organizations. Finally, the outputs produced by the platform hold strategic value with key stakeholders.

As KKB celebrates its 30th anniversary, momentum is expected to build around investments in sustainability, digital transformation, and data analytics. Accordingly, it is planned to expand Greendeks' reach to a wider business audience and to strengthen national and international partnerships by increasing collaboration areas.

19. KKB DIGITAL SERVICES DEPARTMENT

Local solutions for Türkiye's technology needs

KKB's new structure aims to provide local and efficient solutions to the technology needs of all sectors, especially the finance sector.

In line with developing technology and sectoral needs, KKB Anadolu Data Center and KKB Cloud services were positioned as a separate department within the scope of the new structure in the KKB organizational chart with a strategic decision taken in 2024. The main objective of this new structure is to meet the technology needs of our country, especially in the financial sector, on the basis of efficiency, to prevent duplicate investments and to implement a sharing economy approach that will limit the foreign exchange expenditures of institutions. Work will be carried out under the KKB Anadolu Data Center and KKB Cloud business lines, focusing mainly on two areas.

KKB ANADOLU DATA CENTER

KKB Anadolu Data Center offers a critical solution for our country, especially for the finance sector, with its structure that optimizes infrastructure costs and centralizes data center operations.

KKB Anadolu Data Center, built on a 43,000 m² land in Ankara, completed its construction works at the end of 2016 and opened its Phase-1 section. Since its inauguration, institutions operating in the banking and finance sector have started to receive services from KKB Anadolu Data Center. The use of the KKB Anadolu Data Center by institutions continued intensively, including in 2024, and due to the significant increase in the demands of banks that currently receive service and those that make new leases, KKB Anadolu Data Center continued the installation of additional system

rooms within the existing facility throughout 2024 in order to meet the increasing capacity demands. In parallel, active IT systems serving KKB production environments were also seamlessly moved to the Anadolu Data Center in 2024.

As the data center demands of the financial sector in our country continue to increase significantly, work on the construction of the Phase-2 and Phase-3 buildings of the Anadolu Data Center was initiated in June 2024 in order to meet these demands. With the completion of the new investment, a data center that can triple the current capacity is planned within the same campus area. In line with data center design plans, a new data center equipped with up-to-date technologies and in compliance with international standards, which will meet an important need of the Turkish finance sector, is planned to be commissioned in the third quarter of 2026.

Anadolu Data Center, which has been serving since 2016 in a region with low earthquake risk, with high security and in compliance with all necessary standards, taking into account all risk factors, will continue to provide long-term services to future generations with domestic capital in a high added value to our country in both physical and cloud environment with a low carbon footprint in accordance with international norms, together with the new data center investments that will be operational in 2026.



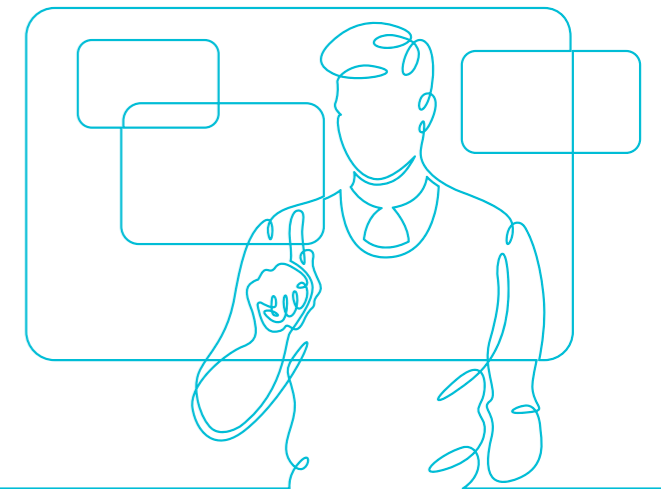
KKB CLOUD

With the KKB Cloud Platform, KKB will start to provide services in the fields of virtual data center, SaaS (software as a service) and generative artificial intelligence, the use of which is rapidly increasing in our country.

KKB Cloud, which was founded in 2022 and commissioned in accordance with finance-specific regulatory rules, aims to contribute to the digital transformation processes of institutions by providing cloud and generative artificial intelligence services, and to provide a flexible, scalable and secure infrastructure to meet the needs of our members with data management, storage, virtual data center and artificial intelligence services through cloud-based solutions. In this way, KKB has taken another major step towards its goal of increasing the competitiveness of businesses and ensuring sustainable growth by closely following the developments in the world of technology.

In line with its business development strategies, KKB aims to establish a strong position in the technology ecosystem by collaborating with innovative fintechs in the sector. With the projects planned for 2025, it is envisaged to expand its service range and reach more sectors. In this process, we aim to develop innovative solutions and applications that will transform the user experience by increasing R&D activities and adopt a sustainable growth vision that provides added value to the business processes of organizations.

New era of efficiency and security



20. INFORMATION TECHNOLOGIES AND R&D

Leading steps in digital transformation

KKB Information Technologies and R&D Department reinforces its leadership in the sector with innovative solutions and operational excellence.

2024 marked an important milestone in KKB’s digital transformation journey. The Information Technologies and R&D Department continued to strengthen its leadership in the sector with the vision of providing innovative solutions, enhancing operational excellence and ensuring a sustainable technology infrastructure.

Information Technologies Management has positioned KKB’s main priorities as spreading the sharing economy in the sector, sharing costs by centralizing the non-competitive operational and risk-oriented activities of financial sector institutions, and thus ensuring efficiency.

In line with these objectives, the KKB Technology Advisory and Management Board, consisting of the Deputy General Managers of Information Technologies of partner banks represented on KKB’s Board of Directors, was established under the leadership of the Deputy General Manager of Information Technologies and started its activities in 2024.

This section of the report highlights the achievements and future targets in the areas of Architecture and Governance, Application Development, Infrastructure and Operations under the Information Technologies umbrella.

IT ARCHITECTURE AND GOVERNANCE

Activities and Achievements

1. Proactive Monitoring and Process Management
In 2024, 1,300 potential problems were identified and operational disruptions were prevented thanks to the proactive approaches adopted in monitoring processes. Within the scope of compliance with Personal Data Protection Law (PDPL) and ISO audits, sensitive data analysis and reporting were fully completed.

2. Data Management and Integration
Applications that perform sensitive data analysis were developed; integration between Business Data Dictionary, Physical Data Modeling, Data Privacy and Demand Management products was ensured. Through the API Management Tool, 4.6 billion inbound and 2.6 billion outbound requests were processed and 311 new API definitions were successfully implemented.

3. Test and Infrastructure Automation
The scope of ODM (Emergency Tests) automation was increased to 80%, increasing process efficiency. By reaching this level, systems and application services in the main data center were commissioned faultlessly in the backup data center (ODM) below the targeted times. End-to-end test automation applications were developed and regression tests were run regularly and automatically. Thanks to the automations developed, the applications worked faultlessly and with high availability in the production environment. The projects carried out during the year achieved success in various award programs. The Test Automation with Artificial Intelligence Project was recognized as the “Best IT Cost Efficiency Project of the Year” by IDC.

4. Configuration Management and Automation
99% of the IT inventory is automatically discovered, making change management and impact analysis more effective. In addition to being an important lever in system and infrastructure management, a strong technology inventory tracking automation has enabled effective analysis in data center migration, ODM testing and commissioning of new projects, reducing error rates and improving the quality of information technology operations.

IT APPLICATION AND DEVELOPMENT

Strategic Projects

1. Agile Transformation
Agile, Scrum, and Kanban methodologies were introduced, and interdisciplinary pilot teams were established. The Agile transformation aims to shorten project delivery times, accelerate the availability of developed applications for members, and enhance efficiency in resource utilization.

2. PDPL Compliance Projects
More than 50 applications were examined in detail within the scope of efficiency, resource utilization optimization and compliance with regulations, and access to expired data was blocked. Similar processes have been completed in data warehousing and reporting environments, and important steps have been taken to ensure data security and enhance the quality of analytical work by controlling increasing data capacity needs.

3. Digitalization and Modernization
Unused applications and data were removed from the systems, resulting in over 10% efficiency in resource utilization. As a result of meticulously designing open source platforms in accordance with information security standards and bringing them to the organization, over USD 600,000 was saved in 2024.

4. New Products and Services
Work on new products and services continued intensively throughout 2024. In this context, preparations for the realization of the Greendeks Sustainability Score project have been completed. The GEOMIS application was modernized and re-launched as Mercek Analytical Platform, and the Commercial Credit Rating was updated and made available to members.

5. Security Improvements
Mobile application and internet branch logins have been made more secure with additional security controls in line with BRSA regulations.

IT INFRASTRUCTURE AND OPERATIONS

2024 Projects

1. Data Center Relocation Project
After 2 years of work, KKB’s main data center was successfully relocated from Istanbul to Ankara Anadolu Data Center.
With this relocation:

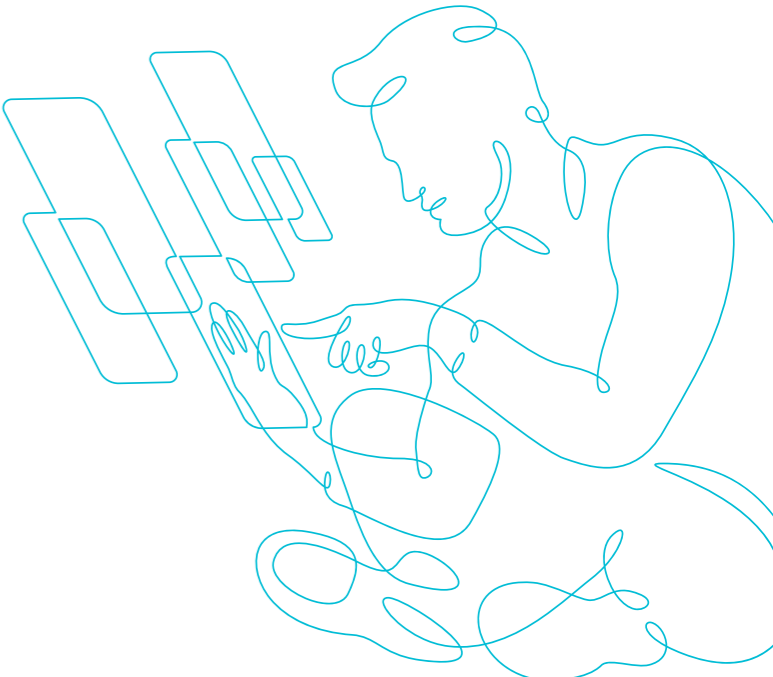
- Earthquake risks have been minimized.
- Services started to be provided from a Tier IV certified data center.
- An infrastructure that can respond to growing needs has been established.
- KKB’s backup (ODM) data center is also located in Istanbul, maintaining the sustainability of the high level reached in business continuity.

2. Infrastructure Modernization
In line with the growth and renewal periods of information technology infrastructures, the mainframe, open system servers and network devices were replaced with new generation hardware and put into use in the new main data center located in Ankara. Monitoring, automation and reporting tools have been updated.

3. Simplification Project
Hardware and software inventory was reorganized, and unused products were deactivated, resulting in significant savings in the efficiency of the use of infrastructures. All infrastructure automation was improved, and the quality of management and monitoring of infrastructures was enhanced with new automation scenarios.

2025 Goals of the Information Technologies and R&D Department
The Information Technologies teams further strengthened the organization’s leading position in the sector with the projects realized and accomplishments in 2024. In the coming years, it will continue to add value to the sector by adopting technological innovations, optimizing processes and pursuing sustainable growth. 2025 main objectives include;

- Creation of infrastructures for new projects (Digital Document Center, Greendeks),
- Modernization of the data backup infrastructure on main computers,
- Transformation of applications into micro-service architecture, development of artificial intelligence supported projects and presenting them to the sector,
- Fully harmonizing existing applications with cloud platforms,
- Initiation of portfolio management activities to manage infrastructure demands more effectively.



21. RISK CENTER SERVICES AND DATA MANAGEMENT

Data management in international standards

KKB Risk Center strengthens decision support processes by providing accurate and reliable information to members.

The Risk Center and Data Management Department, which is responsible for maintaining the Risk Center activities within KKB and managing the relationship with TBB Risk Center, consists of Risk Center Product Management and Development, Business Intelligence, Reporting and Data Quality, Analytical Model Development and Artificial Intelligence Units.

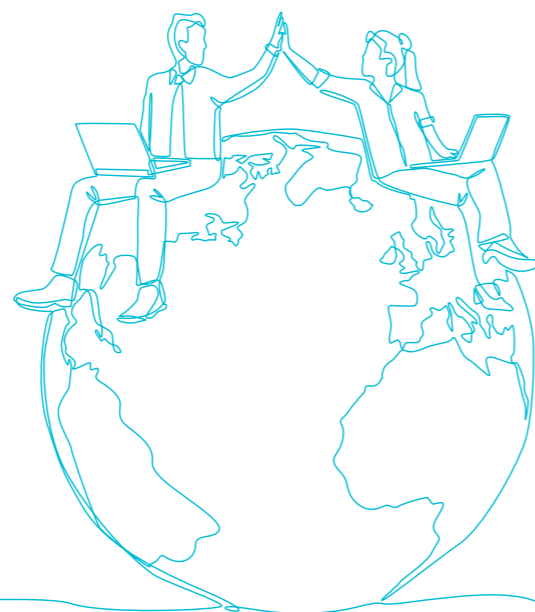
All units of the Risk Center and Data Management Department aim to provide members with accurate and reliable information through comprehensive and up-to-date data collection activities. To this end, data sources are continuously enriched, data collection processes are optimized and data are collected in up-to-date periods.

In order to improve the quality of the information obtained in data collection processes, current technologies are closely monitored and the practices of bureaus abroad are also monitored. In order to increase efficiency, simplification of products is prioritized and solutions that are user-friendly and provide quick access are offered. Innovations offered by fintech technologies are evaluated and solutions that will provide added value to members are developed.

In these processes, members' decision-making is supported by emphasizing the transformation of raw data into meaningful insights, along with the development of reports and statistics. Additionally, the public is informed at regular intervals.

In line with the strategy of creating added value from the data collected from members, the Analytical Model Development team develops scoring products using the most up-to-date technologies and offers solutions for fast and accurate decision-making needs in the sector.

With the recent developments in the field of generative artificial intelligence, the transformative effect of artificial intelligence on business processes has come to the fore. In this context, the Artificial Intelligence Unit continues its efforts to formulate strategies that will meet KKB's internal needs and common expectations in the sector. Accordingly, cooperation opportunities with fintech companies, universities and technology institutions are being evaluated.



In 2024, KKB was accepted as a member of ACIPE (Association of Credit Information Providers in Eurasia) in addition to its existing ACCIS membership and was unanimously elected to the Association's Board of Directors. This membership and board position further enhanced the organization's reputation among international financial and credit bureaus. Throughout 2024, many foreign credit bureaus contacted KKB, reviewed its products and services, and evaluated innovative practices and cooperation opportunities. These memberships and visits contributed to the goal of providing services at international standards.

RISK CENTER PRODUCT MANAGEMENT AND DEVELOPMENT UNIT

The Risk Center Product Management and Development Unit receives data from the financial sector and source institutions in other sectors; develops products and services on behalf of the Risk Center based on this data; provides maintenance and support services throughout their lifecycle; and carries out product management activities related to Risk Center services. It also manages the communication and coordination between members and the Risk Center.

In line with its simplification and efficiency targets in 2024, the Unit has realized approximately 40 project transitions within the framework of its strategy to create value from the raw data collected from members. Among these projects are updates to products made as part of the compliance efforts with the Personal Data Protection Law (PDPL), the enhancement of the Risk Center Risk Report to be produced using a more up-to-date dataset, and the addition of new fields to the Corporate Office product, CBS, all of which include innovations affecting the financial lives of members and citizens.

In the same year, primary systems were moved to the Emergency Situation Center, the Ankara Data Center, in order to ensure business continuity in case of emergencies. This way, the uninterrupted continuity of services has been ensured even under the most challenging conditions.

In the upcoming periods, the continuation of efficiency initiatives, efforts to facilitate easier integration of members into KKB systems, the continuation of activities to achieve more effective budget management, the implementation of agile project management methods for more flexible project execution, the development of projects to enhance existing Risk Center products and services, and the strengthening of relationships with the Risk Center are among the strategic priorities.

ANALYTICAL MODEL DEVELOPMENT UNIT

The Analytical Model Development Unit focuses on creating value-added products for member organizations while also working in various areas to help these organizations better manage their risks and provide innovative solutions to the sector.

In the implemented projects, compliance with ethical regulations, risk management, and transparency principles are prioritized. Every development aims to meet the sector's expectations while offering reliable and transparent services. The Analytical Model Development Unit will continue to develop solutions that add value to the financial sector through innovative approaches and technological advancements.

ARTIFICIAL INTELLIGENCE UNIT

The Artificial Intelligence Unit has established collaborations with academic institutions and TÜBİTAK Innovation Centers in 2024 and has also conducted fintech research to closely follow developments in the sector. In line with academic and sectoral collaborations, efforts are ongoing to develop services that meet the needs of the financial sector and its members.

In the upcoming periods, as a reflection of these artificial intelligence efforts, the goal is to implement models that will increase efficiency both within the organization and externally. Projects based on the use of large language models (LLMs) will continue in line with these objectives.

BUSINESS INTELLIGENCE, REPORTING AND DATA QUALITY UNIT

The Business Intelligence, Reporting, and Data Quality Unit continues its reporting and analysis activities based on the collected data. With this responsibility, the unit aims to provide insights to guide the strategic decisions to be made by KKB, RC, and the finance sector. 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.

In 2024, a large number of data control processes were completed, resulting in improvements in data quality. As part of KKB's efficiency strategy, automation processes were effectively utilized, allowing current and periodic reports to be shared swiftly with member institutions. To ensure effective management of processes and the sustainability of data quality, the Data Management Committee was established, ensuring that decisions were implemented with the participation of all departments and units.

22. DIGITAL CHANNELS, INNOVATION AND PROJECT MANAGEMENT

Innovative solutions for adapting to the digital age

KKB continuously improves its project management processes to enhance efficiency and facilitate the achievement of strategic goals.

PROJECT MANAGEMENT UNIT

The Enterprise Project Management Office (ePMO) is responsible for the end-to-end management of projects and requests, from development of new products in alignment with corporate strategies to the addition of new functions to existing products to ensure their continuity. This includes centralized reporting at various levels of depth.

As of 2024, all activities of the unit operating under the Digital Channels, Innovation, and Project Management Department are clearly defined with procedures and processes, and its maturity level is quite high. The defined framework and documentation are supported by the adoption and use of project management tools aligned with the digitalization vision, which minimize human errors, perfect process compliance, and standardize work by eliminating behavioral differences.

Improvement efforts aimed at increasing the maturity of activities and company efficiency are continuously prioritized by the unit. Data-driven decision-making mechanisms are employed in identifying relevant activities and determining solution methods.

In this context, key initiatives carried out and/or implemented in 2024 include the "Project Value Map" model, the "Project Proposal Document and Scoring" system, the "Agile Transformation" journey, and the "Quarterly Master Plan" transformation.

The Project Value Map model approaches project ideas and proposals with benefit-value-focused mathematical criteria, providing management with a transparent decision-support tool. This model visualizes projects in a four-box matrix structure using more than 10 objective parameters obtained from various disciplines, focusing on the benefits and implementation challenges of projects, and ensures positioning according to the end-user perspective. This initiative aims to direct company resources towards strategic areas and prioritize high-value-added tasks.

The Project Proposal Document and Scoring system was developed with a focus on master plan periods and the potential gaps that may arise during these periods. This system, designed to help stakeholders around projects better understand each other and increase the maturity level of business ideas, features a structure that includes multiple-choice and

Transparency in project management

open-ended sections. This solution aims to minimize deviations in cost projections and the alignment of resources with projects. Additionally, it ensures that collected data throughout the process can be used to focus on more precise areas for improvement.

The Agile Transformation journey is an initiative led by the Project Management Unit, aimed at enhancing the organizational culture and increasing its richness by incorporating agile methodologies such as Kanban and Scrum, in addition to the existing traditional methodologies.

The Quarterly Master Plan transformation aims to make the product development cycle more flexible and dynamic. Within this initiative, resources are planned more efficiently by working with correct priorities and well-defined scopes, creating filtered project pools before planning, and implementing end-to-end benefit management effectively. Additionally, this transformation is designed to shorten the time-to-market for products and support the efficient use of resources.

DIGITAL CHANNELS AND INNOVATION UNIT

The Digital Channels and Innovation team was restructured in 2024 to lead digital transformation processes by providing innovative and effective solutions to both internal and external customers within the organization. The team is responsible for the development, management, and continuity of all web and mobile platforms, including Findeks, one of the popular applications aimed at increasing financial awareness among individual users.

As of August 2024, the strategic approach for Findeks 3.0 aims to offer innovative solutions covering all stages of the customer journey and to guide the long-term product strategy. The details of these strategies are as follows:

- **Awareness Creation:** Financial awareness is targeted through digital ads, social media campaigns, and educational content.
- **Experience Stage:** The goal is to increase app usage by offering personalized notifications, score simulation tools, and interactive content tailored to user needs.
- **New Customer Acquisition:** Special offers and campaigns are designed to attract new users to the platform, while integrated solutions with partnered banks and financial institutions are planned.
- **Retention:** Loyalty programs, subscription methodologies, gamification techniques, and user feedback-driven improvements are employed to support the retention of existing users on the platform.

The Digital Channels and Innovation team aims to closely follow technological innovations to enhance user experience and financial accessibility, create a sustainable financial ecosystem, and contribute to the development of Türkiye's financial technology sector.



23. CORPORATE STRATEGY

The key to efficiency and growth

KKB strengthens its organizational structure and uses its resources efficiently through simplification and efficiency initiatives.

The rapid, accurate, and timely assessment of the creditworthiness of individuals and organizations in the financial and real sectors is of great importance. In order to meet the needs of the sector, KKB strategically prioritizes the development, transformation, and improvement of products and services aligned with its vision and mission.

The Corporate Strategy Department, focusing on this priority, is responsible for defining the institution's medium and long-term strategies, implementing them, and effectively monitoring progress. In addition, the department coordinates strategic planning activities, tracks priority projects, participates in revenue and budget work, and conducts research on investment projects. Through these efforts, the department aims to enhance KKB's operational efficiency, optimize the profitability of its product portfolio, and contribute to the achievement of sustainable growth targets.

In 2024, all activities and business processes within KKB were established in accordance with the COBIT framework, the ISO 27001, ISO 22301 and ISO 20000 standards and the "Communiqué on Information Systems Management and Audit of Information Exchange Institutions and Risk Center," which replaced the "Communiqué on Principles to be Based on Information Systems Management in Information Exchange, Clearing and Settlement Institutions, and Business Processes and Audit of Information Systems" published by the BRSA in 2021. The application of Corporate Process Management ensures that all corporate processes are aligned with the current functioning, while analyzing the impact of changes in processes, with the result that changes are continued to be disseminated more effectively. Process mining efforts continued to enable more detailed

analysis of the performance of processes. 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.

Detailed studies were conducted in the areas of organization, processes, and technology to identify areas for simplification and efficiency within the organization and to increase their effectiveness. One of the key initiatives carried out under the organizational and process scope, with a focus on simplification and optimization, was addressing the end-to-end sales life cycle. Efforts were made to determine how the sales life cycle should ideally be managed and to identify the gaps between the current business processes and the desired state within the organization. In this context, necessary strategies and processes for effectively managing the sales life cycle were discussed, and business functions such as marketing, technical sales (pre-sales), sales, post-sales, and customer success management, along with their touchpoints with product management, were evaluated. Through these evaluations, differences with the current workflow were identified, and outputs were created regarding which technologies should support these processes.

Another initiative carried out within the organization and processes scope was the review of all teams within the Risk Center Services and Data Management department in the areas of processes, technology, and organization. To contribute to efficiency, outputs were created by evaluating the organizational structure, the systems in use, the processes and products under their responsibility, and the employees' job descriptions and current roles, in order to identify areas for improvement. Additionally, an analysis was conducted to determine the workload required for executing processes.



