



Activity Report 2024



Activity Report

2024



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Senior Management Evaluation



Erdoğan ÖZEGEN

Chairman of the Board of Directors

“As KGF, we will continue our mission of contributing to the economic development of our country and we will resolutely continue our contributions towards building a stronger and more resilient economy together with our stakeholders.”

Dear Stakeholders,

2024 was a year in which we, as the Kredi Garanti Fonu (KGF), took important steps in line with our mission to facilitate SMEs' access to finance. By utilizing our equity more effectively, we have made it our top priority not only to meet the working capital needs of our enterprises, but also to support sustainability, economic resilience and entrepreneurship.

Within the scope of our goal of facilitating access to credit for sectors that produce benefit, we launched a special loan guarantee program in 2024 for the defense industry, which is a source of pride for our country, and we plan to continue this program in 2025. Special loan guarantee programs were also launched this year to support women and young entrepreneurship. Our new programs to increase technology, innovation and economic resilience will follow.

We have positioned cooperation and stakeholder engagement among our fundamental principles and carried out our work in constant consultation with our partners such as TOBB, KOSGEB and banks and with the principle of transparency. In this way, we had a productive year in 2024 in terms of the guarantees we provided for SME loans and the development of our shareholders' equity.

In addition, the programs we implemented within the framework of our cooperation with international organizations made significant contributions to this momentum.

As KGF, we will continue our mission of contributing to the economic development of our country and we will resolutely continue our contributions towards building a stronger and more resilient economy together with our stakeholders.

Sincerely,





Message from the General Manager

“In 2025, we will resolutely continue to move forward in line with our strong capital structure, effective management strategies and sustainable growth targets.”

Dear Stakeholders,

2024 was a year in which we, as Kredi Garanti Fonu (KGF), took important steps in line with our goals of ensuring financial sustainability, increasing operational efficiency and enhancing our competitiveness on a global scale.

In this process, we strengthened our risk management approach and carried out comprehensive efforts to ensure the effective use of our resources and mitigate financial risks. Expanding our funding source has been our strategic priority in facilitating our SMEs' access to finance. In this context, we increased our national and international collaborations and worked on sustainable financing models.

We focused on effective process management and digital transformation to ensure operational excellence. By increasing our digital competencies, we ensured speed and accuracy in credit allocation, monitoring and evaluation processes. By simplifying our decision-making mechanisms, we achieved a more flexible and dynamic structure.

In line with the principles of transparency and fairness in management, we have established a strong communication network with all our stakeholders. We have reinforced the trust of our stakeholders by prioritizing accountability at every stage of our business processes.

As a requirement of our vision of the Turkish Century, we have increased our strategic collaborations with international organizations to become a more effective actor in financial markets. By closely following the best practices worldwide, we have developed innovative financial models that will increase the competitiveness of SMEs in Turkey.

In 2025, we will resolutely continue to move forward in line with our strong capital structure, effective management strategies and sustainable growth targets.

Sincerely,

Hasan Basri KURT
General Manager





**Erdoğan
ÖZEGEN**

Chairman of the Board

Dr. Çetin Ali Dönmez was born in Istanbul in 1967 and graduated from Istanbul Pertevniyal High School. In 1989, Mr. Dönmez completed his undergraduate studies at Boğaziçi University, Department of Industrial Engineering. He received his master's degree from the Department of Business Administration of the same university in 1992 and his doctorate degree in 2006.

He started his professional career in 1990 as an assistant specialist at the Istanbul Stock Exchange (ISE) Equity Market Department. He worked actively in all processes during the transition of stock trading transactions to the electronic system. He worked as a business analyst, system designer and team manager in many projects, especially the Borsa Istanbul Technological Transformation Project. After taking a short break from Borsa Istanbul to work as a market consultant, he worked as an analyst team manager in the establishment of a new market at Takasbank. After his duty at Takasbank, he returned to Borsa Istanbul.