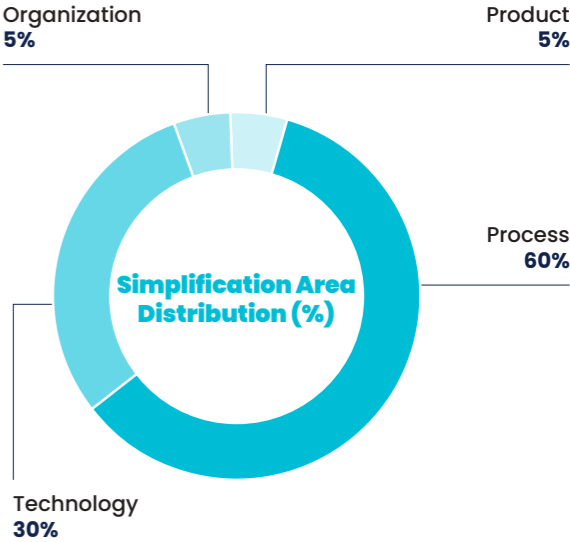
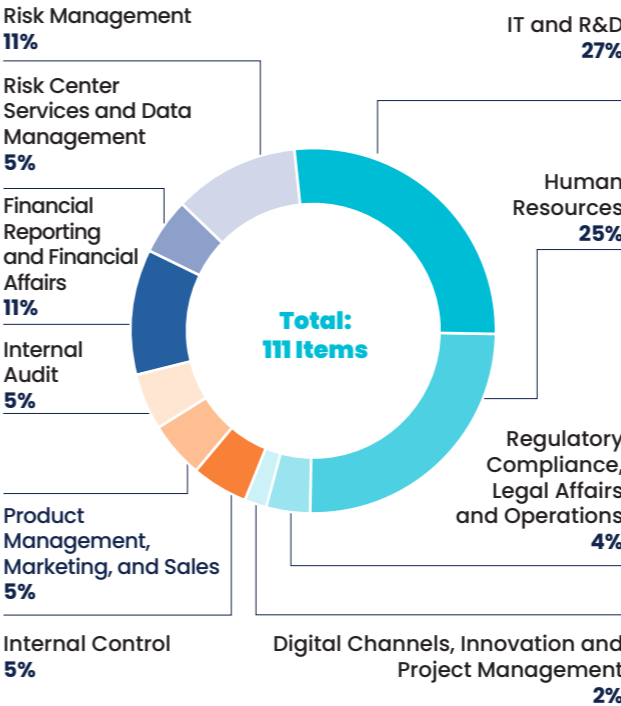
KKB is conducting a comprehensive study to enhance the maturity of access and authorization processes and to achieve optimization. As part of this initiative, the current workflow has been evaluated end-to-end, and improvements that provide quick wins to increase efficiency in the organizational structure and processes have been implemented. KKB continues to work on short- and medium-term improvement areas.

In line with KKB's goals of corporate architecture and technology simplification, the Application Management processes are being restructured under the coordination of the Technology Architecture Unit. In this context, application inventories are being updated, and the current approach is being reviewed to create an architectural structure that will optimize the technology pool. As a result of the carried-out studies, significant gains have begun to be achieved in the application pool and cost management.

The Corporate Strategy Department is involved in conducting benefit/cost analyses of products and services for both the organization and the sector, as well as ensuring that profitability is traceable, reportable, and easily accessible through ongoing efforts.

In addition to all these activities, the Corporate Strategy Department has ensured the mobilization of all departments toward one of KKB's key strategies, which is simplification, in 2024. In this context, the simplification and optimization potentials within each department were gathered, and these potential areas were thoroughly evaluated. With the support of Corporate Project Management, the identified simplification potentials are regularly monitored, and their implementation and update statuses have become reportable on a monthly basis.

Department-Based Simplification Rate (%)

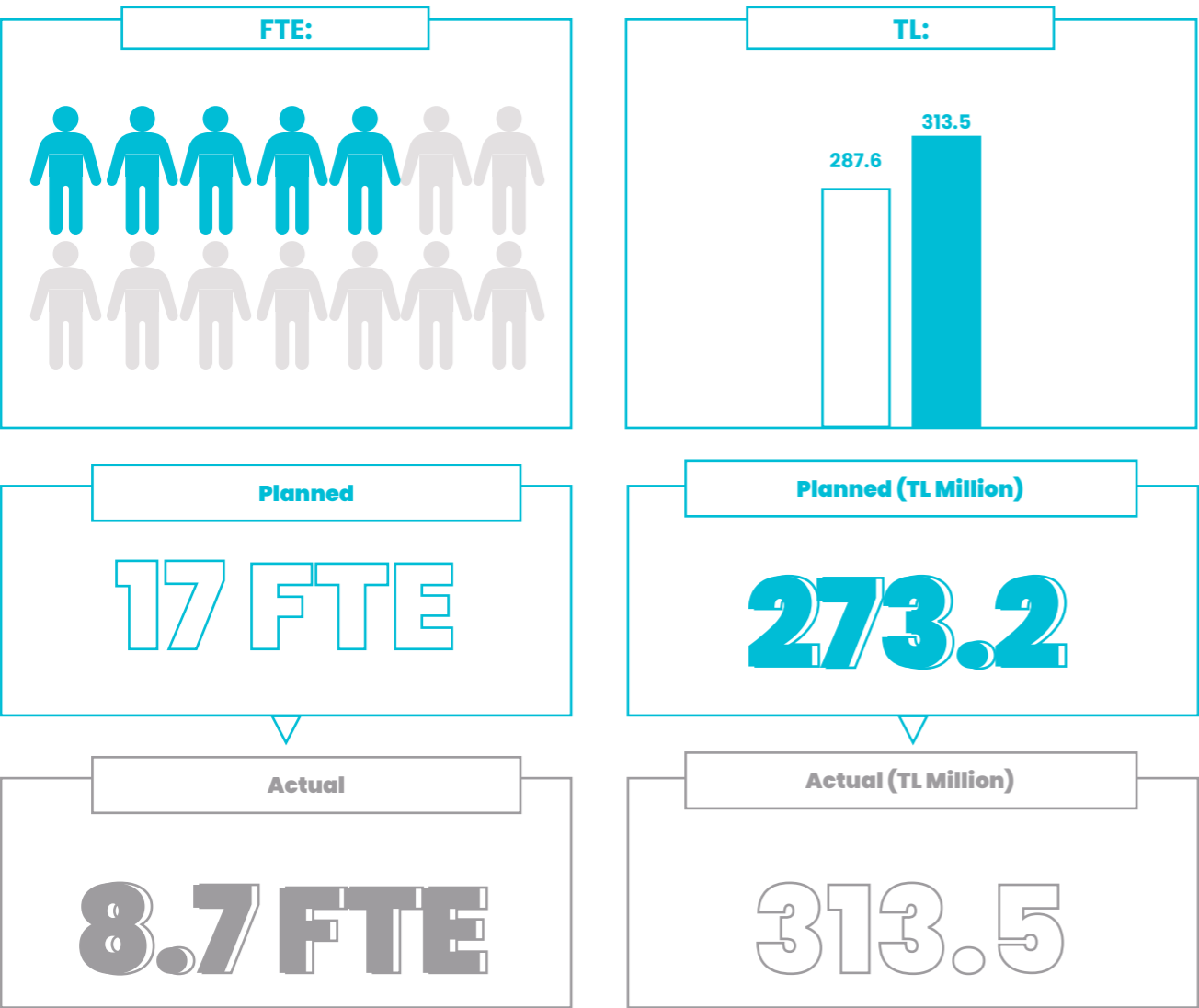


23. CORPORATE STRATEGY

In 2024, the Corporate Strategy Department ensured the mobilization of all departments towards one of KKB’s core strategies, which is simplification.

One-on-one meetings were held with unit or team managers within the organization to review the activities carried out in 2024, as well as to exchange information about the projects planned for 2025 or those considered potentially beneficial. Additionally, suggestions aimed at increasing employee satisfaction and performance, and contributing to corporate efficiency, were listened to and evaluated.

Gains



24. FINANCIAL REPORTING AND FINANCIAL AFFAIRS

Efficiency and innovation in financial management

KKB enhances resource utilization efficiency through dynamic purchasing, budgeting, and cash management.

In 2024, the Financial Reporting and Financial Affairs Department, in alignment with KKB’s strategic focus areas, prioritized efficiency and made improvements in financial management, reporting, and control systems. By effectively utilizing technology (automation), the department supported management decision-making processes by providing value-added new reports. Additionally, the dynamic management of purchasing, budgeting, and cash management activities contributed to increasing the efficiency of KKB’s resource utilization.

The Financial Reporting and Financial Affairs Department successfully integrated its developed inflation accounting applications into the accounting and reporting systems.

As part of the expansion project of the Anadolu Data Center, which KKB has been operating in Ankara since the end of 2016, the Financial Reporting and Financial Affairs Department conducted financial feasibility studies, contributing to the decision-making processes of senior management. As a result of the decisions taken, the department carried out financial and operational processes, including financial affairs, purchasing, and reporting activities for the Anadolu Data Center investment project.

The Financial Reporting and Financial Affairs Department carried out simplification and efficiency-focused efforts, defined new business processes, and updated procedures. Additionally, the department contributed to the creation of more flexible structures to ensure compliance with regulations and technological developments.

1. Strong Financial Management:

An effective approach is adopted in financial management processes, prioritizing cost efficiency and budget optimization to ensure the efficient use of resources.

2. Transparent Tax Practices:

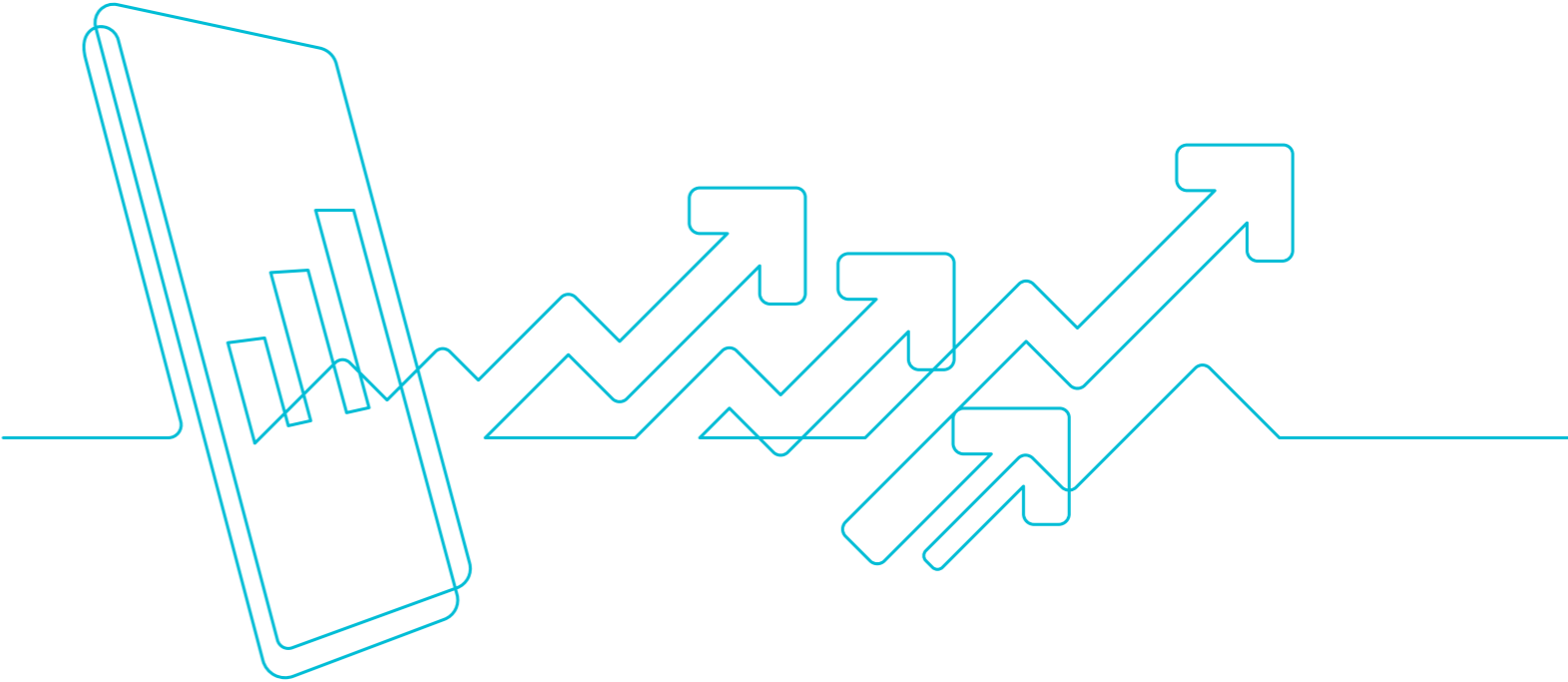
In line with the principle of compliance with tax regulations, all tax obligations are met transparently and accountably. Annual reports, special circumstance disclosures, and quarterly and annual result announcements are regularly shared with the public.

3. Innovation and Technology:

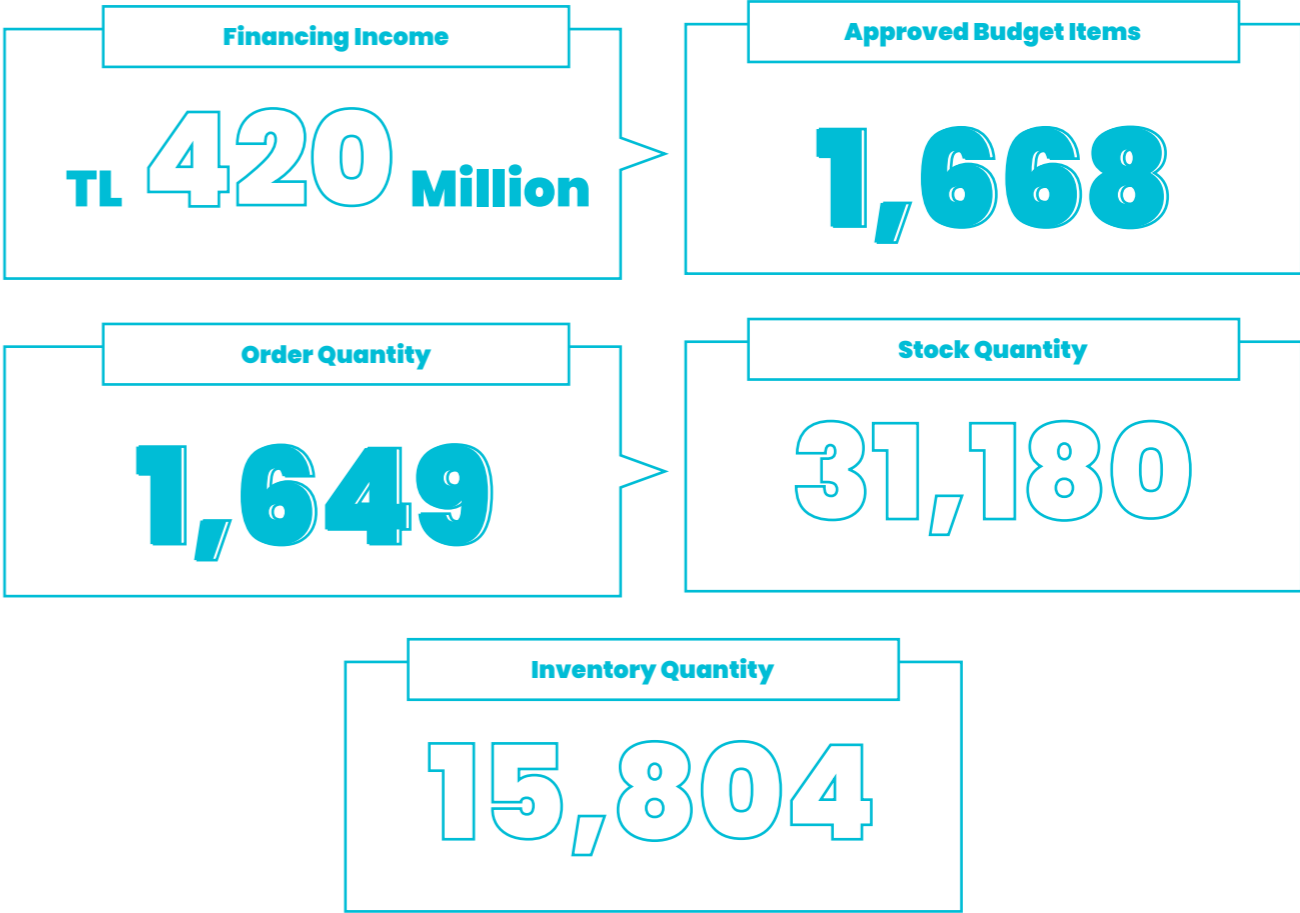
In line with KKB’s innovation strategy, digital transformation and automation are prioritized in business processes, leading to increased efficiency. In procurement processes, cost optimization and effective resource management are implemented considering economic conditions.

4. Internal Information Sharing:

Internal information sharing is emphasized, with effective communication and transparency supported through management reports, ensuring a flow of information across various contents.



Quantitative Overview



25. PRODUCT DEVELOPMENT AND MARKETING MANAGEMENT

Efforts focused
on digitalization,
sustainability and
customer satisfaction

149
New Product
Penetration

As of 2024, the Product Management, Marketing, and Sales Department has continued its efforts with determination to accurately analyze market needs, develop innovative products, and strategically position these products to enhance brand value. The department has successfully integrated the company's simplification and efficiency strategies with a sustainability perspective, achieving significant gains in this direction.

The year 2024 has been completed with notable success in the areas of digitalization, sustainability, and efficiency for the Product Management, Marketing, and Sales Department. In 2025, it is planned to implement more comprehensive and effective projects in line with the established strategic goals.

PRODUCT DESIGN AND MANAGEMENT UNIT

The Product Design and Management Unit continued its efforts in 2024 to offer KKB's products and services with innovative and user-centric solutions. Working with a multidisciplinary approach, the team developed value-creating projects, from setting product strategies to design, research, and implementation. As a result of intense efforts in 2024, a new product, Greendeks, was launched, and developments and updates were made to other prominent KKB products.

The technical setup work was successfully completed on August 5, 2024, and Greendeks was launched. During the pilot process conducted with Eximbank, five companies of various locations, sectors, and sizes were able to experience Greendeks, and feedback was collected. Following this, KKB supported its founding bank partners in obtaining the Greendeks Certificate. By the end of September, the necessary technical documentation for web services required for integration with banks was shared with all members. In 2025, the goal is to expand Greendeks' sectoral coverage and increase its competitive advantage in international markets.

In the meantime, active participation took place in a range of summits, events (including the ITU Carbon Summit, Çevrefest, and COP29), and panel sessions. To date, 24 companies and banks have engaged with Greendeks and received their certificates.

In 2024, 11 new banks were integrated into the Electronic Letter of Guarantee Platform, bringing the total number of banks on the platform to 51. The types of public guarantee letters requested by the Revenue Administration and the Ministry of Trade were added to the platform, contributing to the digitalization of processes. In 2025, the goal is to expand the platform's scope by increasing integration with both the public and private sectors.

Among the highlighted products, the Agricultural Loan Assessment System (TARDES) ensures that the credit evaluation processes for farmers seeking agricultural loans from financial institutions in Türkiye are carried out quickly, practically, and accurately. In this context, in 2024, approximately 15% of all agricultural loans granted in Türkiye, and about 70% of loans from private banks, were evaluated using TARDES. The fifth edition of the Türkiye Agricultural Outlook Field Research, which closely monitors the current status and transformations in the agricultural sector, was shared with the public. In 2025, the goal is to improve collaboration between farmers and agricultural credit providers.

In 2024, the GeoMIS, a map-based reporting product, was renewed and enriched with graphics and map-supported reporting features under the new system called "Mercek." In 2025, the goal is to enhance the reporting infrastructure with user-friendly features.

SALES MANAGEMENT UNIT

The Sales Management Unit is responsible for the effective use of KKB and Findeks products within the financial and real sector institutions, as well as managing relationships with members, customers, business partners, and overseeing sales activities. One of the strategic priorities of the institution for 2024 was the approach of simplification and efficiency. With this perspective, the functions under the Sales Management Unit were structured into three main categories: Strategic Client Relationship Management, Findeks Partnership Management, and Findeks Regional Sales Management. In 2025, the aim is to enhance customer experience through innovative, digital-focused methods.

Strategic Client Relations Management

To provide a holistic service to financial and real sector institutions, the Strategic Client Relations Management Team, which operates as both Financial Sector Strategic Client Relations Management and Real Sector Strategic Client Relations Management, continued its activities under a unified structure in 2024. Thanks to the synergy from organizational changes, the team stayed in close contact with its member clients, aiming to meet their targets. In 2024, the team held approximately 1,800 one-on-one meetings, 27 group training sessions, and promotional events, directly engaging with the general directorates of these institutions to ensure the effective use of KKB and RM products. Due to these synergistic efforts and direct member contact, in 2024, in addition to the existing product usage, 149 new product penetrations were achieved.

Findeks Partnership Management

The Findeks Partnership Management Unit develops business partnerships with banks, mobile network operators, e-commerce platforms, fintech companies, and electronic money institutions. The core of these partnerships is to expand the use of Findeks products and packages across all channels of the relevant institutions.

The team effectively manages existing projects with current banking partners while also bringing new banks into its operations. As part of the agreements made in 2024, the sales of Findeks packages have begun through the distribution channels of two new banks. With these efforts, a total of 23 banking partnerships are currently being maintained. In response to changing customer needs and behaviors, efforts have been made to extend Findeks products not only to branch channels but also to mobile and online banking platforms. Thanks to these efforts, in 2024, a total of 8.1 million PDF reports were sold.

Findeks Regional Sales Management

The Findeks Regional Sales Management Team, responsible for delivering Findeks products and services through the banks' branch channels, conducts regular visits to the banks' Regional Directorates. In 2024, the team made 10,100 visits to approximately 970 institutions. These efforts aimed to increase efficiency in the sales activities of the banking channel. In line with the institution's strategic goals, efficiency improvements have led to a 55% increase in sales activities within the banking channel in 2024.



25. PRODUCT DEVELOPMENT AND MARKETING MANAGEMENT

With innovative products and services such as Greendeks, Electronic Letter of Guarantee Platform, TARDES and GeoMIS, KKB took important steps in the areas of digitalization and sustainability in 2024.

MARKETING MANAGEMENT

CRM and Growth-Oriented Marketing Management
The CRM and Campaign Management Unit successfully continued its activities throughout 2024, focusing on target audience identification and segmentation efforts supported by analytical approaches. The unit's primary goal was to implement Findeks campaign management activities based on the key strategies and objectives established for the year.

Marketing Communication and Brand Management
The Marketing Communication and Brand Management Team, under the umbrella of Marketing Management, continued its efforts in 2024 to create integrated strategies that deliver the right message to the target audience in a sustainable manner. The team focused on 360-degree marketing communication for KKB and its sub-brands.

As part of the 10th anniversary communication plan for Findeks, the team revamped the brand's logo and used numerical data to tell Findeks' 10-year story. They incorporated each element of this story into the communication plan to create a cohesive narrative.

KKB's new brand, Greendeks, effectively managed all launch and marketing processes, ranging from the creation of the corporate identity guide to strategic communication planning. Based on the strategies developed for the brand, advertising campaign efforts were planned, and all design and promotional activities, including necessary documents for stakeholder integration, were executed. Concurrently, as part of marketing communication activities, sponsorship efforts were organized to ensure Greendeks' participation in industry events, and visual and promotional materials were created.

Pricing and Revenue Management

Established in 2024, the Pricing and Revenue Management Unit has carried out the following activities:

Pricing Model Development: By analyzing historical data, the unit has developed future pricing models considering current economic conditions, profitability expectations, and demand forecasts. These models, along with various scenarios, have been presented to the relevant department managers.

Revenue Loss Analysis: By calculating the impact of sales volumes on unit prices for 2024, the unit has created revenue loss scenarios, determined the opportunity cost that may arise in cases of price flexibility, and communicated the necessary adjustments to the relevant department managers.

Product Package Pricing: The unit has reviewed the current prices of commercial packages (small, medium, large) and restructured them using a "Tiered Discount Model" based on unit price, then shared the revised pricing with the relevant department managers.

Subscription Model Analysis: The unit has conducted cost analyses for packages sold on an annual subscription basis, assuming they would be sold on a monthly subscription model, examined the pricing of similar subscription systems in the market, and collaborated with the relevant department to conduct a feasibility study.

Strategic marketing communications



26. HUMAN RESOURCES

Transparent, equal and sincere human resources

For two years in a row, KKB has been included in the List of Türkiye's Best Employers by Grate Place to Work.

In 2024, the Human Resources Department continued to work in line with the employee-oriented, transparent, equal and sincere human resources perspective adopted in its business models.

Focusing on KKB's strategic priorities, the Career and Recruitment, KKB Academy and Corporate Communications teams successfully implemented various projects throughout the year in 2024.

In 2024, the Human Resources Department worked intensively within the scope of the productivity project, one of KKB's key strategic goals. Within the scope of the project, which aims to identify and measure the efficiency points specific to each department in the fields of technology, process, product and organization in order to ensure and maintain efficiency within the organization, efficiency was achieved under a total of 29 titles belonging to the Human Resources Department.