Çetin Ali Dönmez served as the technology project team leader, and as the manager in charge of market operations when the futures and options market was opened for the first time in the history of Turkey in 2001. Çetin Ali Dönmez, who took an active role in market regulations and training of market professionals in addition to his technical work, took part in the establishment of the ISE Risk Management Directorate after working as a derivatives market manager and served as the risk management manager between 2006 and 2008. In April 2008, Mr. Dönmez became the general manager and a member of the board of directors at the Futures and Options Exchange, a position he held until November 2012. He has published several articles on money and capital markets instruments and has given lectures and seminars at various universities.

Çetin Ali Dönmez served as Assistant General Manager at Borsa Istanbul between 2013 and 2016. After his role at Borsa Istanbul, Dönmez worked as a management consultant for a period, and between April 2017 and July 2018, he served as a lecturer in the Business Administration Department of the Faculty of Management Sciences at Ibn Haldun University. On the Official Gazette dated 31.7.2018 and numbered 30495, he was appointed as Deputy Minister to the Ministry of Industry and Technology. Dönmez is married and has two daughters. On June 22, 2023, he was appointed as Deputy Minister of Industry and Technology.

Research and research interests; Capital markets, derivative markets, corporate finance, alternative financial instruments, risk management, technological innovations, R&D activities and their effects on the financial performance of firms and countries, development of entrepreneurship ecosystem, business analysis, system design, company valuation, behavioral finance, commodity markets, structured products.

He was born on 29 November, 1965, in Niğde. He graduated from the Public Administration Department of the Faculty of Economics. He served as Deputy of Niğde for the 22nd, 25th and 26th terms. He has been involved in various political activities such as being a member of The Committee on Agriculture, Forestry, and Rural Affairs and The Committee on Health, Family, Labour, and Social Affairs; a member of the Parliamentary Group Board, a member of the Bureau of the Turkish Grand National Assembly (TBMM) – Assembly Chief of Administration, President of the International Commission of the Assembly, President of the Turkish Group of the Parliamentary Assembly of the Mediterranean, General Secretary of Turkish – Chinese Friendship Group and a member of United Nations Trade Facilitation Commission for Developing Countries.

He has served as the Chairman of the Board of Directors of the Niğde Commodity Exchange, as a member of the Agricultural Council of the Union of Chambers and Commodity Exchanges of Turkey (TOBB), as Chief Advisor for Corporate Relations at TOBB, as a member of the TOBB Strategy Development High Council, as Deputy Chairman of the Executive Board of TOBB ETÜ Hospital, as a member of the 56th Committee of the 23rd Term of the Ankara Chamber of Commerce (ATO), and as a founder or a member of various social, cultural and charitable associations, such as the TOBB Education and Culture Foundation (TOBEV). He currently continues to serve as a member of the General Administrative Board of TOBB, a founder and member of the Board of Trustees of GS1 Turkey, a member of TOBB Strategy Development High Council, TOBB Delegation, founding member and Board of Trustees Membership of the Sinan and Selimiye Monuments Protection Foundation (SISEV) and member of the 42nd Committee of the 29th Term of ATO. He is married and has three children.



**Çetin Ali
DÖNMEZ**

**Vice Chairman
of the Board**

Born on April 20, 1978 in Samsun. Political Scientist; holds a bachelor's and master's degree in International Relations. He worked as a manager at different levels in Istanbul Metropolitan Municipality. He worked as Business Development Manager, Social Services Projects Manager and Project Coordination Manager respectively within Sağlık Inc., a subsidiary of IBB. In this process, he managed various projects on Home Care, Women's Health and Disabled People. He led the Social Assistance Voucher Project, which enables those in need to shop directly from grocery stores. As a freelance entrepreneur in the fields of informatics, food and construction, he was a founding partner and board member in various companies. He served as AK Party Samsun Deputy in the 25th and 26th terms in the Grand National Assembly of Turkey. In addition to being a Clerk Member of the Foreign Affairs Commission in the TBMM, he served as a Member of the AK Party Group Executive Board. During his parliamentary term, he worked especially in the fisheries and medical sectors. While he was the General Manager of Management Services at the Ministry of Industry and Technology, he was appointed as the President of KOSGEB. As of May 14, 2024, he was appointed as the General Manager of the Kredi Garanti Fonu. Mr. Kurt speaks English, is married and has two children.