Organizational Transformation and Organizational Efficiency

The first phase of the organizational transformation was carried out in January 2024 in line with the goal of increasing the organizational efficiency of the organization through holistic business management. In the first half of 2024, work continued in line with the strategic corporate objectives and the second phase of the organizational transformation was completed in June 2024. In parallel with this, the organizational structure of IT Application and Development teams in accordance with the agile transformation methodology was ensured.

KKB Once Again on Türkiye's Best Employers List

In 2024, KKB was honored to be included in the list of "Türkiye's Best Employers 2024" by Great Place to Work, and was also listed in the "Best Large 500-999" category and received an award. In addition, KKB was entitled to be included in the "Social Responsibility and



Volunteering" list within the scope of its social responsibility and volunteering activities carried out to date. The pride of achieving the "Great Place to Work" certificate for the second year in a row was shared. In 2025, KKB will continue to work relentlessly for the "Great Workplace" certificate, which was awarded as a result of a record 91% participation rate of KKB employees.

Young Talents Program

The Young Talents Program, which focuses on the employment of fresh graduate young people who are the representatives of the future. Within the scope of the Young Talents Program, which contributes to the recruitment, training and job adaptation processes of young people in their first work experience, 19 young people successfully completed an intensive training program lasting 6 months in total. In the fifth term of the program, which is considered as a kind of corporate social responsibility to support the participation of new graduates in employment, application rates increased by 200% and the retention rate of the 126 young talents who joined KKB was 80%.

University Career Events

In order to strengthen the recognition of KKB's employer brand at universities and to come together with young talents, the Bank participated in events that brought together university students throughout the year. Students from every university in Türkiye participated in the events, where the Human Resources team, as well as KKB leaders who are experts in their fields, met with young talents on various topics. University events aim to share information that will help all young people navigate their career journeys and raise awareness on career planning.

In-house Career Opportunities

Initiated with the aim of making efficient use of resources, KKB employees showed great interest in the internal announcement practice this year as well. During the year, a total of 19 employees were transferred to different departments, units and teams through internal reassignments, while 104 employees were promoted to higher positions.

KKB Academy Focuses on Continuous Development

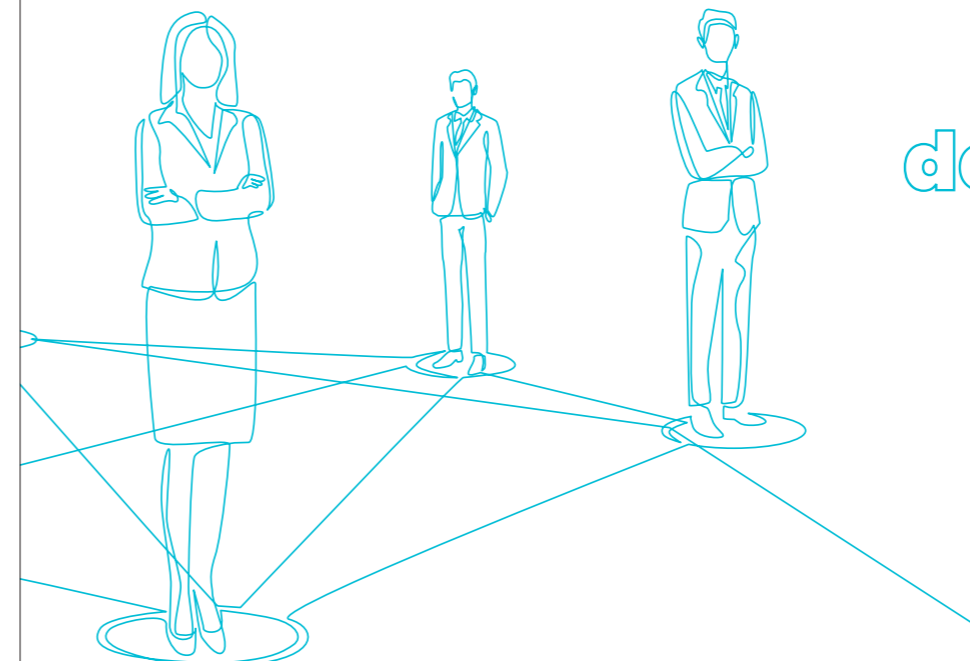
Maintaining its focus on continuous development in 2024, KKB Academy implemented training programs throughout the year that support the organization's strategies and current projects. A total of 480.5 days of training was provided in 385 sessions. In addition, employees who requested exam certification support were supported in training and exam processes.

The success achieved through training programs was crowned with an award from the TEGEP Internal Trainer Training Program. KKB Academy received the "Best" award for its Development Guides Training Program.

With this program, it is aimed to contribute to the sustainability of the business by transferring corporate memory, to gain trainer skills in the subjects they are experts in, and to increase trainer motivation by creating experience-oriented sharing environments. During this program, which was implemented with the vision of creating holistic added value in terms of providing social benefit as well as corporate benefit, 517 KKB employees were given the opportunity to learn from each other for a total of 38 days in 125 sessions.

Other academic activities throughout the year are as follows:

- 731 (390 unique) KKB employees spent a total of 144 days learning through 74 trainings tailored to their needs.
- 126 KKB employees who requested conference, seminar, and summit attendance participated in 31 separate events.
- A total of 663 unique participants in 14 sessions across the organization had the opportunity to meet with experts in their fields.
- A leadership development program was designed specifically for the newly promoted managers and their training began.
- "Development Center" activities were implemented for 27 newly promoted assistant managers, and individual development actions were prepared.
- During the spring and autumn terms, a planned training catalog allowed 569 KKB employees to spend 65 days learning with professional/technical/personal development training in 48 different topics.
- For experienced hires, a total of 10 sets of orientation programs were planned throughout the year, completing the orientation programs for 100 new KKB employees.



Center of development and value creation

26. HUMAN RESOURCES

With the Young Talents Program, KKB raises the leaders of the future and contributes to employment.

- Interdepartmental symphony sessions were organized to help all newly joined KKB employees understand the organization's way of working, interdepartmental processes, and shares.
- As part of the Young Talent Program, 19 new employees who successfully completed the recruitment process in March 2024 attended a special orientation program. The program, aimed at facilitating the employees' adaptation to the company, lasted 1+1 weeks, totaling 27 days, with 40 different trainings 11 days of the training were conducted face-to-face, while the remaining days were delivered through on-the-job training with instructor and buddy support. A key part of the orientation program was the 2-month LinkedIn Learning Challenge, where the Young Talents dedicated an average of 44 hours to their personal and professional development. The 6-month program concluded successfully with the Young Talents completing their presentation assignments between October 2-4, 2024.
- The Agile transformation process was initiated, and the basic training for pilot teams was carried out in 7 sessions over 12 days. Special training sessions were also held for the managers leading the Agile transformation, and a total of 111 people completed the training.

The Corporate Communications team continued its efforts in 2024 to create, protect, and ensure the sustainability of KKB and its sub-brands' image and reputation. In this context, press relations, reputation management, and internal-external communication efforts were carried out.

The Synergy 2024, the organization's largest internal event, was organized with high participation. During the event, which was attended by a total of 559 KKB employees, plaques were presented to KKB employees who completed their years of service. 42 individuals received their 5-year plaque, 22 received their 10-year plaque, 1 received a 15-year plaque, and 1 received a 20-year plaque.

Collaboration with TÜBİTAK for New Technology Solutions

Throughout 2024, communication activities were carried out regarding the actions taken by KKB in the areas of press relations and reputation management. A significant collaboration protocol was signed with TÜBİTAK BİLGEM with the goal of technology development. Under this collaboration, the aim is to produce technology solutions in 2025 for the benefit of the finance sector and the private sector, including cloud technologies, security, and artificial intelligence solutions to be offered to the private sector.

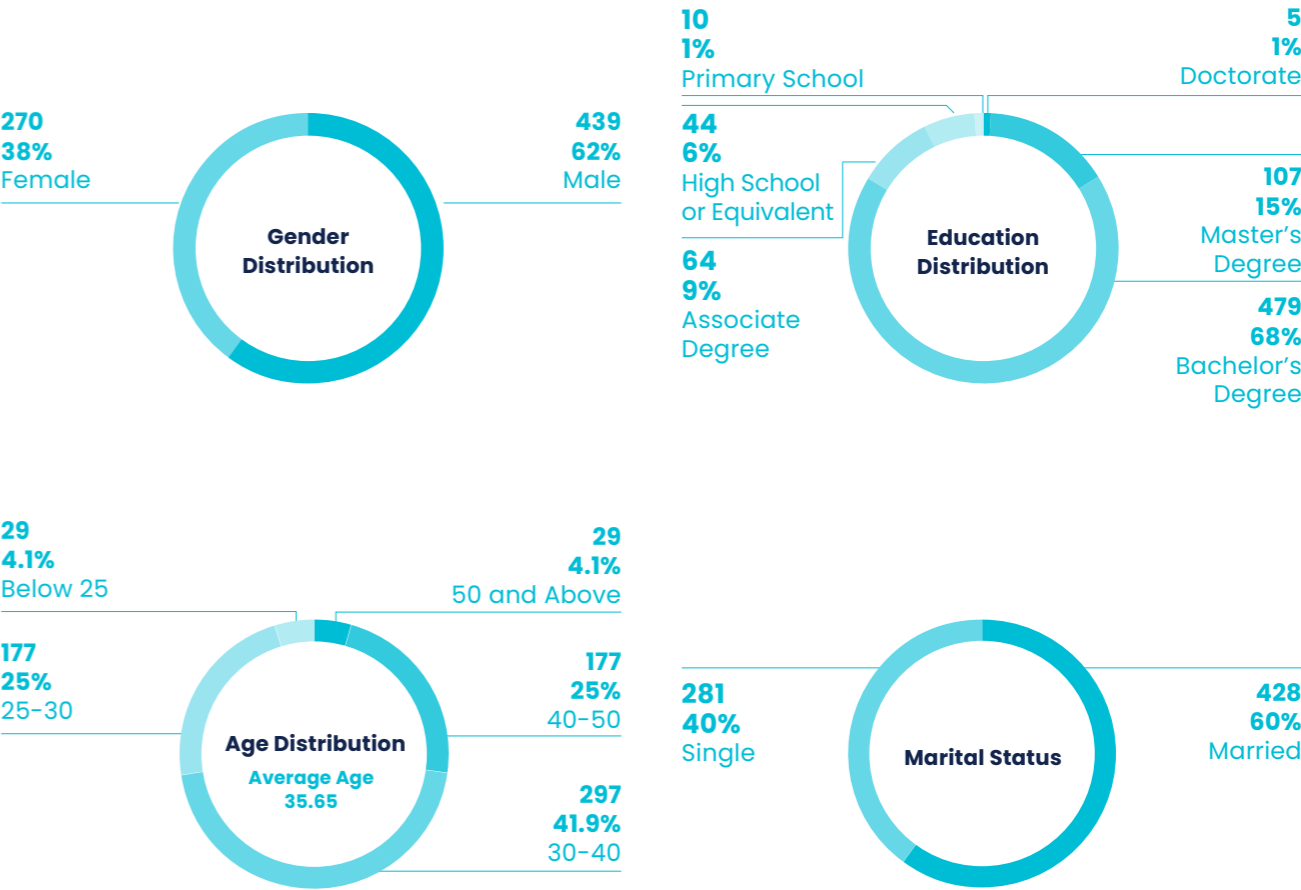
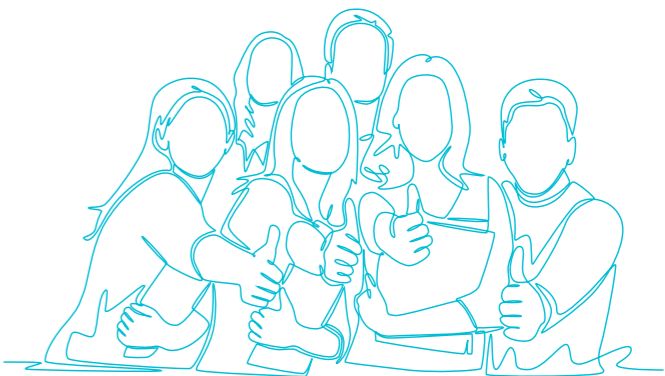
Supporting the Sustainability Journey of the Financial System

In collaboration with the Ministry of Environment, Urbanization, and Climate Change, a Green Transformation Protocol for Industry was signed. Under this protocol, KKB undertook the role of collecting the data necessary for accessing financing and sharing it with the financial system. The data on air emissions and environmental performance, obtained from the Ministry of Environment, Urbanization, and Climate Change, will be shared through KKB's newly developed sustainability platform in a unified manner.



HUMAN RESOURCES PROFILE

709
Total Number
of Employees



* The total number of employees, including temporary staff and interns, within the organization as of 31 December 2024.

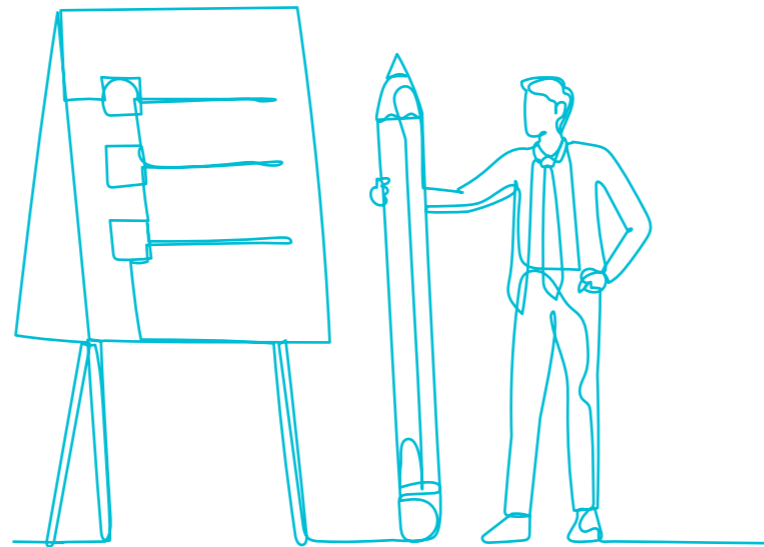
27. RISK MANAGEMENT

Proactive approach and continuous improvement

KKB Risk Management Department effectively manages risks and explores opportunities by referring to international standards.

The Risk Management Department classifies KKB's operations under strategic, operational, financial, and reputational categories, based on international corporate risk management standards such as COSO ERM and ISO 31000 Risk Management Standard, in order to help manage risks and align the decision-making mechanism with the organization's risk appetite.

The Risk Management Department supports the achievement of targeted outcomes by identifying and managing the risks and opportunities KKB may encounter, in alignment with its mission, vision, and strategic priorities. By contributing to the determination of strategic objectives using the OKR (Objectives and Key Results) methodology, the department regularly reports to senior management on how all divisions contribute to achieving KKB's strategic priorities. In this context, the department conducts risk assessment studies in compliance with international standards, including ISO 27001:2022 Information Security Management System, ISO 22301:2019 Business Continuity Management System, ISO 20000-1:2018 Service Management System, ISO 14001:2018 Environmental Management System standards, as well as national regulations and international frameworks. These risk assessment studies ensure that all products and services of the organization, including asset, process, service and third-party based products and services, are handled in different dimensions and that the assets, processes and suppliers needed to provide these products and services at the desired performances are reviewed from a risk perspective and subjected to an end-to-end risk assessment. Since 2018, KKB has also been conducting



an ISAE 3402 Type-2 Assurance Audit, executed by an Independent Audit Firm for Anadolu Data Center operations, and this audit was completed again in 2024. Thus, the audit efforts of both KKB and stakeholders were significantly reduced.

The entire inventory was updated in line with the organizational changes implemented in KKB's structure in 2024. TS EN 50600-3 Data Center Operation, ISO 27017 Information Security in Cloud Services and ISO 27701 Personal Data Management certifications were initiated to support the activities of KKB Digital Services Department and to increase the maturity of Cloud Services and Anadolu Data Center operations.

In 2024, risk assessment and business impact analysis studies were conducted for approximately 260 active products/services, 425 suppliers, 900 processes and nearly 5,000 assets. In addition, significant improvement opportunities were identified and realized in 2024. KKB Risk Management Department's priorities include increasing the effectiveness of these regularly conducted activities, improving processes by utilizing technology and automating them where possible.

The activities carried out to improve processes are categorized under twelve headings. In this context;

- Automation of Cyber Security and Threat Monitoring team operations and closure of the night shift,
- Automation of source code analysis of eligible projects,
- Migration of business continuity documentation on GRC,
- Conducting preliminary assessments with a questionnaire in third party risk assessments,
- Gains in terms of efficiency and proactivity were achieved through the optimization of the central log collection system.

In addition to KKB's ongoing projects, risk assessments, information security controls, business continuity studies, and third-party risk assessments were carried out for service and project-specific risk assessments, information security controls, business continuity studies, and third-party risk assessments in projects such as Greendeks, Anadolu Data Center Phase-2, Anadolu Data Center Prod Transport, and Synthetic Data, Artificial Intelligence, and Electronic Document Center, which are important projects that KKB has launched in 2024.

Aware of its responsibilities towards the environment, society, ecosystem and stakeholders, KKB acts with a commitment to minimize the environmental impact of all its activities and to achieve sustainability goals. Accordingly, the carbon and water footprint calculations initiated in 2020 have been updated for 2024. In addition, KKB's activities were evaluated within the framework of the United Nations Sustainable Development Goals (SDGs) and KKB's Corporate Sustainability Report was prepared and shared with the public in light of the data obtained.

KKB initiated the Information Security and Risk Management Maturity Analysis to increase its level of maturity in risk management. In order to share its knowledge and experience in this field with the sector, KKB department and unit managers participated as speakers in national and international events. In addition, the first Business Continuity Forum titled "Flexible Strategies, Resilient Foundations" was organized in 2024, hosted by KKB with the participation of leading names in the sector.

In 2025, KKB Risk Management Department will continue its efforts to realize and improve processes with a focus on effectiveness, efficiency and improvement, which it realized in 2024. Efforts to strengthen the maturity of risk management activities will continue in the coming year with the vision of being a pioneering and followed organization in its field.

For a trustworthy and sustainable future



28. INTERNAL AUDIT

Guaranteeing trust
and efficiency

KKB Internal Audit Department conducts audits in line with the audit plan prepared using a risk-based methodology, ensuring alignment with KKB’s strategies.

During its 2024 activities, the Internal Audit Department successfully completed the process and management statement works, as well as the audits of support service organizations, considering KKB’s short, medium, and long-term plans, strategies, and potential risks.

In 2024, considering KKB’s product and technology range, developments in the technology world, regulatory changes, and global digital innovations, the audit plan, prepared with a risk-based methodology, focused on the following areas in line with KKB’s strategies:

- Sustainability,
- Efficiency and Simplification,
- Artificial Intelligence,
- Agility and Data Center,
- Information Security Processes.

Additionally, KKB underwent a comprehensive audit process covering the Findeks sales and product management processes, social media activities, finance and budgeting processes, and procurement process improvement initiatives. During this audit, financial controls and the auditing of business lines were prioritized. Tests and analyses were conducted to assess the adequacy of the control environment, and necessary improvement actions were initiated based on the findings.

Establishing a working environment aligned with these approaches and strategies certainly requires a capable team in data science, technology, and innovation. In this regard, the Internal Audit Department has a strong data analysis team consisting of

data scientists and experts. Many audits and analyses are carried out using big data in Research and Development (R&D) projects, where machine learning and analytical models are utilized.

In all audits and activities, the Internal Audit Department focuses on KKB’s strategic objectives of simplification and efficiency, sharing findings on areas of improvement in terms of effectiveness, competency, and efficiency with the audited teams and KKB management. Furthermore, in alignment with the institution’s strategy, the Corporate Efficiency Audit has focused on the following subtopics:

- Infrastructure Resource Efficiency,
- Call Center Efficiency,
- Product Maintenance Costs,
- Active Usage Status.

After conducting a risk analysis, the Internal Audit Department also performed product profitability analyses of services provided to KKB members, using products from 5 third-party firms, considering personnel, infrastructure, project, and business unit costs.

The Department has established a specialized team to evaluate KKB’s data center investments and existing infrastructure. This team, guided by expert engineering consultants, conducted a comprehensive gap analysis to identify the risks, threats, and best practices specific to Data Center operations. The team members were trained by expert engineers, ensuring the necessary risk-control environment for future audits is maintained by the current staff.

KKB ensures the adequacy of the control environment by conducting audits across a wide range of areas, from Findeks processes to data center investments.

Additionally, machine learning graph algorithms have been developed to detect fraudulent relationships between members as part of fraud detection initiatives. One ongoing project with the TBB Risk Center involves updating end-user model data and gathering feedback from the financial sector. The MATS infrastructure has also been supported, and scenario studies are being conducted on anomaly detection.

The necessary evaluation activities for KKB’s sustainability have been addressed through sustainability audits. In this regard, continuous development areas that must never be completed have been identified, and action areas have been defined to ensure continuous improvement in sustainability, management support, corporate responsibility projects, and the continuation of the organization’s activities based on sustainability principles.

In the Findeks Web Service Security Review, a standard template has been developed, and infrastructure for certification has been worked on. In 2024, audits of 2 firms were completed, and 17 audit processes are still ongoing.

In line with KKB’s agile transformation, audit activities also follow an agility approach, where data and system logs related to systems and applications being audited are reviewed to detect potential anomalies.

In the coming years, the Internal Audit Department has planned new projects and activities to continue leveraging technology, automation, and artificial intelligence in audits.

KKB aims to use the opportunities provided by technology in its auditing processes to enhance efficiency and effectiveness. As part of an R&D project, data and system logs from audited areas are subjected to anomaly detection models using machine learning algorithms, ensuring that critical records and data deviations are identified, thus shaping audits accordingly.

Furthermore, the Management Statement Automation Project aims to automate the ongoing Management Statement audits, transitioning from the sample-based audit approach to a full infrastructure audit, identifying systems deviating from configuration standards. The goal is to establish a fully automated structure in the coming years, with anomalies detected through models based on the emerging data set.

In addition, as part of the license management project, developed and carried out by the Internal Audit Department, a license inventory is being developed to ensure effective management throughout the process, from the purchase of licenses to their usage in systems, bulk tracking, and evaluation during audits. This project will create the necessary infrastructure to evaluate license usage and storage based on efficiency and effectiveness criteria.

29. INTERNAL CONTROL

For reliable and effective processes

KKB Internal Control Department works to help the organization achieve its sustainability, effectiveness, and reliability goals.

The Internal Control Department consists of two main units to achieve the organization's sustainability, effectiveness, and reliability goals: Information Systems Control and Business Processes and Financial Control.

- Information Systems Control Unit ensures the security, continuity, and efficiency of information technology processes by applying and monitoring controls.
- Business Processes and Financial Control Unit conducts process analyses and improvement activities to increase the effectiveness of organizational workflows, ensures the accuracy and compliance of financial reporting processes with regulations.

Both units aim to create value in line with strategic objectives while ensuring the organization's compliance with the regulatory framework. Every year, new control areas are identified and implemented as part of risk assessments. Additionally, internal audits are carried out for ISO 27001, ISO 22301, ISO 20000, and ISO 14001 certifications based on information security, business continuity, service quality, and environmental, social, governance (ESG) principles.

The year 2024 marked a significant year for KKB with major innovations in internal control processes aligned with the company's strategic priorities. Key goals included enhancing the effectiveness of routine control activities, proactively managing risks, and improving business processes through technology. Strategic and organizational changes in the company in 2024 led to significant transformations within the Internal Control Department. In this context, the "Control Automation and Analytics Team" was established in line with the company's AI, simplification, and efficiency strategic priorities, and R&D projects were launched.

The first strategic initiative, the Smart Control System Project, was developed to identify risks in company activities and address control gaps. Given the sensitivity, criticality, and size of the data the company holds, the need to move beyond traditional control methods dependent on human resources formed the basis for the project. Efforts are ongoing to automate control processes using AI and machine learning methods and detect anomalies like unauthorized access. This system aims to accelerate control activities while providing comprehensive assurance and operational efficiency.

The BuBiTuzak Project was launched to effectively and efficiently carry out file integrity checks within the organization and strengthen KKB's information security structure. The file integrity control project developed to protect the company's digital assets is expected to detect changes in critical system files in real time and minimize the company's security risks. The technology developed aims for low resource consumption and high efficiency while offering a local alternative to the industry. Ongoing development efforts focus on managing large file pools, quickly assessing the impact of changes, and providing early warning mechanisms against security breaches.