**Hasan Basri
KURT**

**General Manager and
Board Member**

Born in 1974, Serdar Ülker attended secondary and high school at Çorum Anatolian High School and university at Ankara Law Faculty. After completing his master's degree in Public Administration at Carnegie Mellon University Heinz College in the USA in 2006-2008, Ülker worked as a trainee lawyer at the Çorum Bar Association in 1996. In 1998, Mr. Ülker worked as an Assistant Customs Expert at the Undersecretariat of Customs, General Directorate of Customs, and then continued his career as a candidate judge and prosecutor at the Ministry of Justice.

In 2000, he started working as an assistant specialist at the Undersecretariat of Treasury, General Directorate of Banking and Foreign Exchange and was appointed as the head of department at the same unit in 2009. In 2011 and 2012, he served as the head of department at the Undersecretariat of Treasury, General Directorate of State Supports. In 2012, he was appointed as the Economic Counselor at the Embassy of the Republic of Turkey in Ottawa, a position he held until 2016. In 2016, Ülker returned to his previous position and served as a Treasury and Finance Expert at the General Directorate of Economic Programs and Research of the Ministry of Treasury and Finance from 2020 to 2023. In 2024, Mr. Ülker was appointed as Acting Assistant General Manager at the General Directorate of Financial Markets and Foreign Exchange at the same Ministry, where he continues to serve. Mr. Ülker is fluent in English and is married with two children.



**Serdar
ÜLKER**

Board Member



**Nuri
ATEŞ**

Board Member

Born in 1971, Nuri Ateş holds a bachelor's degree from Ankara University, Faculty of Political Sciences and a master's degree in finance from the University of Illinois. In 1997, Mr. Ateş started his career at the Board of Treasury Controllers and fulfilled his supervisory duties as Treasury Controller and Chief Treasury Controller. Between 2007 and 2010, he served as Vice Chairman of the Board of Treasury Controllers. From 2011 to 2015, he served as a Specialized Counselor in charge of audit, social security, energy and health at the Assistance Mission of the TRNC Embassy in Nicosia. Since July 2015, he has been serving as Chief Treasury Controller at the Board of Treasury Controllers, and he fluently speaks English.

Cahit Erdoğan holds a Bachelor's degree in Mechanical Engineering from Istanbul Technical University and a Master's degree in Business Administration from Rochester Institute of Technology. Mr. Erdoğan started his career as a Business Analyst at Xerox Corporation (Rochester, NY) and joined Accenture Turkey office in 2000 to start his management-consulting career. He worked at Accenture until November 2009, assuming the roles of Consultant, Manager and Senior Manager, respectively, and was appointed as the Country Head of the Management Consulting Business Line in February 2008. In 2009, Mr. Erdoğan joined Yapı Kredi as the Head of Information Technologies Management (CIO). He served as the Executive Vice President in charge of Information Technologies and Operations between July 2013 and May 2020, as the Executive Vice President (COO) in charge of Information Technologies, Operations and Analytics between May 2020 and August 2021, and as the Executive Vice President in charge of Commercial and SME Banking Management as of August 2021. Mr. Erdoğan has also been a member of the Executive Board since July 2013, Chairman of the Board of Directors at Yapı Kredi Technology Inc. between May 2015 and August 2021, and a member of the Board of Directors at Yapı Kredi Yatırım Menkul Kıymetler Inc. between March 2020 and September 2021. He has been a Board Member at Yapı Kredi Factoring, Yapı Kredi Leasing and Yapı Kredi Bank Azerbaijan since August 2021, at Yapı Kredi Bankası Netherlands since October 2021, at Tanı Marketing and Communication Services Inc. since December 2021 and at Yapı Kredi Finansal Teknolojiler Inc. since February 2022.



**Cahit
ERDOĞAN**

Board Member

He was born in 1975 in Zonguldak Province Center Kırat Neighborhood. He completed primary school at EKİ Karadon Private Primary School, secondary school and high school at TED Zonguldak College. He graduated from European University of Lefke, Faculty of Economics and Administrative Sciences, Department of Business Administration in 1998. He continues his business life in the fields of mining, real estate and media in Demir Group, the family company that has realized the projects of establishing the first modern shopping and living center and the first five-star hotel in Zonguldak province. He served as a member of the Board of Directors and Assembly in Zonguldak Chamber of Commerce and Industry between 2009 and 2015, and he has been serving as the Chairman of the Board of Directors of Zonguldak Chamber of Commerce and Industry since February 2015. He served as Vice President of TOBTİM International Trade Centers Inc.

He is currently Vice Chairman of the Council of Chambers of Commerce and Industry of the Union of Chambers and Commodity Exchanges of Turkey, Member of the High Board of Strategy Development of the Union of Chambers and Commodity Exchanges of Turkey.

He is a member of the Board of Directors of the Union of Chambers and Commodity Exchanges of Turkey Employee Insurance and Retirement Fund Foundation. He is also a member of the Board of Directors of BAKKA (Western Black Sea Development Agency), Vice Chairman of the Board of Directors of Zonguldak / Çaycuma Agriculture Based Specialized (Greenhouse) OIZ. He is the Member of Çaycuma OIZ Entrepreneurial Committee, Chairman of S.S. Enterprise Industrial Estate Construction Cooperative, ZONTİM Zonguldak Trade Centers Inc. Chairman of the Board of Directors, Zonguldak Mining Machinery Manufacturers Association (MAKZON) Board Member. He served as Vice President of TOBTİM International Trade Centers Inc. in 2016-2023, Zonguldak Municipality Council Member in 2009-2019, Zonguldak Technopark Inc. Board Member in 2018-2020. He speaks English fluently, is married and has two children, a daughter and a son.



**Metin
DEMİR**

Board Member



**Arif
ÇOKÇETİN**

Board Member

Born in 1975 in Üsküdar, Istanbul, Arif Çokçetin graduated from Istanbul University, Faculty of Political Sciences, Department of Finance. He started his career in 1992 as a civil servant at the formerly called Ministry of Treasury and Finance. In 1996, he started to work as Assistant Financial Analyst at Vakıfbank where he later served as Financial Analyst, Assistant Manager, Branch Manager, Department Manager and Director. He was appointed as Deputy General Manager in 2020, and served as Deputy General Manager in charge of Credit Allocation Management for a while. Currently, he holds the position of Deputy General Manager in charge for Credit Monitoring, Evaluation and Rating. In addition, he served as a Member of the Board of Directors at Vakıf Factoring Inc. between 2013 – 2019, and is a member of the Board of Directors of Kredi Kayıt Bürosu Inc. since 2019. Also a Member of the Board of Vakıfbank Sports Club, Çokçetin is married and has two children.



**Rahmi
KULA**

Board Member

Born on October 30, 1981 in Balıkesir, Rahmi Kula graduated from Maltepe University, Department of Interior Architecture and spent 2 years in the USA for the International Marketing Certificate Program at UCSB (University of California Santa Barbara). In his business life, he has been working in many areas such as purchasing, sales, management organization for more than 15 years, and he is a Board Member at Kula Yağ and Emek Yem Sanayi Ticaret Inc., a family company operating for 4 generations. He was the President of Balıkesir Young Businessmen Association (BAGİAD) for 3 terms and a member of the Board of Directors of Turkish Young Businessmen Confederation (TÜGİK). He is a member of the Board of Directors of Balıkesir Organized Industrial Zone (BALOSB), South Marmara Development Agency (GMKA) and Balıkesir University Technopark Inc. In April 2018, he was elected as the Chairman of the Board of Directors of Balıkesir Chamber of Commerce. In November 2022, he was re-elected as the Chairman of the Board of Directors of Balıkesir Chamber of Commerce. He is also a member of the General Administrative Board of the Union of Chambers and Commodity Exchanges of Turkey and a member of the Council of Chambers of Commerce of TOBB. Rahmi Kula, who is a member of the Board of Trustees of the Foundation for Supporting Individuals with Autism (OBİDEV) and a Fenerbahçe Sports Club Congress Member, is married and has two daughters.