The internal control activities of 2024 not only improved existing processes but also laid a solid foundation for future goals. The main priorities for the Internal Control Department in the upcoming period will be:

- Ensuring comprehensive, reasonable control assurance for the future,
- Reducing operational effort and optimizing workload,
- Continuing innovations focused on sustainability.



30. REGULATORY COMPLIANCE, LEGAL AFFAIRS AND OPERATIONS

KKB Regulatory Compliance, Legal Affairs and Operations Department provides multifaceted services in the areas of regulatory compliance, contract management, operational efficiency, and public relations.

Under the Regulatory Compliance, Legal Affairs and Operations Department, there are four units: Regulatory Compliance, Legal and Contract Management, Operations Management, Public Relations Management, and Support Services.

Regulatory Compliance, Legal and Contract Management Unit

The Regulatory Compliance and Legal team is responsible for ensuring that KKB’s activities comply with applicable laws and evaluating the impact of changing regulations on ongoing activities. This team is involved in the new product/service development process (compliance by design) to ensure that legal obligations are met at the design stage. Additionally, they are responsible for the preparation, revision, and negotiation of contracts between KKB and its members, clients, and suppliers, as well as overseeing the processes related to new trademark and patent applications and renewals, managing trademark/patent objections and complaint petitions, and coordinating with trademark-patent offices. They also track lawsuits filed against KKB and/or initiated by the company, provide legal consultancy to all KKB units, handle written communications with administrative authorities, and generate legal opinions. The team follows publications from regulatory and supervisory authorities, including the Official Gazette, and reports relevant matters related to the company’s activities to KKB senior management.

The Contract Management team ensures coordination between the Regulatory Compliance and Legal Unit and relevant teams within KKB, consolidates opinions and comments, monitors contract version tracking, renewal periods, and accelerates processes when necessary by bringing together internal and external stakeholders. They actively manage contract negotiation processes, send reminders to stakeholders to ensure the smooth management of contract negotiation, and oversee all processes and cycles of contract management until the signing process is completed.

In 2024, analysis work was completed to transfer email-based workflows from the Regulatory Compliance and Legal team to the system, aiming to increase the traceability and measurability of business outputs. The project is planned to go live in 2025.

Analysis work has begun to integrate the data inventory into business workflows for automatic updates within a specific approval chain. The goal is to complete the work and start system development in the following year.

The work to update the contracts of Anadolu Data Center’s customers to align with the services provided was completed during the activity year. This facilitated the updating of service prices and enabled price increases to be indexed to inflation.

European Union regulations related to artificial intelligence and personal data protection were closely followed, and relevant internal communications were made.

System developments for effectively monitoring and reporting the contract process were completed and launched during the activity year.

Work has started to create a local and international regulatory knowledge bank regarding sustainability, which is one of KKB’s strategic priorities. The completion of these studies is targeted for 2025.

Ongoing Lawsuits Managed by the Unit

As of 31.12.2024, pending lawsuits filed against the Company with pecuniary compensation claims were as follows:

- A lawsuit filed on 28.11.2013 with a total claim of TL 100,000 (TL 50,000 material and TL 50,000 moral compensation) and a demand for a share not less than 20% of the potential income.
- A lawsuit filed on 27.10.2016 with a total claim of TL 128,237.20 (TL 98,237.20 material and TL 30,000 moral compensation) against a bank and KKB.
- A lawsuit filed on 03.03.2020 for a claim of TL 36,388.70.
- A lawsuit filed on 08.08.2022 with a claim for TL 24,412.20 of material and moral compensation.
- A lawsuit filed on 01.09.2022 for a claim of TL 20,000 of moral compensation.

- A lawsuit filed on 31.10.2023 with a total claim of TL 101,000 (TL 1,000 material and TL 100,000 moral compensation) against a bank and KKB.
- A lawsuit filed on 14.09.2023 for an unspecified amount of material compensation against the BRSA, 2 banks, and KKB.
- A lawsuit filed on 05.01.2024 for an unspecified amount of material compensation against a bank and KKB.
- 1 lawsuit for job reinstatement.
- 10 lawsuits related to labor claims, severance pay, and/or notice compensation.

Operations Unit

The Operations Unit consists of three different teams: Official Correspondence, Authorization, and Communication Center. All teams are involved in both KKB’s internal processes and in the products and services provided on behalf of the Risk Center, as outlined in the contract signed with the Turkish Banks Association Risk Center (Risk Center or RC).

Authorization Team

Throughout the year, the operational processing and authorization requests from members, official institutions, customers, and internal departments related to the services provided on behalf of KKB and the Risk Center were carried out in accordance with the processes. The activities aimed at internalizing all requests, demands, or problems of the financial family using KKB products and services and providing quick solutions continued.

To more effectively manage the authorization and subscription processes of members benefiting from KKB products and services and minimize operational risks, the team collaborated with the Product Development teams under the Asset Management Project to create menu structures, roles, authorizations, and task pool modules, contributing to screen designs.

An important development for 2024 was the initiative to obtain the “Prohibition from Participating in Tenders” decision report from the Public Procurement Institution via a web service. With this, the relevant decisions will be automatically shared with Risk Center members, and all manual system entries will be eliminated, significantly contributing to efficiency.

Official Correspondence

In 2024, official letters issued on behalf of KKB and on behalf of the Risk Center have continued to be processed by reviewing whether the institution is legally authorized to request information, whether the requested information is available within KKB or RC,

and providing the requested information within legal deadlines, limited to the requested information. Additionally, written responses were provided to individuals based on their specific requests in the written petitions they submitted.

Development requests were opened throughout the year to produce reports more quickly and to meet the specific requests with a single report. Innovations were made in this regard, and the processes were actively participated in and implemented.

Furthermore, significant contributions were made to the implementation of the Privacy Integration Project, which was successfully completed within the project year. Over time, with the effective utilization of the system by the relevant public institutions, it is expected that operational processes in this area will significantly decrease, resulting in an increase in efficiency.

The goal of the Authorization Management and Official Correspondence Unit is to contribute to the company’s goals by enhancing efficiency and providing greater value and innovation in its 30th year, thereby helping the company reach its objectives in the shortest time possible.

Communication Center

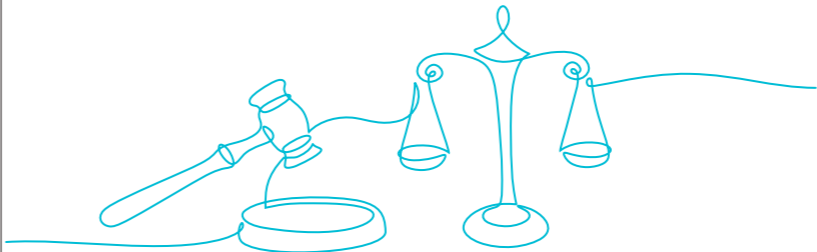
The following actions have been taken to improve efficiency at the Communication Center, which serves KKB customers and Risk Center members’ clients. The redesigned workflows, which also involve third-party service providers, are expected to be implemented starting in 2025.

Public Relations Unit

As part of KKB’s goals and strategic priorities, discussions have been held with relevant official authorities and non-governmental organizations on sustainability, data provision and sharing, and data center matters.

Dividend Distribution Proposal

The dividend policy of the Company is determined by the General Assembly given the provisions of the Turkish Trade Law and Articles of Incorporation and with the medium- and long-term strategies of the Company under the national economic conditions. Stakeholders are informed at the General Assembly Meeting about the opinions and suggestions regarding the allocation of net profit for the period for the corporate tax and other financial liabilities to be paid by the Company, under Article 28 of the Articles of Association to negotiate and amend the financial statements for the year ending 31 December 2024 and to determine the way the profit will be used and the profit and profit share rates to be distributed; the non-payment to the Banks Association of Türkiye; and keeping the net amount remaining after deducting legal liabilities from the Company’s 2024 gross profit in the Extraordinary Reserve Funds account, rather than distributing it to the partners so that it can be used for the Company’s planned investments.



31. 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 responsible for evaluating the impact of application and system changes on daily operations, ensuring that any changes comply with current legal regulations, and monitoring the necessary measures to minimize the risks associated with the changes.

Internal Audit Committee

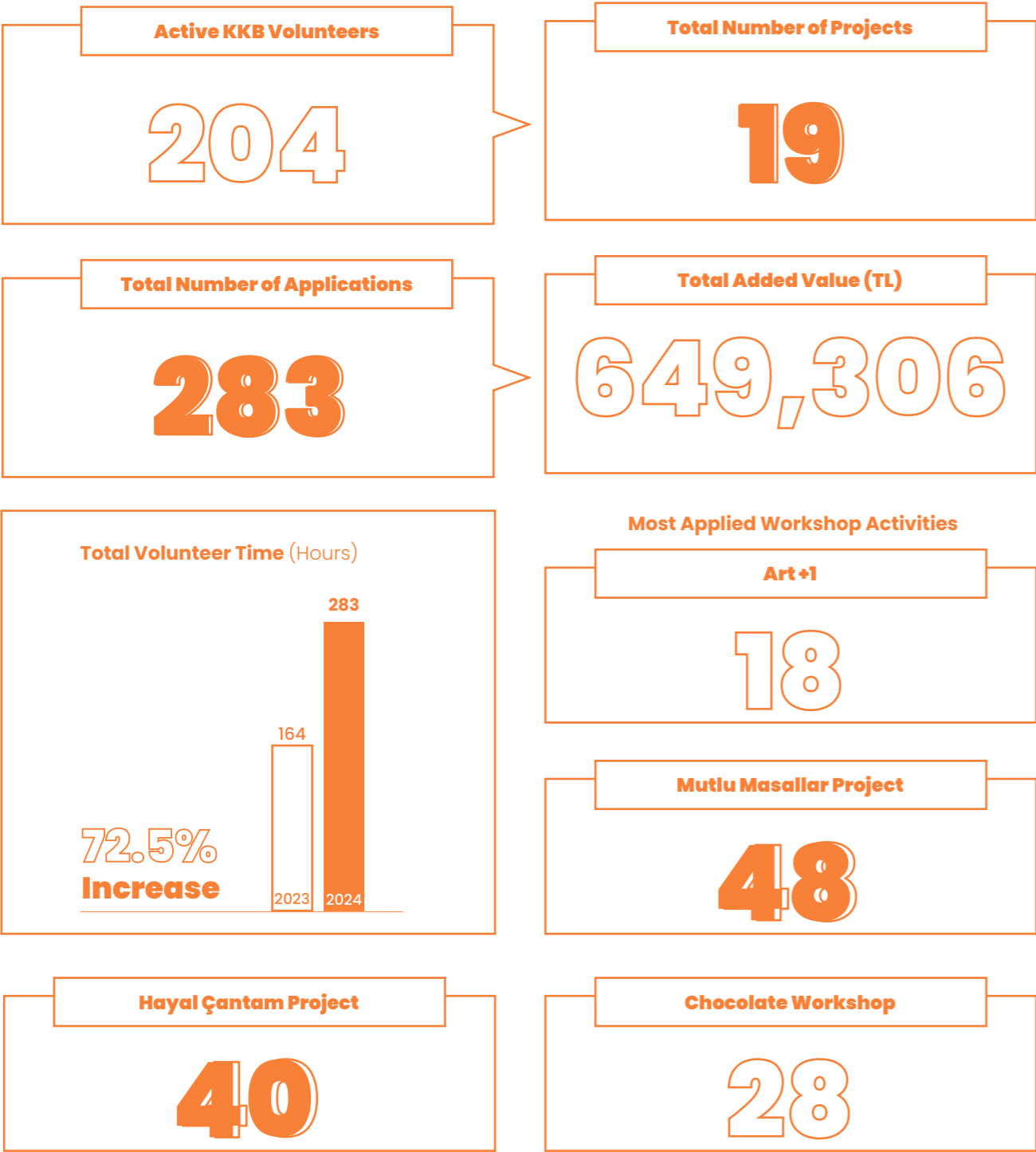
The Internal Audit Committee convenes to evaluate the audit plan information, information connected to completed audits, information regarding past and incomplete actions and findings, requests to revise the action date with the audited unit and department managers and, if necessary, with the audited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

32. CORPORATE SOCIAL RESPONSIBILITY

KKB places great importance on social responsibility initiatives as a part of its corporate culture and encourages the active participation of its employees in these activities.



KKB continues its activities with a sense of social and individual responsibility and carries out social responsibility projects with the aim of adding value to society as part of its corporate culture.

KKB employees actively participate in corporate social responsibility projects, and internal volunteer efforts are supported. All activities related to employee volunteering are gathered under the KKB Volunteers Platform, which has been active for a long time. Throughout the year, regular meetings are held with non-governmental organizations (NGOs), which are considered key stakeholders in social responsibility and community awareness efforts, and various projects are carried out with the active participation of KKB Volunteers to address specific needs.

The digital platform KKB Volunteers allows employees to actively participate in volunteer projects, enabling them to use their skills (e.g., playing instruments, sports) and competencies (e.g., foreign languages, special training) in volunteer activities. All employees who are members of the KKB Volunteers Platform have the opportunity to participate individually in volunteer projects, either online or physically.

Through the KKB Volunteers Platform, employees' volunteer activities are observed, and they are given the opportunity to continuously develop their work in their area of responsibility, in addition to their professional identity.

In 2024, volunteer projects continued actively through the KKB Volunteers Platform, and various initiatives in different fields were carried out.

Let's Do It Türkiye Collaboration
Participation was provided in environmental cleaning awareness events organized simultaneously in various locations in İstanbul and Ankara by Let's Do It Türkiye, aiming to raise awareness about environmental cleanliness and overcome trash blindness.

In addition, in collaboration with Let's Do It Türkiye, a SanAtık workshop was held to share KKB's sustainability approach with employees and raise awareness about recycling. In the groups formed with the participation of over 500 employees, artworks in the form of paintings were created using waste materials. The SanAtık workshop, moderated by Assoc. Prof. Dr. Nermin Demirkol from Kocaeli University Faculty of Fine Arts, included usable waste materials made from plastic, cardboard, and metal, and informative discussions were made about the role of these materials in sustainability.

As a result of the creative perspectives and collaborative teamwork of the employees in the SanAtık workshop, a total of 38 paintings were created. Among these paintings, the top 10 were selected through a survey organized with the participation of all KKB employees, and the top 3 paintings were chosen. The creators of the top 3 paintings were rewarded with various gifts focused on sustainability.

32. CORPORATE SOCIAL RESPONSIBILITY

KKB employees have initiated goodwill movements in 2024, ranging from helping children and earthquake victims to cancer patients and disaster-stricken individuals.

Mutlu Masallar Project

Story narration project was organized in collaboration with Gülmek İyileştirir Derneği, which supports children with cancer and their families during their treatment processes. With the participation of 48 volunteer employees, the project aimed to provide morale and motivation for children who had to stay in isolation rooms due to cancer treatment. Pedagogue-approved fairy tales were narrated for these children. Over 100 fairy tales were narrated by KKB employees and gifted to children being treated in the relevant hospitals by the association.

Painting Workshop

In collaboration with the 1 Book 1 Future Association, a volunteer activity was carried out with the participation of KKB Volunteers to support the educational needs of children living in container cities in earthquake-affected areas and to provide them with a fun activity.

Stationery materials corresponding to the educational needs of 30 children were transformed into colorful bags, each decorated with a different picture, during the painting workshop. One side of the bags was colored by the KKB Volunteers who participated in the workshop, while the other side was left for the children to paint themselves.

Down Syndrome Awareness Workshop

A collaborative project was carried out with the Türkiye Down Syndrome Association to enhance communication, strengthen cooperation, and raise awareness. The event included informative content on topics such as the definition and awareness of Down syndrome, and how to communicate with individuals with Down syndrome in daily life. The event was concluded with a fun painting workshop involving individuals with Down syndrome and KKB Volunteers.

Toy and Chocolate Workshop with Hayata Destek Derneği

Fun and sweet workshops were organized with the participation of KKB Volunteers and Hayata Destek Derneği, which carries out social awareness and support projects for women and children living in disadvantaged areas of Türkiye.

In the toy workshop attended by 30 participants, 60 different handmade toys were prepared for children in the earthquake-affected regions.

Additionally, a sweet break was given to support women's cooperatives during the year. The workshop aimed to support entrepreneurial women, with 30 KKB Volunteers participating in this initiative.



Projects that add value to society



Average Age

33

Social Impact Value per Person (TL)

3,182.87

Volunteer Participation Rate in Projects

57.35%

42% Male

58% Female

KKB Volunteers Profile

46th Istanbul Marathon Charity Run for the Turkish Cancer Society

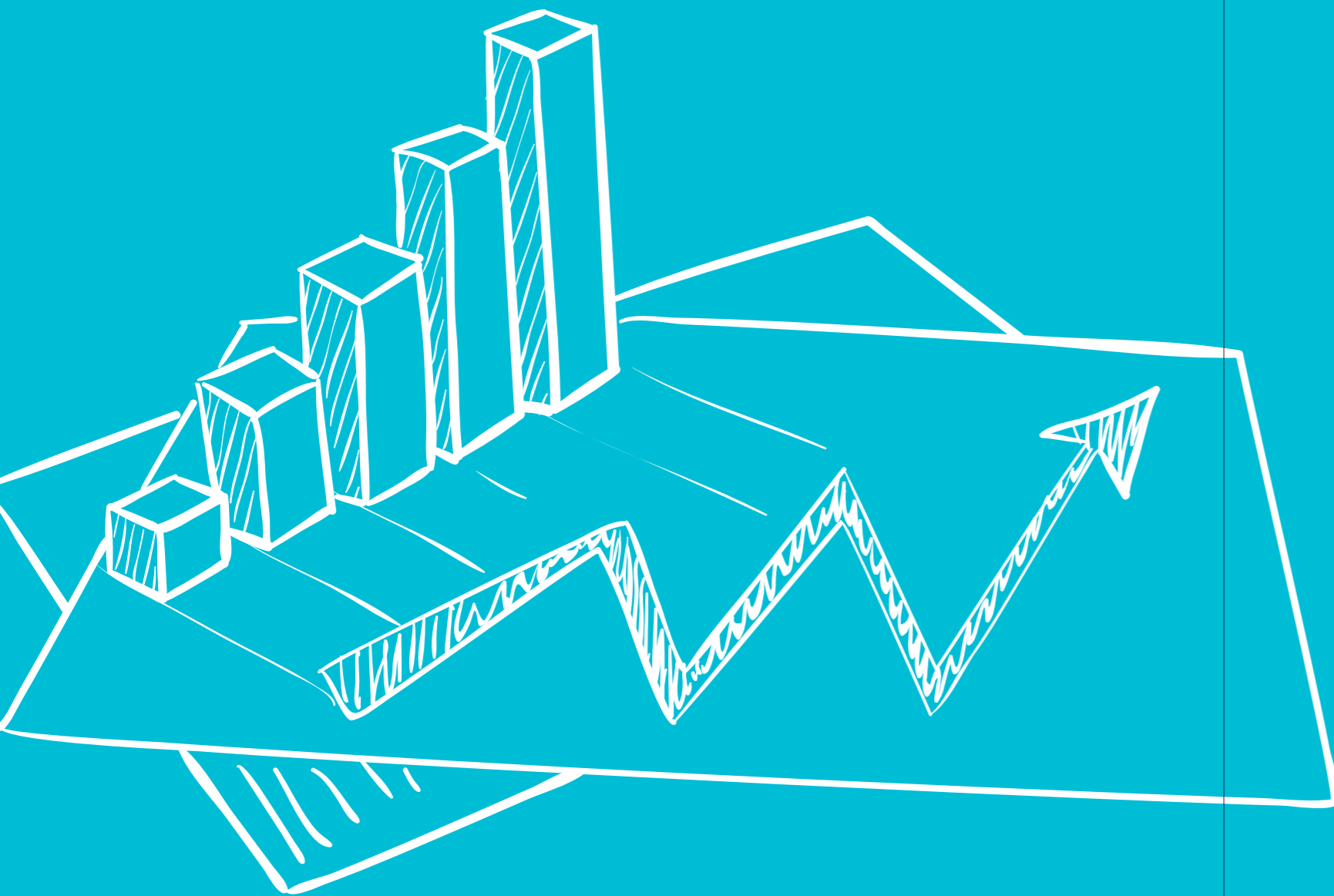
In 2024, KKB Volunteers organized a charity campaign in the 46th Istanbul Marathon for the benefit of the Turkish Cancer Society in memory of KKB employee Emre Bozkurt, who passed away due to cancer. With the aim of offering hope to those fighting cancer, the charity run saw a team of 15 volunteers raise a total of TL 20,181 in donations.

Search and Rescue

The Search and Rescue Team, consisting of employees volunteering during and after natural disasters, continued its efforts in 2024. The 30-member pioneering Search and Rescue Team, which began its work in 2021, has carried out its operations through

practical training programs specially designed under the guidance of AKUT instructors. In 2024, the KKB Search and Rescue Team participated in a 3-day field training at the Yapı Kredi Banking Base – Gebze location, led by YAKUT (Yapı Kredi Search and Rescue Team). The team's disaster preparedness and intervention training in both theoretical and practical aspects are continuing within the scope of the program.

In addition, the employees of KKB who voluntarily aimed to obtain First Aid Certification successfully completed their training process in 2024. As a result of the Ministry-approved education-exam-certification process, a total of 35 volunteer employees received their certificates.



FINANCIAL INFORMATION

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



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

To the Shareholders of KKB Kredi Kayıt Bürosu Anonim Şirketi

Qualified Opinion

We have audited the annual report of KKB Kredi Kayıt Bürosu Anonim Şirketi (the "Company") for the period between 1 January 2024 and 31 December 2024, since we have audited the complete set financial statements for this period.

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

Basis of Limited Qualified Opinion

The purpose and scope of the "General Communique of the Tax Procedure Law No. 555" published in the Official Gazette dated December 30, 2023, is to determine the procedures and principles for inflation adjustments to be made according to Article 298, paragraph (A) and temporary Article 33 of the Law No. 213, for the fiscal periods of 2023 and 2024, based on the implementation of correction conditions. Within the scope of this regulation, as of December 31, 2024, the tax-related financial tables are subject to inflation adjustments, and the deferred tax effect is calculated on the temporary differences. Accordingly, as of December 31, 2024, the deferred tax liability in the attached financial statements would be TL 276.797.472, with a reduction of TL 15.412.216 in deferred tax expense and net profit for the period. The accumulated profit from previous years would have increased by TL 292.209.688 (December 31, 2023: TL 292.209.688).

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

Auditor's Opinion on Complete Set of Financial Statements

We have expressed an limited positive opinion on the complete set of financial statements of the Company for the period between 1 January 2024 and 31 December 2024 on February 26, 2025.

KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş., a Turkish corporation and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative, a Swiss entity.



Board of Directors' Responsibility for the Annual Report

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

a) The Company's management prepares its annual report within the first three months following the date of statement of financial position and submits it to the general assembly.