Ahmet Serdar İbrahimcioğlu, who has made a great contribution to Turkey's technology ecosystem with the projects he has carried out with an innovative perspective in his career and duties in the fields of entrepreneurship, technology and innovation, graduated from the Mechanical Engineering Department of Yıldız Technical University in 2008. During his university years, he had an initiative in the manufacturing sector. İbrahimcioğlu, who started working in the construction sector after graduating, worked as a manager in industrial facilities, art buildings and housing projects.

In 2012, he took part in the KOSGEB and MUSIAD supported incubation center as a technology entrepreneur. In 2013, he made a study on "Real Estate Valuation in Sustainable Buildings" at the Department of Civil Engineering Building Management of Yıldız Technical University Institute of Science and Sciences. İbrahimcioğlu, who served as Technical Manager and Deputy General Manager at Yıldız Technical University Technopark, completed his second master's degree in 2019 with his thesis titled 'Technology Planning in the IT Sector' at Bahçeşehir University's Business Administration Department. He is continuing his doctoral study titled "Investigating the Resilience Capacity of Technology-Oriented Industry in Crisis Environments" at the Department of Business Administration of Gebze Technical University.

İbrahimcioğlu, who is a Member of the Board of Trustees of Yıldız Technical University Foundation and a Member of the Board of Directors of Informatics Valley, took part in the establishment and committee processes of the Informatics Valley Venture Capital Investment Fund in 2020, and the 4th Venture Capital Investment Fund in 2022. Ahmet Serdar İbrahimcioğlu, who is the President of the Brussels-based Innovation and Technology Association, is carrying out lobbying activities to enable Turkish technology entrepreneurs to take more part in international projects. İbrahimcioğlu, with Digital Game and Animation Development Inc., of which he is the Chairman of the Board of Directors, contributes to the Turkish game development ecosystem and carries out studies to make our country and especially young people benefit more from the global digital economy. In addition, he is taking part as a key speaker at universities, national and international events within the scope of the National Technology Initiative, sustainability, and digital transformation of industry and investment funds. Ahmet Serdar İbrahimcioğlu, who has been working as the General Directorate of Informatics Valley for about 5 years, was appointed as the President of KOSGEB by the decision of President Recep Tayyip Erdoğan dated October 6, 2023. İbrahimcioğlu, who speaks English well, is married and has three children.



**A. Serdar
İBRAHİMCİOĞLU**

Board Member

EXECUTIVE BOARD

- 1. ERDOĞAN ÖZEGEN**
Chief Executive Officer
- 2. ÇETİN ALİ DÖNMEZ**
Deputy Chairman of the Executive Board
- 3. HASAN BASRİ KURT**
Member of the Executive Board



About Us

Established in 1991, the Kredi Garanti Fonu (KGF) has expanded its partnership structure over the years and turned into a corporate organization in which TOBB, KOSGEB, TOSYÖV, TESK, MEKSA and 29 banks are partners.

KGF, which issued its first loan guarantee in 1994, is proud of being the largest credit guarantee institution in Turkey by reaching a guarantee volume of TL 801.4 billion by the end of 2024.

KGF also took its place in the international arena by using the European Investment Fund (AYF) counter-guarantee in 2004 and becoming a member of the European Association of Guarantee Institutions (AECM) in 2005.

KGF, which provides financial guarantee services to enterprises operating in various sectors, especially SMEs, supports entrepreneurs to grow, develop innovative projects and increase their competitiveness.

By making access to finance faster, easier and more efficient, KGF contributes to the more efficient functioning of the financial system by providing guarantee support in accordance with social, environmental and technological transformation processes within the framework of sustainable economic development. It continues to support Turkey's economic growth and development with the policies and strategies it has created in this direction.

Mission

To contribute to sustainable economic development with innovative solutions that facilitate the access of enterprises to finance, strengthened digital processes and effective resource use.