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

c) The annual report also includes the matters below:

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


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

Auditor's Responsibility for the Audit of the Annual Report

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

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

KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi



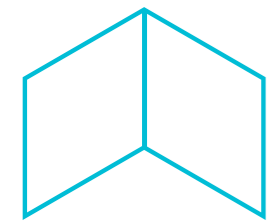
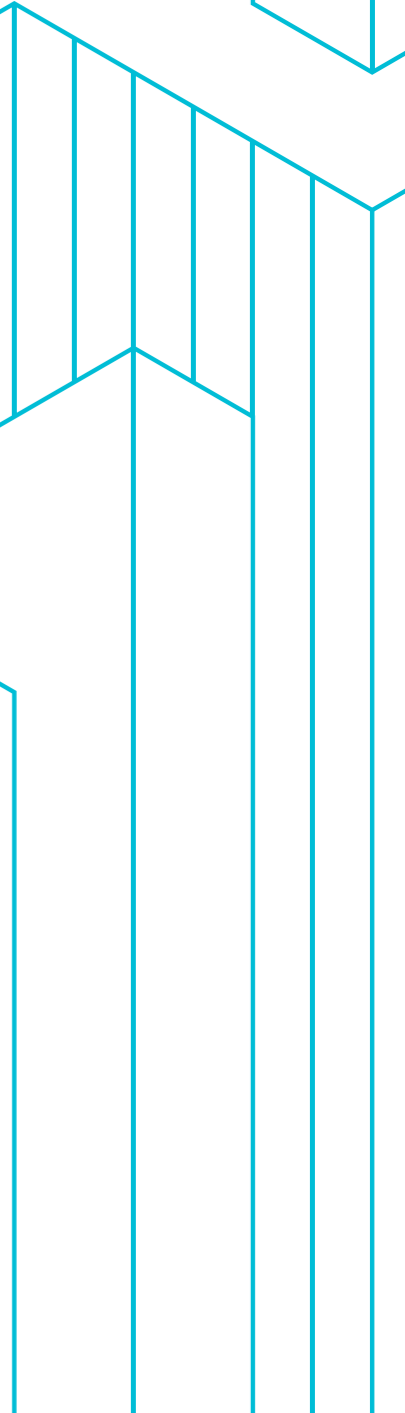
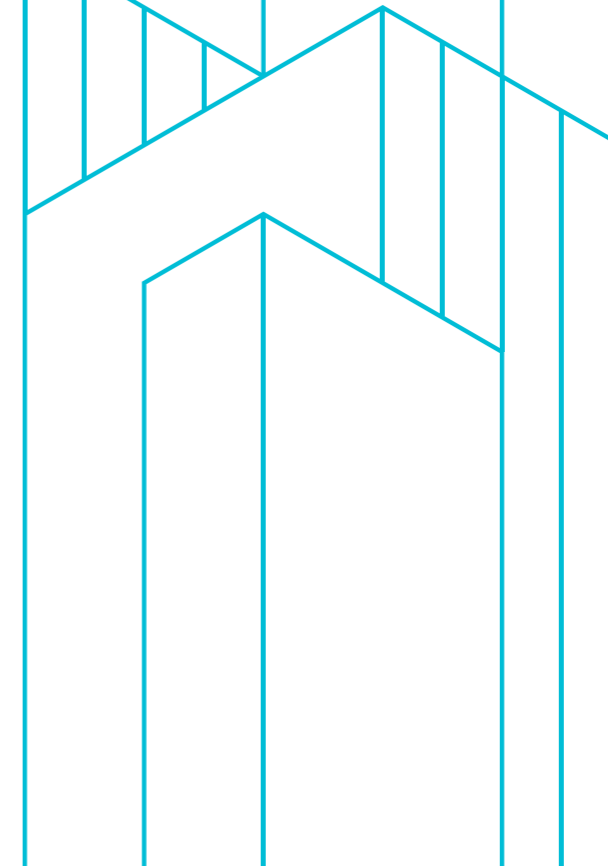
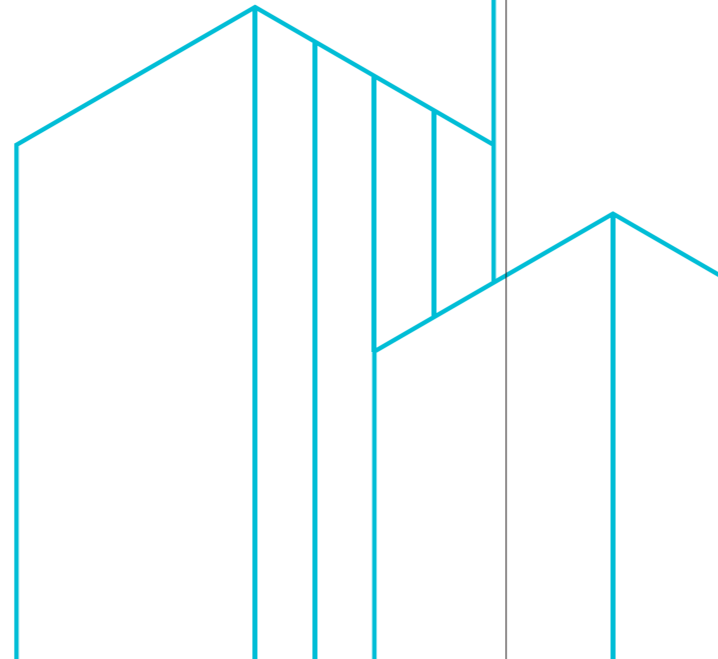
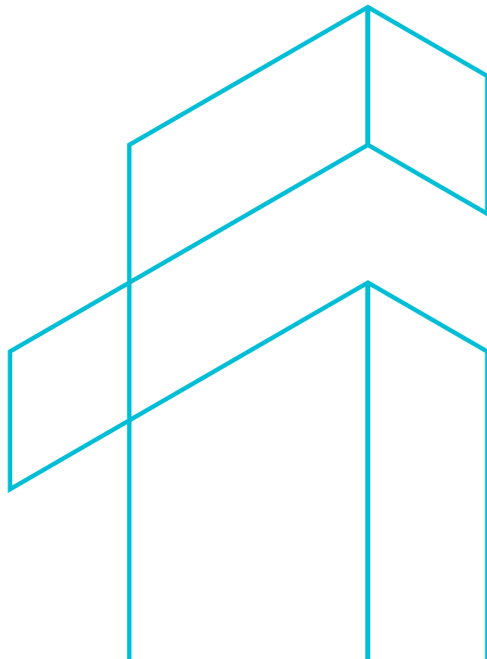
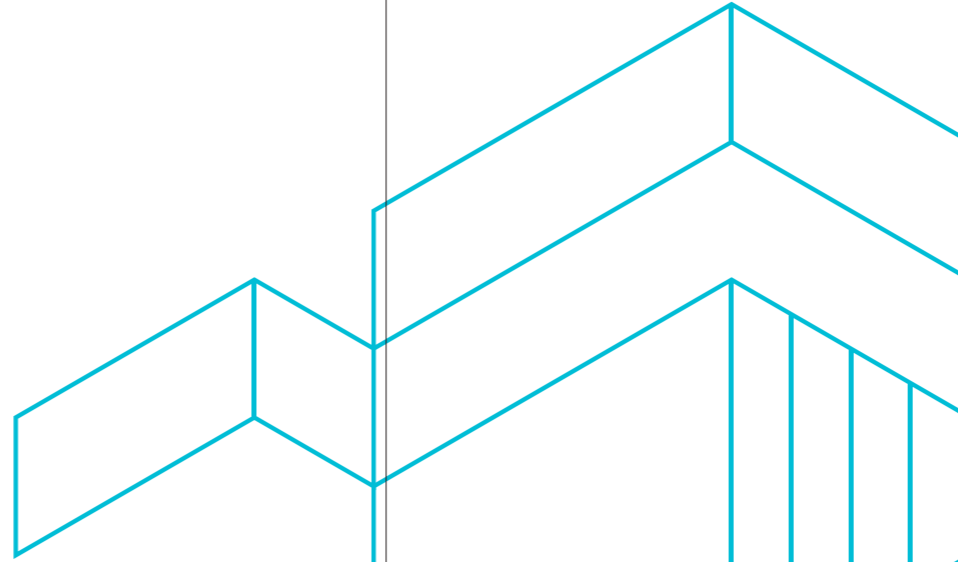
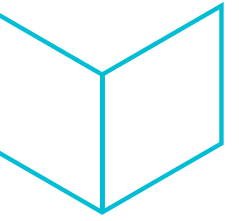
Ali Tuğrul Kızıl, SMMM
Partner

26 February 2025
İstanbul, Türkiye

KKB Kredi Kayıt Bürosu A.Ş.

31 December 2024 Financial Statements

Together with Independent
Auditors' Report Thereon





KPMG Bağımsız Denetim ve
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To the Board of Director of KKB Kredi Kayıt Bürosu Anonim Şirketi

A) Audit of the Financial Statements

Qualified Opinion

We have audited the accompanying balance sheet of KKB Kredi Kayıt Bürosu Anonim Şirketi ("the Company") as at 31 December 2024 and the income statement, statements of changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, expect for the possible effects of the mater described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with "Banking Regulation and Supervision Agency ("BRSA") Accounting and Financial Reporting Legislation" which includes "Communiqué on Uniform Chart of Accounts and Prospectus to be implemented by Financial Leasing, Factoring and Financing Companies" published in the Official Gazette numbered 28861 dated 24 December 2013 and "Regulation on Accounting Practices and Financial Statements of Financial Leasing, Factoring and Financing Companies", communiqués, and circulars and, announcements made by BRSA and requirements of Turkish Financial Reporting Standards for the matters not regulated by the aforementioned legislations.

Basis for Qualified Opinion

The purpose and scope of the "General Communiqué of the Tax Procedure Law No. 555" published in the Official Gazette dated December 30, 2023, is to determine the procedures and principles for inflation adjustments to be made according to Article 298, paragraph (A) and temporary Article 33 of the Law No. 213, for the fiscal periods of 2023 and 2024, based on the implementation of correction conditions. Within the scope of this regulation, as of December 31, 2024, the tax-related financial tables are subject to inflation adjustments, and the deferred tax effect is calculated on the temporary differences. Accordingly, as of December 31, 2024, the deferred tax liability in the attached financial statements would be TL 276.797.472, with a reduction of TL 15.412.216 in deferred tax expense and net profit for the period. The accumulated profit from previous years would have increased by TL 292.209.688 (December 31, 2023: TL 292.209.688).



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

Key Audit Matters

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

Revenue Recognition

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

Key audit matter	How our audit addressed the key audit matter
<p>Revenue Recognition</p> <p>The Company has a total of TL 3.543.163.259 income that was recognised under “revenue” in the comprehensive income for the period between 1 January 2024 and 31 December 2024.</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>Within the scope of the audit procedures we applied related to revenue recognition:</p> <ul style="list-style-type: none">- We evaluated compliance of accounting policies determined by Company management regarding revenue recognition with BRSA Accounting and Financial Reporting Legislation.- In addition to this, we tested operational controls related with reliability of the data on which revenue is recognized and with data-recording medium by involving our information and technology specialists.- Furthermore, we have tested the design, implementation, and operational effectiveness of the controls that we consider important for the proper accounting of revenue in accordance with relevant Banking Regulation and Supervision Agency (BRSA) and Accounting and Financial Reporting Legislation, involving our Information Systems specialists.- We tested the selected sample of items constituting the revenue amount to evaluate whether transaction-based revenue amounts were accounted for in accordance with BRSA Accounting and Financial Reporting Legislation by comparing transaction details with relevant supporting documents.



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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with 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 2024, the Company’s bookkeeping activities and financial statements are not in compliance with TCC and provisions of the Company’s articles of association in relation to financial reporting.

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

KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi



Ali Tuğrul Nispet, SMMM
Partner

26 February 2025
İstanbul, Türkiye

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KKB KREDİ KAYIT BÜROSU A.Ş.

STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2024

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

		Audited	Audited
		Current period	Prior period
	Notes	31 December 2024	31 December 2023
Current assets		2.748.038.569	889.825.107
Cash and cash equivalents	3	2.191.388.347	545.413.972
Financial investment	4	1.746.299	1.275.646
Trade receivables		310.621.845	172.829.899
- Trade receivables due from related parties	5,7	286.178.909	129.308.813
- Trade receivables due from other parties	5	24.442.936	43.521.086
Inventories	8	15.790.898	7.379.366
Prepaid expenses	15	202.654.063	135.473.657
- Prepaid expenses due from related parties	7	22.686.612	5.032.373
- Prepaid expenses due from other parties		179.967.451	130.441.284
Other current assets	16	10.257.883	10.368.636
Current income tax assets	23	15.579.234	17.083.931
Non-current assets		1.041.329.126	712.381.796
Tangible assets	9	746.334.166	537.789.159
Right of use asset	11	12.795.334	4.056.249
Intangible assets other than goodwill	10	220.302.568	143.671.331
Prepaid expenses	15	61.681.590	26.660.270
- Prepaid expenses due from related parties	15	183.682	-
- Prepaid expenses due from other parties	15	61.497.908	26.660.270
Other non-current assets	16	215.468	204.787
Total assets		3.789.367.695	1.602.206.903

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

KKB KREDİ KAYIT BÜROSU A.Ş.

STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2024

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

		Audited	Audited
		Current period	Prior period
	Notes	31 December 2024	31 December 2023
Short-term liabilities		1.680.327.718	1.228.363.695
Lease liabilities	11	2.761.209	2.042.665
Trade payables		308.201.124	347.027.431
- Trade payables due to related parties	5,7	85.992.502	50.900.908
- Trade payables due to other parties	5	222.208.622	296.126.523
Corporate tax liability on period profit	23	-	-
Other payables	6	103.492.353	30.589.967
- Other payables due to other parties	6	103.492.353	30.589.967
Short term provisions	14	527.606.568	239.964.652
- Short term provisions for employee benefits		415.708.103	191.811.821
- Other short term provisions		111.898.465	48.152.831
Payables related to employment benefits	14	29.805.778	31.071.744
Deferred income	15	708.460.686	577.667.236
Long-term liabilities		1.056.017.495	64.659.416
Lease liabilities	11	10.412.011	2.626.142
Deferred tax liability	23	38.024.173	29.575.582
Long term provisions	14	33.181.311	32.457.692
- Long term provisions for employee benefits		31.014.105	30.532.943
- Other long term provisions		2.167.206	1.924.749
Long term liability	16	974.400.000	-
Total liabilities		2.736.345.213	1.293.023.111
Shareholders’ equity		1.053.022.482	309.183.792
Share capital	17	7.425.000	7.425.000
Reserves on retained earnings	17	176.573.157	41.005.074
Adjustment to share capital	17	2.574.025	2.574.025
Special funds	17	2.887.040	1.864.617
Accumulated other comprehensive expense			
that will not be reclassified to profit or loss (-)		(14.728.075)	(22.449.946)
- Remeasurement losses of defined benefit plans (-)		(14.728.075)	(22.449.946)
Retained earnings		142.174.516	74.173.234
Net profit for the period		736.116.819	204.591.788
Total liabilities and shareholders		3.789.367.695	1.602.206.903

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

KKB KREDİ KAYIT BÜROSU A.Ş.

STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2024

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

		Audited Current period	Audited Prior period
		1 January - 31 December 2024	1 January - 31 December 2023
	Notes		
Sales	18	3,543,163,259	1,766,215,611
Cost of sales (-)	18	(1,251,387,407)	(659,262,941)
Gross profit		2,291,775,852	1,106,952,670
Marketing, selling and distribution expenses (-)	19	(357,136,295)	(317,921,486)
General administrative expenses (-)	19	(1,387,331,313)	(694,510,468)
Other incomes from main operations	21	26,650,869	18,374,804
Other expenses from main operations (-)	21	(709,631)	(359,128)
Research and development expenses (-)		(8,172,678)	(930,873)
Operating profit		565,076,804	111,605,519
Income from investing activities	24	1,935,029	240,969
Operating profit before financial income		567,011,833	111,846,488
Financial income	22	443,425,199	189,095,981
Financial expense (-)	22	(23,320,812)	(24,589,930)
Profit before tax from continuing operations		987,116,220	276,352,539
<i>Continuing operations tax income/(expense)</i>			
Current tax expense for the period	23	(245,124,767)	(45,921,144)
Deferred tax income/(expense)	23	(5,874,634)	(25,839,607)
Net profit for the period		736,116,819	204,591,788
<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	10,295,828	(17,223,111)
Deferred tax income/(expense)	23	(2,573,957)	4,305,778
Other comprehensive income/(expense)		7,721,871	(12,917,333)
Total comprehensive income		743,838,690	191,674,455

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

KKKB KREDİ KAYIT BÜROSU A.Ş.:

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2024

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

Audited Statement of Changes in Equity – 31 December 2023								
	Share Capital	Adjustment to share capital	Reserves on retained earnings	Accumulated other comprehensive expense that will not be reclassified to profit or loss (-)	Special funds	Retained earnings	Net profit for the period	Total
1 January 2023	7,425,000	2,574,025	41,005,074	(9,532,613)	1,822,577	75,972,754	(1,799,520)	117,467,297
Transfers from retained earnings	-	-	-	-	-	(1,799,520)	1,799,520	-
Transfers	-	-	-	-	-	-	-	-
Addition	-	-	-	-	42,040	-	-	42,040
Total comprehensive income	-	-	-	(12,917,333)	-	-	204,591,788	191,674,455
Net profit for the period	-	-	-	-	-	-	204,591,788	204,591,788
Other comprehensive income/ (expenses)	-	-	-	(12,917,333)	-	-	-	(12,917,333)
31 December 2023	7,425,000	2,574,025	41,005,074	(22,449,946)	1,864,617	74,173,234	204,591,788	309,183,792
Audited Statement of Changes in Equity – 31 December 2024								
	Share Capital	Adjustment to share capital	Reserves on retained earnings	Accumulated other comprehensive expense that will not be reclassified to profit or loss (-)	Special funds	Retained earnings	Net profit for the period	Total
1 January 2024	7,425,000	2,574,025	41,005,074	(22,449,946)	1,864,617	74,173,234	204,591,788	309,183,792
Transfers from retained earnings	-	-	135,568,083	-	1,022,423	68,001,282	(204,591,788)	-
Transfers	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	7,721,871	-	-	736,116,819	743,838,690
Net profit for the period	-	-	-	-	-	-	736,116,819	736,116,819
Other comprehensive income/ (expenses)	-	-	-	7,721,871	-	-	-	7,721,871
31 December 2024	7,425,000	2,574,025	176,573,157	(14,728,075)	2,887,040	142,174,516	736,116,819	1,053,022,482

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

KKB KREDİ KAYIT BÜROSU A.Ş.

STATEMENT OF CASH FLOWS
FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2024

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

		Audited Current period 1 January- 31 December 2024	Audited Prior period 1 January- 31 December 2023
	Notes		
A. Cash flows from operating activities		1.699.646.993	496.920.051
Net profit for the period		736.116.819	204.591.788
Adjustments related to period net profit reconciliation:			
Adjustments for tax (income)/expense		250.999.401	71.760.751
Adjustment related to provision expenses		398.745.248	191.094.835
Adjustments for depreciation and amortization	19,20	182.629.632	102.716.872
Adjustments for interest income/(expense)	22	(389.526.625)	(48.130.721)
Adjustments for (profit)/loss on sale of tangible and intangible assets	24	1.935.029	(240.969)
Adjustments for other non-cash items		44.811.901	(18.575.439)
Adjustments for net foreign currency exchange effect		(24.834.279)	(143.465.695)
Adjustment for increases/(decreases) in trade receivable	5	(137.791.946)	(63.758.326)
Adjustment for increases/(decreases) in trade payables	5	(38.826.307)	169.970.957
Adjustment for increases/(decreases) in inventories		(8.411.532)	(311.352)
Adjustments for increases/(decreases) in other liabilities related to activities		1.472.917.277	329.247.212
Adjustments for (increases)/decreases in other receivables related to activities		(101.067.611)	(77.115.244)
Taxes paid (-)	23	(260.704.001)	(63.005.075)
Other cash outflows/inflows (-/+)		(427.346.013)	(157.859.543)
B. Cash flows from investing activities		(74.743.700)	(320.362.716)
Investing activities:			
Purchases of tangible assets (-)	9	(265.142.311)	(241.240.255)
Purchases of intangible asset (-)	10	(63.064.856)	(33.944.781)
Sale of tangible assets		33.212.326	1.663.470
Other cash inflows/(outflows)		(193.888.158)	(97.189.929)
Interests received		414.139.299	50.348.779
C. Cash flows from financing activities		(28.561.678)	(7.436.697)
Financial activities:			
Payments for finance leases (-)	11	(2.158.688)	(3.885.070)
Interests paid (-)		(26.402.990)	(3.551.627)
Net increase/(decrease) in cash and cash equivalents (A+B+C)		1.596.341.615	169.120.638
Net currency effect		25.139.224	143.465.695
D. Cash and cash equivalents at the beginning of the year	3	542.990.920	230.404.587
Cash and cash equivalents at the end of the year (A+B+C+D)	3	2.164.471.759	542.990.920

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

KKB KREDİ KAYIT BÜROSU A.Ş.

STATEMENT OF PROFIT DISTRIBUTION
FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2024

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

	Note	Audited Current Period 31 December 2024	Audited Prior Period 31 December 2023
I. DISTRIBUTION OF THE PERIOD PROFIT			
1.1. PERIOD PROFIT (*)		987.116.220	276.352.539
TAXES AND DUTIES PAYABLE		(250.999.401)	(71.760.751)
1.2.1. Corporate Tax (Income Tax)	23	(245.124.767)	(45.921.144)
1.2.2. Income Tax Deductions		-	-
1.2.3. Other Taxes and Legal Duties	23	(5.874.634)	(25.839.607)
A. CURRENT PERIOD PROFIT (1.1 – 1.2)		736.116.819	204.591.788
1.3. ACCUMULATED LOSSES (-)		-	-
1.4. FIRST LEGAL RESERVES (-)		-	-
1.5. OTHER STATUTORY RESERVES (-)		-	-
B. NET PROFIT AVAILABLE FOR DISTRIBUTION [(A - (1.3 + 1.4 + 1.5))]		736.116.819	204.591.788
1.6. FIRST DIVIDEND TO SHAREHOLDERS (-)		-	-
1.6.1. To owners of ordinary shares		-	-
1.6.2. To owners of privileged shares		-	-
1.6.3. To owners of redeemed shares		-	-
1.6.4. To holders' profit-sharing bonds		-	-
1.6.5. To holders of profit and loss sharing certificates		-	-
1.7. DIVIDENDS TO PERSONNEL (-)		-	-
1.8. DIVIDENDS TO FOUNDERS (-)		-	-
1.9. DIVIDENDS TO BOARD OF DIRECTORS (-)		-	-
1.10. SECOND DIVIDEND TO SHAREHOLDERS (-)		-	-
1.10.1. To owners of ordinary shares		-	-
1.10.2. To owners of privileged shares		-	-
1.10.3. To owners of redeemed shares		-	-
1.10.4. To holders' profit-sharing bonds		-	-
1.10.5. To holders of profit and loss sharing certificates		-	-
1.11. SECOND LEGAL RESERVES (-)		-	135.568.083
1.12. STATUTORY RESERVES (-)		-	-
1.13. EXTRAORDINARY RESERVES		-	-
1.14. OTHER RESERVES		-	-
1.15. SPECIAL FUNDS		-	1.022.423
II. DISTRIBUTION OF RESERVES		-	-
2.1. APPROPRIATED RESERVES		-	-
2.2. SECOND LEGAL RESERVES (-)		-	-
2.3. DIVIDENDS TO SHAREHOLDERS (-)		-	-
2.3.1. To owners of ordinary shares		-	-
2.3.2. To owners of privileged shares		-	-
2.3.3. To owners of redeemed shares		-	-
2.3.4. To holders of profit-sharing bonds		-	-
2.3.5. To holders of profit and loss sharing certificates		-	-
2.4. DIVIDENDS TO PERSONNEL (-)		-	-
2.5. DIVIDENDS TO BOARD OF DIRECTORS (-)		-	-
III. EARNINGS PER SHARE		-	-
3.1. TO OWNERS OF ORDINARY SHARES		94,1403	27,5544
3.2. TO OWNERS OF ORDINARY SHARES (%)		9,414	2,755
3.3. TO OWNERS OF PRIVILEGED SHARES		-	-
3.4. TO OWNERS OF PRIVILEGED SHARES (%)		-	-
IV. DIVIDEND PER SHARE		-	-
4.1. TO OWNERS OF ORDINARY SHARES		-	-
4.2. TO OWNERS OF ORDINARY SHARES (%)		-	-
4.3. TO OWNERS OF PRIVILEGED SHARES		-	-
4.4. TO OWNERS OF PRIVILEGED SHARES (%)		-	-

(*) Since the profit distribution proposal for 2024 has not been prepared yet by the Board of Directors and the General Assembly has not been held, the profit distribution table for 2024 has not been filled.

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

KKB KREDİ KAYIT BÜROSU A.Ş.

EXPLANATORY NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024

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

1. ORGANISATION AND PRINCIPAL ACTIVITIES OF THE COMPANY

KKB Kredi Kayıt Bürosu A.Ş, (the “Company” or “KKB”), was established in 11 April 1995 with the partnership of 11 banks as the first and only credit bureau in Türkiye. As of 31 December 2024, KKB is owned by 9 banks and has 185 members which consist of 61 banks, 24 consumer finance, 48 factoring, 19 financial leasings, 5 insurance, 20 asset management companies and 8 companies from other sectors. Members have been sharing their credit informations with each other since April 1999 through KKB. As required by Banking Law No: 5411 (Article 73/4).

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

With the Law No. 6111 published on February 25, 2011, Supplementary Article 1 and Temporary Article 28 were added to the Banking Law No. 5411. With the addition of Supplementary Article 1 to Law No. 5411, a Risk Center was established under the Turkey Banks Association (TBB) to collect risk information of customers of credit institutions and financial institutions deemed appropriate by the Banking Regulation and Supervision Agency (BRSA), and to ensure that this information is shared with these institutions as well as with legal entities under private law and third parties, either directly or with their consent.

The transfer of the Risk Centralization Center to the Central Bank of the Republic of Turkey ("CBRT") resulted in the establishment of the Turkey Banks Association Risk Center ("TBB Risk Center"), which became operational on June 28, 2013. KKB, acting on behalf of the TBB Risk Center, carries out all operational and technical activities within its own structure and provides data collection and sharing services to 197 financial institutions that are members of the Risk Center.

In 2013, with the initiation of the Cheque Report and Risk Report services, individuals, as well as financial institutions, began to be served.

The Electronic Guarantee Letter System, which enables the issuance of guarantee letters in electronic form, was established and put into operation under KKB in 2018.

As of December 31, 2024, 8 banks have positioned their regular operation centers at the 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 2024, the Company has 709 employees (31 December 2023: 678).

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

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

Approval of the financial statements

The financial statements prepared as of December 31, 2024, and for the period ending on this date, were approved by the Company's management on February 26, 2025. The General Assembly and other authorized bodies have the authority to amend these approved financial statements.

Description of the main operations of the Company

The main operations of the Company are presented below:

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

KKB KREDİ KAYIT BÜROSU A.Ş.

EXPLANATORY NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024

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

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 preparation

The basic accounting policies adopted in the preperation of the financial statements as of 31 December 2024 are presented below. These policies are applied consistently throughout the whole year, unless otherwise indicated.

2.2.1 Fuctional and reporting currency

The Company’s functional and reporting currency is Turkish Lira (“TL”).

2.2.2 Adjustment of financial statements in periods of high inflation

According to the announcement made by the Public Oversight Accounting and Auditing Standards Authority (KKG) on November 23, 2023, businesses applying the Turkish Financial Reporting Standards (TFRS) are required to adjust and present the financial statements for the annual reporting period ending on or after December 31, 2023, in accordance with the accounting principles outlined in 'TMS 29 Financial Reporting in Hyperinflationary Economies,' to reflect the effects of inflation. The same announcement also stated that institutions or organizations authorized to regulate and supervise in their respective fields may set different transition dates for the application of inflation accounting. In this context, the Banking Regulation and Supervision Agency (BDDK) clarified that, according to the Board decision dated December 12, 2023, financial statements of banks, as well as leasing, factoring, financing, savings financing, and asset management companies as of December 31, 2023, will not be subject to inflation adjustment. According to the BDDK's Board decision dated January 11, 2024, it was decided that these institutions would begin applying inflation accounting starting from January 1, 2025. However, with the BDDK's decision dated December 5, 2024, it was announced that these institutions will not apply inflation accounting in 2025.

2.2.3 Offsetting

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.2.4 Comparatives and restatement of prior year financial statements

In order to enable the determination of the financial position and performance trends, the Company’s financial statements have been presented comparatively with the prior period. Reclassifications are made on comparative figures to conform to changes in presentation of the financial statements and major differences are explained.

KKB KREDİ KAYIT BÜROSU A.Ş.

EXPLANATORY NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024

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

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.2 Basis in preperation (Continued)

2.2.5 Changes in accounting policies

Significant changes in accounting policies are applied retrospectively and prior period financial statements are restated. There are no changes or detected errors in accounting policies in the current period.

2.2.6 Changes in accounting estimates and errors

If the changes in accounting estimates are related to only one period, they are applied in the current period in which the change is made, and if they are related to future periods, they are applied both prospectively and in the future periods. Significant accounting errors are applied retrospectively and the prior period financial statements are restated. The Company's accounting estimates did not change significantly in the current period.

2.2.7 Segment reporting

The company, which operates in Türkiye and in a single field of activity, has not reported its financial information according to segments.

2.3 Changes and comments in the standards

As of December 31, 2024, the standards and amendments that have been issued but are not yet effective:

Elimination of Exchangeability – Amendments to IAS 21 The Effects of Changes in Exchange Rates

In August 2023, the International Accounting Standards Board (IASB) amended IAS 21 to clarify the following:

- When a currency is exchangeable for another currency; and
- How a company estimates the spot exchange rate when a currency is not exchangeable.

These relevant amendments were similarly made and published by the Public Oversight Accounting and Auditing Standards Authority (KGK) on June 5, 2024. When a company can exchange a currency for another currency at the measurement date and for a specific reason, these currencies are considered exchangeable for the company. However, when currencies are not exchangeable for the company, it is required to estimate a spot exchange rate. The company's objective when estimating the spot exchange rate is to reflect the rate that would occur in regular foreign exchange transactions between market participants under the current economic conditions at the measurement date. The change in the standard does not include specific conditions for estimating the spot exchange rate. Therefore, a company may use the following when estimating the spot exchange rate:

- an observable exchange rate that does not require adjustment; or
- another estimation technique.

According to the amendments, companies will be required to provide new disclosures to help assess the impact of the estimated exchange rate on the financial statements. These disclosures may include:

- the nature and financial effects of the currency's lack of exchangeability;
- the spot exchange rate used;
- the estimation process; and
- the risks the company is exposed to due to the lack of exchangeability of the currency.

The amendments are effective for annual reporting periods beginning on or after January 1, 2025. Early adoption is permitted. In the context of the amendments to IAS 21 The Effects of Changes in Exchange Rates, it is not expected that these changes will have a significant impact on the financial statements.

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EXPLANATORY NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024

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

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

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

Standards and amendments that have been published as of December 31, 2024, but have not yet come into effect (Continued)

New and Updated Standards and Interpretations Issued by the International Accounting Standards Board (IASB) but Not Yet Published by the Public Oversight Accounting and Auditing Standards Authority (KGK)

IFRS 18 – Presentation and Disclosures in Financial Statements

On April 9, 2024, the IASB published IFRS 18, Presentation and Disclosures in Financial Statements, which will replace IAS 1 Presentation of Financial Statements. Many provisions from IAS 1 are carried forward without changes.

The objective of IFRS 18 is to establish the requirements for the presentation and disclosure of information in general-purpose financial statements (financial statements) to assist in reflecting a company's assets, liabilities, equity, income, and expenses in a true and fair manner.

IFRS 18 introduces three defined categories (operating, investing, and financing) for income and expenses to improve the structure of the profit or loss statement and requires all companies to present newly defined subtotals, including operating profit.

IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027, and will be applied retroactively. Early adoption is permitted.

The company is currently assessing the potential impact of adopting IFRS 18 on its financial statements.

Changes in the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures Classification of Financial Assets with Conditional Features

The amendments introduce an additional SPPI (Solely Payments of Principal and Interest) test to clarify the classification of financial assets with conditional features that are not directly related to changes in the underlying credit risk or costs. For example, when cash flows depend on whether the borrower meets an ESG (Environmental, Social, and Governance) target specified in the credit agreement, the classification of such a conditional financial asset will be determined through the SPPI test. The SPPI test determines whether the asset is measured at amortized cost or fair value.

As part of the amendments, certain financial assets, including those with ESG-related features, may now meet the SPPI criterion, provided that the cash flows are not significantly different from those of an identical financial asset that lacks such a feature. However, companies will be required to perform additional work and judgment to substantiate this.

The amendments also include additional disclosures for all financial assets and liabilities with specific conditional features:

- Not directly related to changes in underlying credit risk or costs; and
- Not measured at fair value through profit or loss.

Reconciliation of Electronic Payments

A company that settles its trade payable using an electronic payment system generally derecognizes the trade payable from its records on the payment date. The amendments introduce an exception to this general rule regarding the derecognition of such financial liabilities. This exception allows a company to derecognize the trade payable from the financial position statement before the payment date if it uses an electronic payment system that meets all the following criteria:

- It is not possible to retract, stop, or cancel the payment instruction;
- There is no access to cash that will be used for the payment as a result of the payment instruction; and
- The settlement risk associated with the electronic payment system is insignificant.

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EXPLANATORY NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024

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

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

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

Standards and amendments that have been published as of December 31, 2024, but have not yet come into effect (Continued)

New and Updated Standards and Interpretations Issued by the International Accounting Standards Board (IASB) but Not Yet Published by the Public Oversight Accounting and Auditing Standards Authority (KGK)(Continued)

Changes to the Classification and Measurement of Financial Instruments - IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures standards (continued)

Other Amendments

Contractual Instruments (CLI) and Non-recourse Features

The amendments clarify the fundamental characteristics of contractual instruments and how these instruments differ from financial assets with non-recourse features. The amendments also identify the factors that a company must consider when evaluating the cash flows of financial assets with non-recourse features (the "review" test).

Disclosures Regarding Equity-based Financial Instrument Investments

The amendments require additional disclosures for investments in equity instruments measured at fair value, with gains or losses reflected in other comprehensive income (OCI), when the fair value changes are recognized in other comprehensive income (OCI).

The amendments are effective for annual reporting periods beginning on or after January 1, 2026. Companies may choose to early adopt these changes (including the related disclosure requirements) separately from the changes related to the recognition, measurement, and derecognition of financial assets and liabilities.

It is not expected that these amendments to IFRS 9 and IFRS 7 will have a significant impact on the financial statements.

IFRS Annual Improvements – Amendment 11

The annual improvements process aims to enhance the clarity and internal consistency of IFRS Accounting Standards. In July 2024, the IASB published its "Annual Improvements to IFRS Accounting Standards—Amendment 11" to make minor changes to five standards.

Transaction Price (Amendments to IFRS 9: Financial Instruments): The term "Transaction Price," which was used in certain paragraphs of IFRS 9 and was not necessarily consistent with the definition in IFRS 15, has been updated to "the amount determined applying IFRS 15."

*Derecognition of Lease Liabilities (Amendments to IFRS 9: Financial Instruments):*When a lease liability is derecognized, the transaction is accounted for under IFRS 9. However, any modification to the lease is accounted for under IFRS 16. The IASB’s amendment specifies that when lease liabilities are derecognized under IFRS 9, the difference between the carrying amount and the amount paid will be recognized in profit or loss.

The change related to the derecognition of lease liabilities applies only to lease liabilities that are terminated after the first annual reporting period in which the change is applied. The amendments are effective for annual reporting periods beginning on or after January 1, 2026. Early adoption is permitted.

Hedge Accounting for First-time Adopters (Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards):

IFRS 1 has been amended for the following purposes:

- To enhance consistency with the requirements of IFRS 9 concerning hedge accounting;
- To increase understandability.

A cross-reference has been added to IFRS 1 in the "Exemption from Retrospective Application of Other IFRSs" section to improve consistency with IFRS 9.

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EXPLANATORY NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024

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

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

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

Standards and amendments that have been published as of December 31, 2024, but have not yet come into effect (Continued)

New and Updated Standards and Interpretations Issued by the International Accounting Standards Board (IASB) but Not Yet Published by the Public Oversight Accounting and Auditing Standards Authority (KGK) (Continued)

IFRS Annual Improvements – Amendment 11 (Continued)

Gains or Losses Arising from Derecognition in the Financial Statements (Amendments to IFRS 7 Financial Instruments: Disclosures): A statement has been added to IFRS 7 clarifying that the guidance on recognizing gains and losses arising from derecognition in the financial statements does not illustrate all the requirements. Additionally, the phrase "inputs not based on observable market data" has been corrected to "unobservable inputs" to align with the terminology in IFRS 13.

Disclosure of the Deferred Difference Between Fair Value and Transaction Price (Amendments to IFRS 7 Financial Instruments: Disclosures): The amendment clarifies and simplifies the concept that the transaction price at initial recognition may differ from the market value, which was not addressed in IFRS 13 published in May 2011. If the fair value is not supported by a quoted price in an active market for the same asset or liability (Level 1 input) or by a valuation technique based solely on observable market data, the difference will be recognized in profit or loss in subsequent periods under IFRS 9.

*Credit Risk Disclosures:*The changes provide clarification by modifying the IG1 paragraph to state that not all requirements in the referenced IFRS 7 paragraphs necessarily need to be illustrated.

Determination of the Actual Agent (Amendments to IFRS 10 Consolidated Financial Statements): In determining whether an investor is acting on behalf of another party, the amendment modifies the language to use less definitive phrasing when considering whether the party directing the activities is able to direct the other party to act on behalf of the investor. In such cases, an assessment is required.

Cost Method (Amendments to IAS 7):

Following earlier amendments that removed the term "cost method," the expression in IAS 7 has been corrected to "measured at cost" instead of "cost method."

Changes That Have Come Into Effect and Are Being Applied

The changes that have come into effect for accounting periods beginning on or after January 1, 2024, are as follows:

1. Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)
2. Lease Liabilities in Sale and Leaseback Transactions (Amendments to IFRS 16 Leases)
3. Changes to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures – Supplier Financing Arrangements
4. TSRS 1 General Provisions for Sustainability-Related Financial Disclosures and TSRS 2 Climate-Related Disclosures
5. International Tax Reform – Second Pillar Model Rules – Amendments to IAS 12: The IASB has amended IAS 12 to introduce a temporary mandatory exemption related to the deferred tax accounting resulting from the implementation of the Global Anti-Base Erosion ("GloBE") model rules under the Global Tax Reform. Under this exemption, companies are exempt from the obligation to recognize and disclose deferred tax on additional tax. However, they are required to disclose that they are applying the exemption.

The exemption has come into effect immediately and will be applied retroactively under IAS 8. It will remain in effect until the IASB decides to either remove or make it permanent. The relevant changes have been similarly published by the Public Oversight, Accounting and Auditing Standards Authority (KGK) by amending IAS 12. These newly implemented standard amendments have not had a significant impact on the company's financial statements.

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EXPLANATORY NOTES TO FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024

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

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.4 Summary of Significant Accounting Policies

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, demand deposits, and other short-term investments with high liquidity that are readily convertible to cash and have original maturities of three months or less from the acquisition date. These investments carry minimal risk of value changes.

Financial Instruments

Classification and Measurement of Financial Instruments

According to IFRS 9, the classification and measurement of financial assets depend on the business model in which the financial asset is managed and whether the contractual cash flows are solely payments of principal and interest on the principal amount. Based on its assessment, the company has classified its financial assets under a business model aimed at holding them to collect contractual cash flows. The company has determined that the contractual terms of the financial assets recognized in its financial statements include only principal and interest payments related to the principal balance at specified dates.

Evaluations Regarding Whether Contractual Cash Flows Include Only Principal and Interest Payments on the Principal Balance:

In this evaluation, "principal" is defined as the fair value of the financial asset at the time it is initially recognized in the financial statements. "Interest" considers the time value of money, the credit risk associated with the principal amount over a specified period, and the costs related to other fundamental credit risks and profit margins (e.g., liquidity risk and administrative costs).

In evaluating contractual cash flows that only include payments related to principal and interest on the principal, the company takes into account the contractual terms of the financial asset. This evaluation includes determining whether any contract conditions exist that could change the timing or amount of the contractual cash flows of the financial asset. The company applies the above procedures for all financial assets to meet the criteria for classification and measurement in the balance sheet. Accordingly, the company classifies and measures its financial assets as "financial assets measured at amortized cost."

At the time of initial recognition in the financial statements, each financial asset is classified as either measured at amortized cost or as a financial asset measured at fair value through profit or loss, or a financial asset whose fair value changes are reflected in other comprehensive income. The classification and measurement for financial liabilities largely remain unchanged from the provisions of IAS 39. The company classifies and accounts for its financial investments as "financial assets measured at amortized cost." These financial assets are recognized or derecognized according to the provisions of "Financial Instruments" in Section 3 of IFRS 9, which covers "Recognition and Derecognition of Financial Instruments."

When financial assets are initially recognized in the financial statements, they are measured at fair value. Transaction costs, excluding financial assets classified as "Financial Assets Measured at Fair Value Through Profit or Loss," are also added to or deducted from their fair value in the initial measurement. The company only recognizes a financial asset in its financial statements when it is a party to the contractual terms of the financial instrument. The business model determined by management and the characteristics of the financial asset’s contractual cash flows are considered when initially recognizing a financial asset in the financial statements.

Amortize Cost Measurement of Financial Assets:

A financial asset is classified as measured at amortized cost if it is held within a business model whose objective is to collect the contractual cash flows, and if the contractual terms of the asset generate cash flows that consist solely of principal and interest payments on the principal amount, on specified dates.

Financial assets measured at amortized cost are initially recognized at their acquisition cost, reflecting their fair value, with transaction costs added. After initial recognition, these financial assets are measured using the effective interest rate (EIR) method, which calculates the amortized cost. Interest income on financial assets measured at amortized cost is recognized in the income statement.As of December 31, 2024, the company has classified its cash and cash equivalents and trade receivables as financial assets measured at amortized cost in the financial statements.

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EXPLANATORY NOTES TO FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024

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

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.4 Summary of Significant Accounting Policies (continued)

Financial instruments (Continued)

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 228.970 in its financial statements prepared as at 31 December 2024 (31 December 2023: TL 96.483).

Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or where appropriate, a shorter period.

Leases

The company - as a lessee

At inception of a contract, the Company assess whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company considers the following matters when assessing whether the agreement transfers the right to control the use of an identified asset for a limited period of time:

The contract includes an identified asset; contract includes a definition of a specified asset explicitly or implicitly.

- a) A capacity portion of an asset is physically distinct or represents substantially all of the capacity of an asset (if the supplier has a substantive right to substitute the asset and obtain economic benefits from use of the asset, then the asset is not an identified asset).
- b) The company has the right to obtain substantially all of the economic benefits from use of the identified asset.
- c) The company has the right to direct the use of an identified asset. The Company considers that the asset has the right to use if decisions about how and for what purpose the asset is used are predetermined. The company has the right to manage the use of the asset in the following cases:
 - i. The company has the right to operate the asset (or to direct others to operate the asset in a manner that it determines) throughout the period of use, without the supplier having the right to change those operating instructions; or
 - ii. Group designed the asset (or specific aspects of the asset) in a way that predetermines how and for what purpose the asset will be used throughout the period of use.

At the commencement date, the Company recognize a right-of-use asset and a lease liability in financial statements.

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EXPLANATORY NOTES TO FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024

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

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.4 Summary of Significant Accounting Policies (continued)

Leases (continued)

Right-of-use asset

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

- a) The amount of the initial measurement of the lease liability.
 - b) Any lease payments made at or before the commencement date, less any lease incentives received.
- The Company re-measure the right of use asset:

- a) After netting-off depreciation and reducing impairment losses from right of use asset.
 - b) Adjusted for certain re-measurements of the lease liability recognized at the present value.
- The Company apply the depreciation requirements in TAS 16 Property, Plant and Equipment in depreciating the right-of-use asset, subject to the requirements. If the lease transfers ownership of the underlying asset to the lessee by the end of the lease term or if the cost of the right-of-use asset reflects that the lessee will exercise a purchase option, the Company depreciate the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, The Company depreciate the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The company applies TAS 36 Impairment of Assets standard to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Lease liability

At the commencement date, The Company measure the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company use the lessee’s incremental borrowing rate.

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:

- a) Fixed payments, less any lease incentives receivable.
- b) Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date.
- c) The exercise price of purchase option if the Company is reasonably certain to exercise that option; and
- d) 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:

- a) Increasing the carrying amount to reflect interest on the lease liability.
- b) Reducing the carrying amount to reflect the lease payments made, and
- c) 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:

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FOR THE PERIOD ENDED 31 DECEMBER 2024

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.4 Summary of Significant Accounting Policies (continued)

Leases (continued)

- a) There is a change in the lease term. The Company determine the revised lease payments on the basis of the revised lease term; or
- b) There is a change in the assessment of an option to purchase the underlying asset. The Company determine the revised lease payments to reflect the change in amounts payable under the purchase option.

The Company determine the revised discount rate as the interest rate implicit in the lease for the remainder of the lease term, if that rate can be readily determined or the lessee’s incremental borrowing rate at the date of reassessment, if the interest rate implicit in the lease cannot be readily determined.

The Company remeasure the lease liability by discounting the revised lease payments, if either:

- a) 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.
- b) 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:

- a) The restructuring extends the scope of the leasing by including the right of use of one or more underlying assets, and
- b) 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.

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.

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

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.4 Summary of Significant Accounting Policies (continued)

Financial Liabilities

Financial liabilities are initially recognized at their cost, which is the amount of the liability less any transaction costs incurred. After initial recognition, financial liabilities are measured at amortized cost using the effective interest rate method.

Tangible assets

The initial recognition of property, plant, and equipment is based on the acquisition cost, which includes the acquisition amount and any other directly attributable expenses necessary to make the asset ready for use. After initial recognition, property, plant, and equipment are valued by deducting accumulated depreciation and, where applicable, accumulated impairment losses from the acquisition cost, resulting in the carrying amount.

For items acquired before January 1, 2005, property, plant, and equipment are reflected in the financial statements at their adjusted acquisition cost, expressed in Turkish Lira based on the purchasing power as of December 31, 2004. For items acquired after January 1, 2005, they are reflected at their acquisition cost, after deducting accumulated depreciation and, if applicable, permanent impairment losses, resulting in the net carrying value. Depreciation is calculated using the straight-line method at rates reflecting the assets' useful lives.

Gains and losses arising from the disposal of property, plant, and equipment are determined by deducting the asset’s net book value from the proceeds of the sale.

As of the balance sheet date, the residual values and useful lives of assets are reviewed, and adjustments are made if necessary.

Routine maintenance and repair costs for tangible fixed assets are recognized as expenses. Capital expenditures that extend the capacity of the tangible fixed asset and enhance the future economic benefits to be derived from it are added to the cost of the asset. These capital expenditures may include costs that extend the asset’s useful life, increase its service capacity, improve the quality of the produced goods or services, or reduce costs.

The estimated useful lives are stated below:

	Useful life
Buildings	10-50 years
Machinery, plant and equipment	3-15 years
Furniture and fixtures	2-15 years
Right of use asset	2-20 years

Intangible Assets

Acquired intangible assets

Purchased intangible assets with a finite useful life are presented at their cost less accumulated amortization and accumulated impairment losses. These assets are amortized using the straight-line method over their expected useful lives. The expected useful life and amortization method are reviewed annually to assess the potential effects of changes in estimates, and any changes in estimates are accounted for prospectively. Purchased intangible assets with an indefinite useful life are presented at their cost less accumulated impairment losses.

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.

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.4 Summary of Significant Accounting Policies (continued)

Intangible Assets (continued)

Softwares

Softwares are recorded at cost of acquisition and are amortized on a straight-line basis over their estimated useful lives, which are 3-15 years from the date of acquisition.

Costs associated with developing or maintaining computer software programmes are recognized as an expense as incurred. Expenditure which enhances or extends the performance of computer software programmes beyond their original specifications is recognized as a capital improvement and added to the original cost of the software. Costs contain general administrative expenses and the personnel expense for the personnel who improved the softwares.

Internally-generated intangible assets - research and development expenditures

Expenditures on research activities are recognized in profit and loss in the period they are incurred.

An internally-generated intangible asset arising from development is recognized if, and only if, all of the following have been demonstrated:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- The intention to complete the intangible asset and use or sell it;
- The ability to use or sell the intangible asset;
- How the intangible asset will generate probable future economic benefits;
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- The ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognized for internally-generated intangible assets is the sum of expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognized, development expenditure is charged to profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets acquired separately.

The estimated useful lives are stated below:

	Useful life
Softwares	3-15 years
Rights	3-5 years
Other intangible assets	3-15 years

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

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.4 Summary of Significant Accounting Policies (Continued)

Impairment of tangible assets and intangible assets other than goodwills

Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset’s carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset’s fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

When an asset’ (or cash generating unit’s) recoverable amount is lower than their carrying value asset’s (or cash generating unit’s) carrying value is decreased to their recoverable amount. If the related asset is not measured at revalued amount impairment loss is directly recognized in profit/loss. In such cases, the impairment loss is treated as revaluation loss.

When there is any indication that an impairment loss recognised in prior periods for an asset other than goodwill may no longer exist or may have decreased at each reporting period and, if such a conditions exists, the Company reverses the impairment loss recognized in prior periods for an individual asset. Unless the related asset is accounted and measured under a different standard, reversal of the impairment is accounted under statement of comprehensive income.

Employment termination benefits

Provision for employee termination benefits

TAS 19 "Turkish Accounting Standard for Employee Benefits" requires companies to use their actuarial valuation methods to calculate the present value of the potential liabilities. Therefore, the present value of the Company's possible liability is calculated using the assumptions in the following table.

The provision for employment termination benefits is calculated as required by Turkish Labor Law as a statutory obligation of the Company and reflects the present value of severance pay entitlement to employee retirement, dismissal, call for military service or death in case of completion of at least one year of service, TAS 19 "Turkish Accounting Standard for Employee Benefits" requires companies to use their actuarial valuation methods to calculate the present value of the potential liabilities. Therefore, the present value of the Company's possible liability is calculated using the assumptions.

Provision for unused vacation

According to the Labor Law applicable in Türkiye, the Company is obliged to pay the annual leave periods which the employment contract are not entitled for any reason, to the employer or their beneficiaries at the date the contract ends.

Bonus payments

The Company records the accrual as an obligation and expense based on a method that takes into consideration the Company's profitability, budget realization and performance criteria. The Company also reserves provisions in cases where it is a contractual obligation.