Vision

To become the leading financial support institution that facilitates the access of entrepreneurs and enterprises to financial resources with an approach that puts digitalization, innovation and sustainable economic policies at the center, leads technological transformation with national and international business associations and contributes to Turkey's economic growth.

Our Values

- ◀ We take strength from our mission.
- ◀ As an institution, we develop new strategies aware of our contribution to the national economy and aim to realize our vision.
- ◀ We strive to keep the public benefit at the maximum level by working in cooperation with banks and other financial institutions.
- ◀ We follow the developing technologies in the constantly changing world and reduce the risks to a minimum by constantly renewing.
- ◀ As a result of our expertise and experience, we make access to finance accessible in the service we offer.
- ◀ We measure our achievements by our contribution to the country and attribute success to our brand name as the country's economy develops.
- ◀ We provide equality of opportunity by facilitating access to credit, especially for small businesses.
- ◀ We create an understandable environment of trust for the public and applicants with a transparent management approach.
- ◀ We contribute to the national economy with the services we provide and to the public sphere with the corporate culture we create.
- ◀ As per our mission and vision, we keep social welfare as a priority in every step we take and every decision made.
- ◀ In accordance with economic conditions, we provide appropriate solutions by adapting to the conditions within the framework of the principle of flexibility.





01

General Information

A. Trade Registry Information

Accounting Period 01.01.2024 – 31.12.2024	Address Dumlupınar Boulevard. No: 252 TOBB Twin Towers Block C Floor: 5-6-7-20 Eskisehir Road 9. km. 06530 Yenimahalle / ANKARA
Trade Title Kredi Garanti Fonu Anonim Şirketi	
Number of Employees Year 2023: 118 Year 2024: 101	Phone 0 312 204 00 00 (pbx)
Mersis Central Registration System Number 0589005350800014	Fax 0 312 204 01 97-98
Trade Registry Number 83408	Call Center 444 7 543
Tax Office / Tax ID Number Maltepe Tax Office / 5890053508	Website www.kgf.com.tr



B. Partnership Structure

OUR PARTNERS		GROUP	CAPITAL AMOUNT (TL)	SHARE PERCENTAGE (%)
	TOBB	A	145.196.894,76	28,2961
	KOSGEB	B	145.155.059,00	28,2879
	TESK	D	619.358,17	0,1207
	TOSYÖV	D	40.015,94	0,0078
	MEKSA	D	20.025,72	0,0039
	AKBANK T.A.Ş.	C	7.658.719,86	1,4925
	ALBARAKA TÜRK KATILIM BANKASI AŞ	C	7.658.719,86	1,4925
	ALTERNATİFBANK AŞ	C	7.658.719,86	1,4925
	ANADOLUBANK AŞ	C	7.658.719,86	1,4925
	BURGAN BANK AŞ	C	7.658.719,86	1,4925
	DENİZBANK AŞ	C	7.658.719,86	1,4925
	FİBABANKA AŞ	C	7.658.719,86	1,4925
	HSBC BANK AŞ	C	7.658.719,86	1,4925
	ING BANK AŞ	C	7.658.719,86	1,4925
	KUVEYT TÜRK KATILIM BANKASI AŞ	C	7.658.719,86	1,4925
	NUROL YATIRIM BANKASI AŞ	C	7.658.719,86	1,4925
	ODEABANK AŞ	C	7.658.719,86	1,4925
	PASHA YATIRIM BANKASI AŞ	C	7.658.719,86	1,4925
	QNB BANK AŞ	C	7.658.719,86	1,4925
	ŞEKERBANK T.A.Ş.	C	7.658.719,86	1,4925
	T.C. ZİRAAT BANKASI AŞ	C	7.658.719,86	1,4925
	TURKLAND BANK AŞ	C	7.658.719,86	1,4925
	TÜRK EKONOMİ BANKASI AŞ	C	7.658.719,86	1,4925
	TÜRKİYE EMLAK KATILIM BANKASI AŞ	C	7.658.719,86	1,4925
	TÜRKİYE FİNANS KATILIM BANKASI AŞ	C	7.658.719,86	1,4925
	TÜRKİYE GARANTİ BANKASI AŞ	C	7.658.719,86	1,4925
	TÜRKİYE HALK BANKASI AŞ	C	7.658.719,86	1,4925
	TÜRKİYE İHRACAT KREDİ BANKASI AŞ	C	7.658.719,86	1,4925
	TÜRKİYE İŞ BANKASI AŞ	C	7.658.719,86	1,4925
	TÜRKİYE SİNAİ KALKINMA BANKASI AŞ	C	7.658.719,86	1,4925
	TÜRKİYE VAKIFLAR BANKASI T.A.O.	C	7.658.719,86	1,4925
	VAKIF KATILIM BANKASI AŞ	C	7.658.719,86	1,4925
	YAPI VE KREDİ BANKASI AŞ	C	7.658.719,86	1,4925
	ZİRAAT KATILIM BANKASI AŞ	C	7.658.719,86	1,4925
			513.134.229,53	100