Provisions, contingent assets and liabilities

In accordance with the TAS 37 “Provisions, Contingent Liabilities and Contingent Assets”, a provision is recognised when the Company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. If the specified criteria are not met, the Company discloses the related issues in the accompanying notes. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability if the time value of the money is significant to the provision In determining the discount rate to be used in reducing the provisions to their present value, the interest rate on the relevant market and the risk related to the related obligation are taken into consideration. Contingent assets are disclosed in the notes and not recognised unless they are realized.

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

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.4 Summary of Significant Accounting Policies (Continued)

Revenue recognition

In accordance with TFRS 15, "Revenue Standard from Customer Agreements"; which is effective as of 1 January 2018, the Company accounts in the financial statements of the revenue consignment in accordance with the following five-tiered model.

- Identification of customer contracts,
- Identification of performance obligations,
- Determination of transaction price in the contract,
- Allocation of price to performance obligations,
- Recognition of revenue,

The Company assesses the goods or services undertaken by each contract made with the customers and sets each commitment to transfer such goods or services as a separate performance obligation.

For each performance obligation, at the beginning of the contract, the obligation to fulfill the obligation is to be delivered in time or at a certain time. When the control of a good or service is over time and the Company fulfills its performance obligations related to sales in a timely manner, the Company takes the financial statements in the console at the expiration time by measuring the progress towards fulfillment of the fulfillment obligations.

When the Company fulfills the obligation to perform the obligation by transferring a promised good or service to the customer, it records the transaction value corresponding to the obligation as revenue in the consolidated financial statements. When the control of the goods or services is overtaken by the customers (or as they pass) the goods or services are transferred.

When the Company evaluates the transfer of the customer for the control of the goods or services sold,

- a) Group owns the right to collect the goods or services,
- b) Owns legal ownership of the goods or services,
- c) The transfer of the possession of the goods or services,
- d) Ownership of the significant risks and rewards of ownership of the property of the customer,
- e) Takes into consideration the conditions under which the customer accepts goods or services,

The Company does not make any adjustments to the effect of a significant financing component at the commitment price if the contract at the outset suggests that the period between the transfer date of the goods or services undertaken by the customer and the date the customer pays the price of the goods or services is one year or less. If the other party has significant financing within the revenue, the revenue value is determined by discounting future collections with the interest rate included in the financing element. The difference is recorded in the related periods as Other income from the main operations on the accrual basis.

Foreign currency transactions

Transactions in foreign currencies are initially recorded in the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date Foreign currency translation rates used by the Company as of respective year-ends are TL 35,2803 = 1 US Dollars and TL 36,7362 = 1 Euro (31 December 2023: TL 29,4382 = 1 US Dollars and TL 32,5739 = 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.

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

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.4 Summary of Significant Accounting Policies (Continued)

Deferred Revenue

Deferred revenues are liabilities that consist of advances from other parties that are obtained in the relevant period in terms of sale agreements or booked as receivables and related with future periods.

Government incentives and grants

Within the scope of the Law No.5746 on the support of Research and Development activities, it was decided by the MinisTL of IndusTL and Technology for the Company to benefit from the incentives and exemptions provided under the Law No. 5746 as of the same date, with the application of the Company approved on 7 January 2020.

Government incentives that allow the payment of reduced corporate tax within the scope of R&D incentives are evaluated within the scope of TAS 12, "Income Taxes" standard.

As of 31 December 2024, R&D expenses amounting to TL 41.290.677 have been used as a deduction item in the tax calculation (31 December 2023: TL 34.080.839).

Taxes calculated on the basis of corporate income

Income tax expense consists of corporate tax and deferred tax expenses.

Corporate/Income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted by the balance sheet date.

Deferred tax

Deferred income tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax liabilities are recognized for all taxable temporary differences. The rates enacted, or substantively enacted, at the balance sheet date are used to determine deferred income tax.

Under TAS 12, which deals with income taxes, deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which the deferred tax asset can be utilized and deferred tax assets should be reduced to the extent that it is no longer probable that the related tax benefit will be realized. The deferred tax asset and deferred tax liability have been netted off in these financial statements.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities, and deferred taxes relate to the same taxable entity and the same taxation authority.

Corporate and deferred taxes for the period

Income tax relating to items recognized in other comprehensive income or directly in equity is recognized in other comprehensive income or directly in equity and not in the statement of profit or loss.

Cash flow statement

The Company prepares cash flow statements to inform users of the ability to direct the amount and timing of changes in net assets, financial structure and cash flows according to changing conditions.

In the cash flow table, the cash flows related to the turnover are reported by being classified as operating, investing and financing activities. Cash flows arising from operating activities represent cash flows arising from the transactions entered into the operating area of the Company. Cash flows from investing activities represent for the Company used and obtained from investment activities (fixed investments and financial investments). Cash flows from financing activities represent the resources the Company uses in its financing activities and the repayments of these resources.

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

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.4 Summary of Significant Accounting Policies (Continued)

Related parties

For the purposes of these financial statements, shareholders, key management personnel and Board members, in each case together with companies controlled by/or affiliated with them and associated companies are considered and referred to as related parties.

A related party is a person or entity that is related to the entity that is preparing its financial statements.

- (a) A person or a close member of that person's family is related to a reporting entity if that person:
 - (i) has control or joint control over the reporting entity;
 - (ii) has significant influence over the reporting entity; or
 - (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- (b) An entity is related to a reporting entity if any of the following conditions applies:
 - (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity, If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a).
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

2.5 Significant accounting judgements, estimates and assumptions

The Company has prepared its financial on going concern principal.

Preparation of the financial statements requires estimates and judgments about the reported amount of assets and liabilities or contingent assets and liabilities and reported amount of income and expenses of the related period. Such estimates and judgments are based on the Company’s best estimates regarding current events and transactions, however, the actual results may differ from these estimates.

The significant estimates and assumptions the Company uses in preparing its financial statements are explained below:

Useful lives of tangible assets and intangible assets: The useful life of assets and additional costs are determined by the Company Management at initial recognition date and re-evaluated tregularly. The Company determines useful lives of the assets by evaluating estimated benefits of the related assets. This evaluation is based on the Company’ 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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FOR THE PERIOD ENDED 31 DECEMBER 2024

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3. CASH AND CASH EQUIVALENTS

The details of the Company's cash and cash equivalents as of 31 December 2024 and 2023 are as follows:

	31 December 2024	31 December 2023
Banks		
<i>Time deposit</i>	1.719.335.323	507.254.682
<i>Demand deposit</i>	451.857.539	26.756.583
Credit card receivables with term of less than three months (*)	20.402.926	11.491.010
Provision for expected credit loss	(207.441)	(88.303)
Cash and cash equivalents	2.191.388.347	545.413.972

(*) The average maturity of the Company's credit card receivables amounting to TL 20.402.926 (December 31, 2023: TL 11.491.010) as of December 31, 2024 is 30 days (December 31, 2023: 30 days). As of 31 December 2024, the interest rates of the Company's time deposits in TL are between 40,1% and 52,00%,USD are between 1,5% and 4,55%, and in EURO are between 0,75% and 3,75%. (December 31, 2023: in TL are between 41% ile 46%, 4% in USD, and Euro are between 1,25% and 2%).

As of 31 December 2024 and 2023, all time deposits have a maturity of less than three months. As of 31 December 2024 and 31 December 2023, there is no restriction on cash and cash equivalents. In the cash flow statements of the Company as of 31 December 2024 and 31 December 2023, cash and cash equivalents are shown by deducting interest accruals from cash and cash equivalents:

	31 December 2024	31 December 2023
Cash and cash equivalents	2.191.595.788	545.502.275
Interest accrual (-)	(27.124.029)	(2.511.355)
Cash and cash equivalents in the cash flow statement	2.164.471.759	542.990.920

4. FINANCIAL INVESTMENT

As of 31 December 2024 and 2023, the details of financial investment are as follows:

	31 December 2024	31 December 2023
Funds	1.746.299	1.275.646
Total	1.746.299	1.275.646

5. TRADE RECEIVABLES AND PAYABLES

As of 31 December 2024 and 2023, the details of trade receivables are as follows:

	31 December 2024	31 December 2023
Trade receivables		
Trade receivables from related parties (Note 7)	286.178.909	129.316.993
Trade receivables from other parties	24.464.465	43.521.086
Provision for expected credit loss (-)	(21.529)	(8.180)
- <i>Regarding trade receivables from related parties (Note 7)</i>	-	(8.180)
- <i>Regarding trade receivables from others parties (Note 7)</i>	(21.529)	-
Total	310.621.845	172.829.899

The average maturity of trade receivables is 10 days (31 December 2023: 10 days). As of 31 December 2024, there is no neither past due nor impaired receivable (31 December 2023: no neither past due not impaired receivable). As of 31 December 2024 and 2023, the details of trade payables are as follows;

	31 December 2024	31 December 2023
Trade payables (*)		
Trade payables to related parties (Note 7)	85.992.502	50.900.908
Trade payables to other parties	222.208.622	296.126.523
Total	308.201.124	347.027.431

(*) The average maturity for trade payables is between 30 and 60 days (31 December 2023: between 30 and 60 days). As of 31 December 2024 and 2023, a significant portion of the trade payables consist of the purchases and maintenance of tangible and intangible assets and their liabilities related to outsourced services.

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6. OTHER PAYABLES

As of 31 December 2024 and 2023, the details of other payables are as follows:

	31 December 2024	31 December 2023
Other payables due to other parties	103.492.353	30.589.967
- <i>Tax payables</i>	103.119.488	30.261.796
- <i>Other payables</i>	372.865	328.171
Other payables	103.492.353	30.589.967

7. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

As of 31 December 2024 and 2023, the details of the Company’s balances with related parties are as follows :

	31 December 2024	31 December 2023
Cash and cash equivalents from related parties	1.119.160.469	494.703.580
Total	1.119.160.469	494.703.580

	31 December 2024	31 December 2023
Prepaid expenses to related parties	22.870.294	5.032.373
Total	22.870.294	5.032.373

	31 December 2024	31 December 2023
Receivables from related parties	286.178.909	129.308.813
Total	286.178.909	129.308.813

	31 December 2024	31 December 2023
Trade payables to related parties	85.992.502	50.900.908
Total	85.992.502	50.900.908

For the periods ended at 31 December 2024 and 2023, the details of the Company’s revenue and expenses to related parties are as follows:

	31 December 2024	31 December 2023
Revenue from related parties	2.485.075.053	1.111.190.072
Expenses to related parties	(261.996.982)	(229.718.470)
Total	2.223.078.071	881.471.602

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 2024, the total amount of benefits provided to top management is TL 110.711.303 (31 December 2023: TL 61.480.306).

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8. INVENTORIES

	31 December 2024	31 December 2023
Trade goods (*)	15.790.898	7.379.366
Total	15.790.898	7.379.366

(*) 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 2024 and 31 December 2023, 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 2024 are as follows:

	1 January 2024	Additions	Transfers	Disposals	31 December 2024
Cost					
Buildings	132.870.725	23.837.587	-	-	156.708.312
Machinery, plant and equipment	199.349.630	51.797.218	-	(6.935.837)	244.211.011
Furniture and fixtures	296.256.208	189.507.506	-	(1.879.893)	483.883.821
Constructions in progress	101.248.636	169.275.484	(76.332.934)	(15.704.460)	178.486.726
	729.725.199	434.417.795	(76.332.934)	(24.520.190)	1.063.289.870
Accumulated depreciation					
Buildings	(26.461.936)	(4.506.768)	-	-	(30.968.704)
Machinery, plant and equipment	(69.197.726)	(40.478.378)	-	(5.837.888)	(115.513.992)
Furniture and fixtures	(96.276.378)	(73.277.411)	-	(919.219)	(170.473.008)
	(191.936.040)	(118.262.557)	-	(6.757.107)	(316.955.704)
Net book value	537.789.159				746.334.166

Movements of tangible assets for the period between 1 January and 31 December 2023 are as follows:

	1 January 2023	Additions	Transfers	Disposals	31 December 2023
Cost					
Buildings	131.425.923	1.444.802	-	-	132.870.725
Machinery, plant and equipment	113.059.115	68.680.251	18.144.562	(534.298)	199.349.630
Furniture and fixtures	125.203.465	171.115.202	-	(62.459)	296.256.208
Constructions in progress	111.061.880	94.971.871	(104.582.083)	(203.032)	101.248.636
	480.750.383	336.212.126	(86.437.521)	(799.789)	729.725.199
Accumulated depreciation					
Buildings	(22.939.937)	(3.521.999)	-	-	(26.461.936)
Machinery, plant and equipment	(48.067.889)	(21.564.619)	-	434.782	(69.197.726)
Furniture and fixtures	(72.230.195)	(24.086.595)	-	40.412	(96.276.378)
	(143.238.021)	(49.173.213)	-	475.194	(191.936.040)
Net book value	337.512.362				537.789.159

There is no mortgage on the Companys’s tangible assets (31 December 2023: None).

As of 31 December 2024, the insurance amount on tangible assets is TL 8.757.402.147 (31 December 2023: TL 7.126.640.532).

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10. INTANGIBLE ASSETS

Movements of intangible assets for the period between 1 January and 31 December 2024 are as follows:

	1 January 2024	Additions	Transfers	Disposals	31 December 2024
Cost					
Softwares	229.593.938	33.710.969	-	-	263.304.907
Rights	83.982.570	29.186.312	76.332.934	-	189.501.816
Other intangible assets	2.136.579	167.575	-	-	2.304.154
	315.713.087	63.064.856	76.332.934	-	455.110.877
Accumulated depreciation					
Softwares	(145.079.831)	(48.034.097)	-	-	(193.113.928)
Rights	(25.519.272)	(14.660.873)	-	-	(40.180.145)
Other intangible assets	(1.442.653)	(71.583)	-	-	(1.514.236)
	(172.041.756)	(62.766.553)	-	-	(234.808.309)
Net book value	143.671.331				220.302.568

Movements of intangible assets for the period between 1 January and 31 December 2023 are as follows:

	1 January 2023	Additions	Transfers	Disposals	31 December 2023
Cost					
Softwares	142.457.545	30.962.649	56.173.744	-	229.593.938
Rights	52.191.489	2.625.521	30.263.777	(1.098.217)	83.982.570
Other intangible assets	1.779.968	356.611	-	-	2.136.579
	196.429.002	33.944.781	86.437.521	(1.098.217)	315.713.087
Accumulated depreciation					
Softwares	(103.449.832)	(41.629.999)	-	-	(145.079.831)
Rights	(17.063.241)	(8.456.342)	-	311	(25.519.272)
Other intangible assets	(1.388.020)	(54.633)	-	-	(1.442.653)
	(121.901.093)	(50.140.974)	-	311	(172.041.756)
Net book value	74.527.909				143.671.331

11. LEASES

As of 31 December 2024 and 2023, the details of right of use assets are as follows:

	31 December 2024	31 December 2023
Vehicles	9.940.234	3.881.067
Buildings	2.855.100	175.182
Total	12.795.334	4.056.249
Beginning of the period - 1 January	4.056.249	2.834.457
Additions	10.339.607	4.624.477
Additions depreciation expense	(1.600.522)	(3.402.685)
End of the period - 31 December	12.795.334	4.056.249

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11. LEASES (Continued)

As of 31 December 2024 and 2023, the details of lease liabilities are as follows:

	31 December 2024	31 December 2023
Short term lease liabilities	2.761.209	2.042.665
Long term lease liabilities	10.412.011	2.626.142
Total	13.173.220	4.668.807

Movement table of the lease liabilities in the period of 1 January - 31 December 2024 and 2023 is as follows:

	31 December 2024	31 December 2023
Beginning of the period - 1 January	4.668.807	3.288.646
Additions	9.177.730	3.966.986
Payments (-)	(2.158.688)	(3.885.070)
Interest expenses	1.790.316	1.298.245
Exchange differences	(304.945)	-
End of the period – 31 December	13.173.220	4.668.807

12. SHORT TERM AND LONG TERM LIABILITIES

There is no Companies’s short term and long term liabilities (31 December 2023: None)

13. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Letters of guarantee received:

	31 December 2024	31 December 2023
Letters of guarantee received (*)	1.888.705	3.695.854
Total	1.888.705	3.695.854

(*) A large part of the related balance consists of letters of guarantee that the Company has received from service providers regarding consultancy.

As of 31 December 2024, 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 2023: No colleteral, pledge or mortgage).

Lawsuits againts the company:

As of 31 December 2024, there are 17 lawsuits filed against the Company, Provision of TL 2.167.206 has been provided based on the best estimates of the Company management regarding these lawsuits, (31 December 2023: There are 17 cases and TL 1.924.749 has been provisioned).

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14. PAYABLES UNDER THE BENEFITS TO EMPLOYEES AND SHORT AND LONG TERM PROVISIONS

i) Payables for employee benefits

As of 31 December 2024 and 2023, the details of the payables for the employee benefits are as follows:

	31 December 2024	31 December 2023
Social security withholding to be paid	28.047.064	29.225.466
Payables to employees	1.758.714	1.846.278
Total	29.805.778	31.071.744

ii) Short term provisions

As of 31 December 2024 and 2023, the details of the Company's short-term provisions are as follows:

	31 December 2024	31 December 2023
Provision for personnel performance bonus	354.959.863	163.009.369
Provision for unused vacation	60.748.240	28.802.452
Provision for bank commissions (*)	48.348.136	18.625.126
Provision for uninvoiced expenses	307.081	301.113
Other provions	63.243.248	29.226.592
Total	527.606.568	239.964.652

(*) The Company works with various banks from Türkiye in order to complete transactions of Findeks products, The Company pays commissions to the banks in direct proportion to sale amounts within the context of agreements terms. These balances consist of provisions for commissions payable to branch banks as of 31 December 2024 and 2023.

The movement table of provision for personnel performance bonus of the Company for the periods between 1 January and 31 December 2024 and 2023 is as follows:

	31 December 2024	31 December 2023
Beginning of the period - 1 January	163.009.369	60.348.648
Increase in the period	354.959.863	163.009.369
Paid during the period (-)	(163.009.369)	(60.348.648)
End of the period - 31 December	354.959.863	163.009.369

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14. PAYABLES UNDER THE BENEFITS TO EMPLOYEES AND SHORT AND LONG TERM PROVISIONS (Continued)

iii) Long term provisions

As of 31 December 2024 and 2023, the details of the Company's long-term provisions are as follows:

	31 December 2024	31 December 2023
Provision for employment termination benefits	31.014.105	30.532.943
Provision for lawsuits	2.167.206	1.924.749
Total	33.181.311	32.457.692

The provision for employment termination benefits is provided for as explained below.

According to the Turkish Labor Law, the Company is obliged to pay severance pay to employees who have completed one year of service and whose relationship with the Company has ended, or who have retired, completed 25 years of service (20 years for women) and obtained retirement (58 years for women and 60 years for men), or who have been called for military service or have passed away. After the legislative change on May 23, 2002, some transitional provisions related to the service period prior to retirement were removed.

The key assumptions involve the increase of the severance pay ceiling, which has been in effect since January 1, 2006, in proportion to inflation for each year of service. Thus, the applied discount rate reflects the actual rate adjusted for the expected effects of inflation. The severance pay ceiling is revised every six months, and as of December 31, 2024, the severance pay ceiling used in the calculation of the Company’s severance pay liability is as follows:

As of January 1, 2025, the severance pay ceiling of 46,655.43 TL will apply (as of December 31, 2023: 35,058.58 TL for the calculation of the Company’s severance pay liability as of January 1, 2024).

The severance pay liability is not subject to any legal funding and there are no funding requirements. The severance pay provision is calculated based on an estimate of the present value of the potential liability to be paid upon employees’ retirement.

The Company develops and uses actuarial valuation methods to estimate the severance pay provision. The following actuarial assumptions are used in calculating the total liability:

	31 December 2024	31 December 2023
Annual discount rate (%)	4,35	0,94

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

	2024	2023
Provision for employment termination benefits		
Beginning of the period - 1 January	30.532.943	17.548.495
Service cost	8.392.183	3.387.171
Interest cost	7.961.927	1.876.719
Termination cost	2.404.317	609.855
Payment within the period (-)	(7.981.437)	(10.112.408)
Actuarial loss / gain	(10.295.828)	17.223.111
End of the period - 31 December	31.014.105	30.532.943

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15. PREPAID EXPENSES AND DEFERRED INCOME

The details of short-term prepaid expenses of the Company as of 31 December 2024 and 2023 are as follows:

	31 December 2024	31 December 2023
Short term prepaid expenses (*)		
Prepaid expenses from related parties (Note 7)	22.686.612	5.032.373
Prepaid expenses from other parties	179.967.451	130.441.284
Total	202.654.063	135.473.657

(*) As of 31 December 2024 and 2023, the related amounts consist of prepaid insurance, maintenance, dues, training and other miscellaneous expenses which have not been included in the statement of profit or loss.

As of 31 December 2024 and 2023, the details of long-term prepaid expenses are as follows:

	31 December 2024	31 December 2023
Long term prepaid expenses (*)		
Prepaid expenses from other parties	61.497.908	26.660.270
Prepaid expenses from related parties	183.682	-
Total	61.681.590	26.660.270

(*) As of 31 December 2024 and 2023, 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 2024 and 2023 are as follows:

	31 December 2024	31 December 2023
Deferred income		
Deferred income (*)	708.460.686	577.667.236
Total	708.460.686	577.667.236

(*) As of 31 December 2024 and 31 December 2023, 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 2024 and 2023 are as follows:

	31 December 2024	31 December 2023
Receivables from employees	8.061.424	4.516.205
Order advances given	636.341	2.308.642
Amounts to be invoiced	23.908	1.111.413
Other income accruals	1.536.210	2.432.376
Total	10.257.883	10.368.636

b) Other non-current assets:

The details of other non-current asset as of 31 December 2024 and 2023 are as follows:

	31 December 2024	31 December 2023
Deposits and guarantees given	215.468	204.787
Total	215.468	204.787

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16. OTHER ASSETS AND LIABILITIES (continued)

c) Other Long-Term Liabilities:

The details of the Company’s other long-term liabilities as of December 31, 2024, and December 31, 2023, are as follows:

	31 Aralık 2024	31 Aralık 2023
Lonf Term Liabilities(*)	974.400.000	-
Toplam	974.400.000	-

(*)It includes the advances received from the members to whom services are planned to be provided for the Company's ongoing Data Center project.

17. SHAREHOLDERS’ EQUITY

The Company's authorized share capital consists of TL 7.425.000 of each TL 1 nominal share (31 December 2023: 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 2024 and 2023 are as follows:

	31 December 2024		31 December 2023	
	Share amount		Share amount	
	Share (%)	(TL)	Share (%)	(TL)
Shareholders				
Yapı ve Kredi Bankası A.Ş.	18,2	1.350.000	18,2	1.350.000
Türkiye Halk Bankası A.Ş.	18,2	1.350.000	18,2	1.350.000
Akbank T.A.Ş.	9,1	675.000	9,1	675.000
Türkiye Garanti Bankası A.Ş.	9,1	675.000	9,1	675.000
Şekerbank T.A.Ş.	9,1	675.000	9,1	675.000
Türkiye İş Bankası A.Ş.	9,1	675.000	9,1	675.000
Denizbank A.Ş.	9,1	675.000	9,1	675.000
T. Vakıflar Bankası T.A.O.	9,1	675.000	9,1	675.000
T.C. Ziraat Bankası A.Ş.	9,1	675.000	9,1	675.000
Paid in capital	100	7.425.000	100	7.425.000

	31 December 2024	31 December 2023
Reserves on retained earnings		
Reserves on retained earnings	176.573.157	41.005.074
Share capital adjustment	2.574.025	2.574.025
Total	179.147.182	43.579.099

	31 December 2024	31 December 2023
Special funds	2.887.040	1.864.617
Total	2.887.040	1.864.617

Legal Reserves are composed of the first and second-tier legal reserves allocated in accordance with the Turkish Commercial Code (TCC). The first-tier legal reserves are allocated at an annual rate of 5% of the prior year's commercial profit until they reach 20% of the paid-in capital (not indexed for inflation). The second-tier legal reserves are allocated at an annual rate of 10% of all cash dividend distributions, after the first-tier legal reserves and dividends. According to the Turkish Commercial Code, legal reserves can only be used to offset losses until they do not exceed 50% of the paid-in capital, and they cannot be used for any other purpose. In accordance with the General Assembly Resolution dated March 27, 2024, the net amount remaining after the legal obligations were deducted from the gross profit for the year 2023 has been classified under Extraordinary Reserves, instead of being distributed to the shareholders. As of December 31, 2024, the Company has extraordinary reserves of TL 135,568,083 classified under restricted reserves. (31 December 2023: None).

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18. SALES AND COST OF SALES

The Company's sales for the periods 1 January - 31 December 2024 and 2023 and the cost of sales are as follows:

	1 January- 31 December 2024	1 January - 31 December 2023
Sales ve cost of sales		
Sales	3.560.086.540	1.772.898.429
Sales returns (-)	(16.923.281)	(6.682.818)
Total	3.543.163.259	1.766.215.611

Cost of sales		
Personnel expenses	(933.648.749)	(435.108.071)
Depreciation expenses	(117.224.559)	(38.888.637)
Query service expenses	(57.255.646)	(15.353.160)
Scoring service expenses	(2.560.287)	(17.575.750)
System service expenses	(2.053.473)	(54.056.413)
Other expenses	(138.644.693)	(98.280.910)
Total	(1.251.387.407)	(659.262.941)

Gross operating profit	2.291.775.852	1.106.952.670
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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 2024 and 2023 are as follows:

	1 January- 31 December 2024	1 January- 31 December 2023
Commission expenses	230.291.407	195.978.625
Advertising, media and sales expenses	121.872.761	118.825.745
Other	4.972.127	3.117.116
Total	357.136.295	317.921.486

b) General administrative expenses:

The details of general administrative expenses for the accounting periods of 1 January- 31 December 2024 and 2023 are as follows:

	1 January- 31 December 2024	1 January- 31 December 2023
Personnel expenses	780.687.168	359.782.378
Installation, maintenance and support expense	385.110.670	183.587.884
Amortization and depreciation expense	63.804.551	60.425.550
Consulting expenses	46.489.674	15.717.904
Taxes and other liabilities	24.240.699	14.946.340
Insurance expenses	15.873.312	6.661.608
Travel expenses	7.692.309	2.879.171
Communication expenses	2.377.046	22.243.093
Depreciation expense related to leasing	1.600.522	3.402.685
Electricity, water, fuel expenses	278.724	9.965.694
Other	59.176.638	14.898.161
Total	1.387.331.313	694.510.468

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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 2024 and 2023 are as follows:

	1 January- 31 December 2024	1 January- 31 December 2023
Independent audit fee for the reporting period	1.550.000	1.000.000
Total	1.550.000	1.000.000

20. EXPENSES BY NATURE

The details of expenses by nature for the accounting periods of 1 January - 31 December 2024 and 2023 are as follows:

	1 January- 31 December 2024	1 January- 31 December 2023
Personnel expenses	1.714.335.917	794.890.449
Installation, maintenance and support expense	385.110.670	183.587.884
Amortization and depreciation expense	181.029.110	99.314.187
Inquiry service expenses	57.255.646	15.353.160
Consulting expenses	46.489.674	15.717.904
Taxes and other liabilities	24.240.699	14.946.340
Insurance expenses	15.873.312	6.661.608
Travel expenses	7.692.309	2.879.171
Scoring service expenses	2.560.287	17.575.750
Communication expenses	2.377.046	22.243.093
System service expenses	2.053.473	54.056.413
Amortisation expense related with leases	1.600.522	3.402.685
Electricity, water, fuel expenses	278.724	9.965.694
Other	197.821.331	113.179.071
Total	2.638.718.720	1.353.773.409

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 2024 and 2023 are as follows:

	1 January- 31 December 2024	1 January- 31 December 2023
Provisions no longer required	13.666.980	13.660.102
Other income	9.899.202	3.686.128
Mutual funds income	3.084.687	1.028.574
Total	26.650.869	18.374.804

The details of the Company's other operating expenses for the accounting periods of 1 January - 31 December 2024 and 2023 are as follows:

	1 January- 31 December 2024	1 January- 31 December 2023
Expected credit loss provision expense	(228.970)	(96.483)
Other expenses (-)	(480.661)	(262.645)
Total	(709.631)	(359.128)

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22. FINANCIAL INCOMES AND EXPENSES

The details of financing income and expenses of the Company for the periods 1 January - 31 December 2024 and 2023 are as follows:

	1 January- 31 December 2024	1 January- 31 December 2023
Financial income		
Interest income on time deposits	389.526.625	48.130.721
Foreign exchange gains	53.898.574	140.965.260
Total	443.425.199	189.095.981

	1 January- 31 December 2024	1 January- 31 December 2023
Financial expenses (-)		
Foreign exchange loss	(21.318.801)	(23.291.685)
Interest expense	(2.002.011)	(1.298.245)
Total	(23.320.812)	(24.589.930)

23. TAX ASSETS AND LIABILITIES

	31 December 2024	31 December 2023
Provision for corporate tax	245.124.767	45.921.144
Prepaid corporate tax (-)	(260.704.001)	(63.005.075)
Current period tax (asset)/liability, net	(15.579.234)	(17.083.931)

The Company is subject to Turkish corporate taxes. Corporate tax is declared until the evening of the twenty-fifth day of the fourth month following the end of the relevant accounting period and is paid in one installment until the end of the relevant month. Companies are required to declare and pay provisional taxes based on their financial profits occurring in three-month periods by the 17th day of the second month following the period. Provisional taxes paid during the year are offset against the annual corporate income tax calculated on the corporate income tax return for that year. If there is an excess of provisional tax paid after offsetting, this amount can be refunded in cash or offset against other financial obligations. In Türkiye, the corporate tax rate applied to the legal tax base to be found by adding the expenses that are not accepted as deductible by the tax laws to the commercial income of the corporations by deducting the exemptions in the tax laws was applied as 20% after December 31, 2022. However, according to Article 21 of the Law on Amendments to Some Laws and Decree Laws Regarding the Establishment of Additional Motor Vehicle Tax for the Compensation of Economic Losses Caused by the Earthquakes Occurring on February 6, 2023, published in the Official Gazette dated July 15, 2023, and numbered 32249, changes have been made to Article 32 of Law No. 5520 on Corporate Income Tax Law regulating the corporate income tax rate; as of October 1, 2023, the general rate applied to corporate income tax has been increased from 20% to 25%. Therefore, the Company and its resident subsidiary companies in Türkiye have used a tax rate of 25% for the calculation of the period tax for the year 2024. Within the scope of the said amendment, the tax rate used from the deferred tax calculation in the financial statements dated 31 December 2024 is 25% (31 December 2023: 25%). Under Article 298 of the Tax Procedure Law, as of December 31, 2021, the necessary conditions for the inflation adjustment of financial statements have been met. However, pursuant to temporary Article 33 of Law No. 7352 published in the Official Gazette dated January 29, 2022, and numbered 31734, which makes amendments to the Tax Procedure Law and the Corporate Income Tax Law:

- Regardless of whether the conditions for inflation adjustment under Article 298 are met, duplicate financial statements for the 2021 and 2022 accounting periods, including provisional tax periods, will not be subject to inflation adjustment,

- It has been stipulated that financial statements dated December 31, 2023, will be subject to inflation adjustment in a manner that does not affect the corporate income tax base.

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23. TAX ASSETS AND LIABILITIES (Continued)

According to Article 17 of Law No. 7491 titled "Amendment of Certain Laws and Decrees with the Force of Law," published in the Official Gazette No. 32413 dated December 28, 2023, banks, companies within the scope of the Financial Leasing, Factoring, Financing, and Savings Financing Companies Law No. 6361 dated November 21, 2012, payment and electronic money institutions, authorized foreign exchange establishments, asset management companies, capital market institutions, insurance and reinsurance companies, and pension companies will not take into account the profit/loss differences arising from inflation adjustments in the calculation of their income for the 2024 and 2025 financial periods, including the interim tax periods. This provision also grants the President the authority to extend these periods, including interim tax periods, for up to one fiscal period.

According to the temporary Article 33 of the Tax Procedure Law, the tax effects arising from inflation adjustments on the financial statements dated December 31, 2024, have been included in the calculation of deferred taxes as of December 31, 2024. According to the Corporate Tax Law, financial losses shown on tax returns can be deducted from the corporate tax base for up to 5 years. Tax returns and related accounting records can be audited by the tax office within five years, and tax calculations can be revised.

Dividends paid to real persons and legal entities residing in Turkey, except for those who are not subject to corporate tax or income tax or are exempted, are subject to a 10% income tax. Dividend payments made by resident joint-stock companies in Turkey to other resident joint-stock companies in Turkey are exempt from income tax. Moreover, if the profit is not distributed or added to capital, income tax will not be calculated. Dividend income obtained by corporations from their subsidiaries, which are subject to full taxation, is exempt from corporate tax. Furthermore, gains from the sale of shares, real estate, founding certificates, usufruct certificates, and preemptive rights held by corporations for at least two full years are 75% exempt from corporate tax. However, with the amendments made by Law No. 7061, this exemption rate has been reduced from 75% to 50% for real estate, and since 2018, this 50% exemption rate has been used in tax returns. Additionally, the 50% tax exemption for real estate sales gains has been abolished by Law No. 5520, effective as of July 15, 2023. However, for real estate sold before July 15, 2023, the 25% exemption will apply.

To benefit from this exemption, the relevant income must be kept in a fund account in the liabilities section and must not be withdrawn from the business for 5 years. The sale proceeds must be collected by the end of the second calendar year following the year of sale.

In Turkey, there is no application for reconciliation with the tax authority regarding the taxes to be paid. Corporate tax returns must be filed within four months following the end of the accounting period. The authorities authorized to conduct tax audits may review tax returns and the underlying accounting records for up to five years following the end of the accounting period and make reassessments based on their findings.

There is a withholding tax obligation on dividend distributions, and this withholding tax is reported in the period in which the dividend payment is made, either in cash or in kind. Until December 22, 2021, dividend payments made to non-resident legal entities and individuals, except for those earning income through a permanent establishment or representative in Turkey, were subject to a 15% withholding tax. However, as of the enactment of Presidential Decree No. 4936 published in the Official Gazette No. 31697 on December 22, 2021, the dividend withholding tax rate was reduced from 15% to 10%, according to the provisions of the Income Tax Law No. 193 and the Corporate Tax Law No. 5520. In the application of withholding tax rates on profit distributions to non-resident institutions and individuals, the withholding tax rates stipulated in the relevant Double Taxation Avoidance Agreements are also considered.

The inclusion of retained earnings in capital is not considered a profit distribution, and therefore is not subject to withholding tax. The tax expenses shown in the profit or loss statements for the fiscal periods ending on December 31, 2024, and December 31, 2023, are summarized below:

	1 January- 31 December 2024	1 January- 31 December 2023
Current tax charge	(245.124.767)	(45.921.144)
Defferred tax income/(expense)	(5.874.634)	(25.839.607)
Total	(250.999.401)	(71.760.751)

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23. TAX ASSETS AND LIABILITIES (Continued)

As of 31 December 2024 and 2023, the Company's tax reconciliation is presented as follows:

	1 January- 31 December 2024	1 January- 31 December 2023
Profit/(loss) before tax	987.116.220	276.352.539
Theoretical tax expense		
calculated with current tax rate	(246.779.055)	(69.088.135)
(Disallowable expenses)/discounts	(4.220.346)	(2.672.616)
Total tax income/(expense)	(250.999.401)	(71.760.751)

The Company calculates deferred tax assets and liabilities by considering the effects of temporary differences arising from differing assessments between the Banking Regulation and Supervision Agency (BRSA) Accounting and Financial Reporting Regulations and the Tax Procedure Law. The tax rate used in the calculation of deferred tax assets and liabilities is 25% for taxable profits in 2025 and subsequent periods (as of December 31, 2023: 25% for taxable profits in 2024 and subsequent periods).

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 2024 and 2023 are as follows:

	Total temporary differences		Deferred tax assets /(liabilities)	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Provision for termination (Note 14)	31.014.105	30.532.943	7.753.526	7.633.236
Provision for unused vacation (Note 14)	60.748.240	28.802.452	15.187.060	7.200.613
Provision for expected credit loss (Note 2.4)	228.970	96.483	57.242	24.121
Lease liabilities	2.082.280	612.559	520.570	153.140
Deferred tax assets	94.073.595	60.044.437	23.518.398	15.011.110
Depreciation adjustment of tangible and intangible assets (-)	(246.170.284)	(178.346.766)	(61.542.571)	(44.586.692)
Deferred tax liabilities (-)	(246.170.284)	(178.346.766)	(61.542.571)	(44.586.692)
Deferred tax liabilities (-), net			(38.024.173)	(29.575.582)

The details of the movement table of the deferred tax liabilities for the periods ended at 31 December 2024 and 2023 are as follows:

	2024	2023
Beginning of the period - 1 January	(29.575.582)	(8.041.753)
Deferred tax expense recognized under the statement of profit or loss (-)	(5.874.634)	(25.839.607)
Deferred tax income/(expense) recognized under equity	(2.573.957)	4.305.778
End of the period - 31 December	(38.024.173)	(29.575.582)

Transfer pricing

In Türkiye, transfer pricing regulations are specified in Article 13 of the Corporate Tax Law, titled "Disguised profit distribution through transfer pricing". The communiqué dated 18 November 2007 with the notification on disguised profit distribution via transfer pricing regulates the details of the implementation.

If the taxpayer buys or sells goods or services with related parties at the price or price they have determined in violation of the arm's length principle, the profit is deemed to have been distributed implicitly through transfer pricing in whole or in part. Disguised profit distribution through such transfer pricing is considered as an expense.

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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 2024 and 2023 are as follows:

	1 January- 31 December 2024	1 January- 31 December 2023
Income from sale of tangible and intangible assets	1.935.029	240.969
Total	1.935.029	240.969

25. NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

Due to its operations, The Company is exposed to cash flow risk, market risk arising from interest risks, capital risk, credit risk and liquidity risk. The Company's risks management policy focuses on unexpected changes in financial markets.

The management policy of financial risks is performed by the Company's senior management and finance department in line with its policies and strategies approved by the Board of Directors. The Board of Directors prepares principles and policies in general to manage exchange rate, interest and capital risks and closely monitors financial and operational risks.

The Company is exposed to the following risks during its operations:

Credit Risk

Liquidity Risk

Market Risk

Capital Risk

This note is presented to inform the Company about its objectives, policies and processes under these risks if the Company is exposed to the above mentioned risks.

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

a) Credit risk:

Credit risk arises from deposits in banks, receivables from related parties and other trade receivables. In addition, it holds hold the financial assets also carries the risk of the third party’s not meeting the requirements of the agreement. The Company management meets these risks by limiting the average risk for the counterparty in each agreement, Trade receivables are evaluated by the Company management on the basis of past experiences and current economic situation and presented in the balance sheet. As of 31 December 2024 and 2023, the credit risk exposure for the financial instruments is as follows:

31 December 2024	Trade Receivables		Other Receivables		Cash and Cash Equivalents at Banks	
	Related party	Third party	Related party	Third party	Related party	Third party
Maximum amount of credit risk exposed as of reporting date (A+B+C+D+E)	286.178.909	24.442.936	-	-	690.129.388	1.501.258.959
- Maximum credit risk secured guarantees etc.	-	-	-	-	-	-
A. Net book value of neither past due not impaired financial assets (3)	286.178.909	24.442.936	-	-	690.129.388	1.501.258.959
B. Book value of financial assets that are restricted, otherwise which will be recognized as overdue or impaired (3, 4)	-	-	-	-	-	-
C. Net book value of assets past due but not impaired (5)	-	-	-	-	-	-
- Secured by guarantees etc,	-	-	-	-	-	-
D. Net book value of impaired assets	-	-	-	-	-	-
- Past due (gross book value)	-	-	-	-	-	-
- Impairment amount (-)	-	-	-	-	-	-
- Net value secured by guarantees etc,	-	-	-	-	-	-
- Non past due (gross book value)	-	-	-	-	-	-
- Impairment amount (-)	-	-	-	-	-	-
- Net value secured by guarantees etc	-	-	-	-	-	-
E. Off-balance items exposed to credit risk	-	-	-	-	-	-

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

a) Credit risk (Continued):

	Trade Receivables			Other Receivables			Cash and Cash Equivalents at Banks		
	Related party	Third party	Third party	Related party	Third party	Third party	Related party	Third party	Third party
31 December 2023									
Maximum amount of credit risk exposed as of reporting date (A+B+C+D+E)	129.308.813	43.521.086	-	-	-	-	494.703.580	50.710.392	-
- Maximum credit risk secured guarantees etc.	-	-	-	-	-	-	-	-	-
A. Net book value of neither past due not impaired financial assets (3)	129.308.813	43.521.086	-	-	-	-	494.703.580	50.710.392	-
B. Book value of financial assets that are restricted, otherwise which will be recognized as overdue or impaired (3, 4)	-	-	-	-	-	-	-	-	-
C. Net book value of assets past due but not impaired (5)	-	-	-	-	-	-	-	-	-
- Secured by guarantees etc.	-	-	-	-	-	-	-	-	-
D. Net book value of impaired assets	-	-	-	-	-	-	-	-	-
- Past due (gross book value)	-	-	-	-	-	-	-	-	-
- Impairment amount (-)	-	-	-	-	-	-	-	-	-
- Net value secured by guarantees etc.	-	-	-	-	-	-	-	-	-
- Non past due (gross book value)	-	-	-	-	-	-	-	-	-
- Impairment amount (-)	-	-	-	-	-	-	-	-	-
- Net value secured by guarantees etc	-	-	-	-	-	-	-	-	-
E. Off-balance items exposed to credit risk	-	-	-	-	-	-	-	-	-

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

b) Liquidity Risk:

Prudent liquidity risk management implies holding sufficient cash and marketable securities, the availability of funding through adequate credit transactions and the ability to close out market positions.

The risk of being able to fund the existing and prospective debt requirements is managed by maintaining the availability of sufficient number of credit providers and sufficient amounts of funds generated from operations, The Company management monitors the collection of customer receivables on maturity and tries to avoid any financial burden on the Company in order to ensure uninterrupted liquidation and, as a result of the works carried out with the banks, the cash and non-cash credit limits are determined. As of 31 December 2024 and 2023, the analysis of liquidity risk by type of financial liability is as follows:

31 December 2024

Maturity in accordance eith the agreement	Book value	Total cash outflow in accordance with the agreement	Up to 3 months (I)	3-12 months (II)	1-5 years (III)
		(I+II+III)			
Non derivative financial liabilities					
Lease liabilities	13.173.220	15.585.515	1.391.916	3.510.581	10.683.018
Trade payables	308.201.124	308.201.124	308.201.124	-	-
Other payables	103.492.353	103.492.353	103.492.353	-	-
Total	424.866.697	427.278.992	413.085.393	3.510.581	10.683.018

31 December 2023

Maturity in accordance eith the agreement	Book value	Total cash outflow in accordance with the agreement	Up to 3 months (I)	3-12 months (II)	1-5 years (III)
		(I+II+III)			
Non derivative financial liabilities					
Lease liabilities	4.668.807	5.583.983	927.454	846.361	3.810.168
Trade payables	347.027.431	347.027.431	347.027.431	-	-
Other payables	30.589.967	30.589.967	30.589.967	-	-
Total	382.286.205	383.201.381	378.544.852	846.361	3.810.168

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

- c) Market risk:
i) Currency Risk

Foreign exchange risk is primarily based on the existence of foreign currency denominated debt and assets in US Dollars and Euros and the exchange rate risk arising from foreign currency exchange rate changes during translation of these to TL.

Foreign currency position table:

	31 December 2024			31 December 2023		
	Total	Avro	ABD Doları	Total	Avro	ABD Doları
1 Trade receivables	-	-	-	-	-	-
2a. Monetary financial assets (including cash, cash at banks etc.)	15.918.845	2.820.278	13.098.567	391.027.419	34.841.528	356.185.891
2b. Non-monetary financial assets	-	-	-	-	-	-
3 Other	-	-	-	-	-	-
4 Current assets (1+2+3)	15.918.845	2.820.278	13.098.567	391.027.419	34.841.528	356.185.891
5 Trade receivable	-	-	-	-	-	-
6a. Monetary financial assets	-	-	-	-	-	-
6b. Non-monetary financial assets	-	-	-	-	-	-
7 Other	-	-	-	-	-	-
8 Non current assets (5+6+7)	2.361	-	2.361	2.024.055	1.954.434	69.621
9 Total assets (4+8)	2.361	-	2.361	2.024.055	1.954.434	69.621
10 Trade payables	15.921.206	2.820.278	13.100.928	393.051.474	36.795.962	356.255.512
11 Financial liabilities	(4.547.995)	(168.544)	(4.379.451)	(108.510.450)	(7.871.325)	(100.639.125)
12a. Other monetary liabilities	-	-	-	-	-	-
12b. Other non-monetary liabilities	-	-	-	-	-	-
13 Short-term liabilities (10+11+12)	(4.547.995)	(168.544)	(4.379.451)	(108.510.450)	(7.871.325)	(100.639.125)
14 Trade payable	-	-	-	-	-	-
15 Financial liabilities	-	-	-	-	-	-
16a. Other monetary liabilities	-	-	-	-	-	-
16b. Other non-monetary liabilities	-	-	-	-	-	-
17 Long-term liabilities (15+16+17)	-	-	-	-	-	-
18 Total liabilities (13+17)	-	-	-	-	-	-
19 Net assets/(liabilities) position of off-balance sheet derivative instrument (19a-19b)	(4.547.995)	(168.544)	(4.379.451)	(108.510.450)	(7.871.325)	(100.639.125)
19a. Total amount of hedged assets	-	-	-	-	-	-
19b. Total amount of hedged liabilities	-	-	-	-	-	-
20 Net foreign currency position of assets/(liabilities) (9-18+19)	11.373.211	2.651.734	8.721.477	284.541.024	28.924.637	255.616.387
21 Net foreign currency positions of assets/liabilities(monetary items) (1+2a+5+6a-10-11-12a-14-15-16a)	11.373.211	2.651.734	8.721.477	284.541.024	28.924.637	255.616.387

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

- i) Currency risk (Continued)
Exchange rate sensitivity table

	31 December 2024		31 December 2023	
	Profit/loss		Profit/loss	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
In case of 20% change in the value of US Dollars against TL:				
1- US Dollar net asset/liability	1.744.295	(1.744.295)	51.123.277	(51.123.277)
2- US Dollar currency hedging (-)	-	-	-	-
3- US Dollar effect-net (1+2)	1.744.295	(1.744.295)	51.123.277	(51.123.277)
In case of 20% change in the value of Euro against TL:				
4- Euro net asset/liability	530.347	(530.347)	5.784.928	(5.784.928)
5- Euro currency hedging (-)	-	-	-	-
6- Euro effect-net (4+5)	530.347	(530.347)	5.784.928	(5.784.928)
Total (3+6)	2.274.642	(2.274.642)	56.908.205	(56.908.205)

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

ii) Interest rate risk

The need of Company’s dealing ways with interest risk rate arises from effects of interest rates changes on the financial instruments. The sensitivity of the Company to interest rate risk is related with maturity mismatch of assets and liabilities. This risk is managed through corresponding assets that are sensitive to interest rates with similar liabilities.

Interest position table

	31 December 2024	31 December 2023
Fixed rate financial instruments		
Time deposits	1.719.335.323	507.254.682

As of 31 December 2024, the Company has no interest-sensitive financial assets (31 December 2023: None). Since the Company does not have any floating rate financial assets, the Company is not exposed to interest rate risk. Therefore, the interest rate sensitivity table is not presented.

d) Capital risk management

The Company manages its debt and equity balance in the most efficient manner by examining the maturities of cash and trade receivables and financial and commercial debts from its operations while TL to ensure the continuity of its activities. Risks associated with each capital class together with the capital cost of the Company are evaluated by the top management. The Company management presents these risks to the Board of Directors. Based on the evaluations of the management and the Board of Directors, the Company aims to balance its capital structure through dividend payments as well as through new borrowing or payment of existing debt.

26. FAIR VALUE OF FINANCIAL INSTRUMENTS

The estimated fair values of financial instruments have been determined by the Company using available market information and appropriate valuation methodologies. However, judgment is necessarily required to interpret market data to estimate the fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts the Company could realise in a current market exchange. The fair value of short-term assets and liabilities other than trade receivables and borrowings is considered approximate to the carrying value, since the discount effect of fair value is insignificant. As of 31 December 2024 and 2023, the carrying amount and fair value of financial assets and liabilities are as follows:

	31 December 2024		31 December 2023	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Cash and cash equivalents	2.191.388.347	2.191.595.788	545.413.972	545.502.275
Trade receivables	310.621.845	310.643.374	172.829.899	172.838.079
Financial liabilities				
Trade payables	308.201.124	308.201.124	347.027.431	347.027.431

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 2024 and 2023, the Company does not have any financial assets or liabilities which are carried at fair value.

27. SUBSEQUENT EVENTS

None.