The institution does not have a privileged partner and its own share that it has acquired.

C. The Legal Framework and Regulations Governing Our Institution

Legal Framework Governing Our Institution

Our institution was established on July 29, 1991 under the name “Kredi Garanti Fonu İşletme ve Araştırma Anonim Şirketi” (Kredi Garanti Fonu Operations and Research Joint Stock Company). On June 28, 2007, the company’s name was changed to “Kredi Garanti Fonu Anonim Şirketi” (Kredi Garanti Fonu Joint Stock Company). Established by an international agreement, our institution operates under the provisions of the Turkish Commercial Code.

The procedures and principles regarding the support to be provided by the Ministry of Treasury and Finance to facilitate and improve access to finance were set forth in the “Decision on Treasury Support Provided

to Credit Guarantee Institutions,” dated October 31, 2016 and published in Resmî Gazete on November 26, 2016 (Decision No. 2016/9538). In accordance with this decision, a protocol was signed on March 30, 2020 between the Ministry of Treasury and Finance and our institution concerning the Treasury support to be provided to Kredi Garanti Fonu Inc. (KGF). This protocol regulates the use of the support provided by the Ministry of Treasury and Finance and sets forth the principles and procedures for cooperation between the parties within the scope of their respective duties, authorities, and responsibilities.

Exemptions and Exceptions Applicable to Our Institution

Pursuant to Article 4 of the Corporate Tax Law No. 5520, our institution is exempt from corporate tax.

In accordance with Article 17 of the Value Added Tax Law No. 3065, which regulates Social and Military Purpose Exemptions and Other Exemptions, credit guarantee transactions are exempt from value added tax (VAT).

Under Article 9 of the Stamp Tax Law No. 488, documents issued for credit guarantee purposes are exempt from stamp duty.

According to Article 123 of the Fees Law No. 492, guarantees provided for bank loans and the collateral transactions for supports granted directly to public institutions and organizations (excluding judicial fees; however, registration fees for commercial enterprise pledges are included in this group) are exempt from the fees specified in the law.

Financial Benefits Provided to Members of the Board of Directors and Senior Executives

As of the years ending on December 31, 2023, and December 31, 2024, the benefits provided to Members of the Board of Directors and Senior Executives — including salaries, bonuses, employer’s social security contributions, attendance fees, allowances, travel, accommodation and representation expenses, as well as in-kind and cash benefits, insurance, and similar guarantees — are detailed in the table below.

01st January – 31st December 2023	01st January – 31st December 2024
TL 18.943.519,04	TL 23.546.604,96

There are no administrative or legal sanctions imposed on the Institution or the Members of the Board of Directors due to any practices in violation of legal regulations.





02

KGF in Numbers

A. Financing Support Provided to SMEs through Guarantees Issued from Our Equity Capital

UTILIZATION STATUS OF GUARANTEE REQUESTS BY YEAR (TL Million)
(EQUITY CAPITAL 1994–2024)

PERIOD	Guarantees Extended		
	Number of SMEs	Guarantee Amount	Loan Amount
1994–2015	9.963	3.290	4.220
2016	3.170	1.033	1.199
2017	5.701	886	1.008
2018	802	269	291
2019	10.389	2.838	3.520
2020	6.822	1.946	2.417
2021	9.580	3.790	4.735
2022	3.191	2.370	2.962
2023	6.865	11.014	13.767
2024	10.107	27.272	34.098
1994–2024	66.368	69.896	86.389

The year-end TCMB (Central Bank of the Republic of Turkey) foreign exchange buying rate was used. The data refers to the total disbursements for the respective years.



In 2024, the Kredi Garanti Fonu (KGF) significantly enhanced its financial support to SMEs, marking a year of substantial transformation.

Through equity-backed guarantees, KGF provided critical assistance to businesses facing challenges in accessing financing. This support was delivered via programs such as the KGF General Support, KGF Defense Industry Supplier Support, and KGF Thematic Support Programs, contributing to robust and sustainable economic growth and facilitating financing processes.

In 2024, KGF supported 10,107 firms by providing guarantees totaling TL 27.272 million, which

enabled these SMEs to secure TL 34.098 million in loans from the banking system.

Cumulatively, from 1994 to the end of 2024, KGF has facilitated access to TL 86.389 million in loans for 66,368 SMEs, backed by TL 69.896 million in guarantees.

Through these initiatives, KGF has evolved beyond merely providing financial guarantees, positioning itself as a strategic actor that enhances the competitiveness of SMEs and supports their sustainable growth.



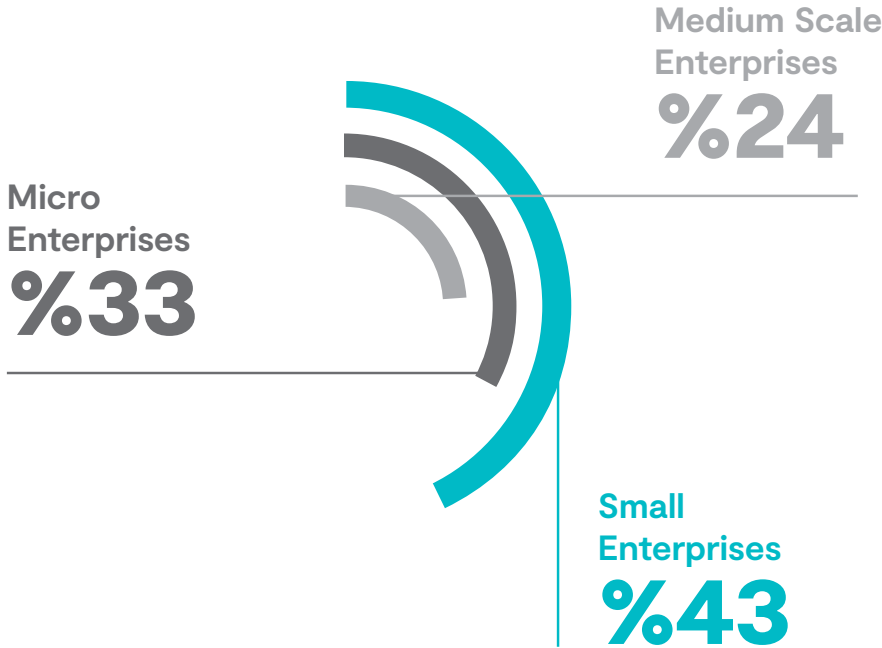


DISTRIBUTION OF GUARANTEES GIVEN BY BUSINESS SCALES (TL Million)
(EQUITY 1994-2024)

Scales	Number of SMEs	Guarantee Amount	Volume Of Loans Extended With Guarantee Issued	Ratio
Micro Enterprises (1-9)	38.727	22.805	28.099	%33
Small Enterprises (10-49)	21.163	30.211	37.426	%43
Medium Scale Enterprises (50-249)	6.478	16.880	20.863	%24
TOTAL	66.368	69.896	86.389	%100

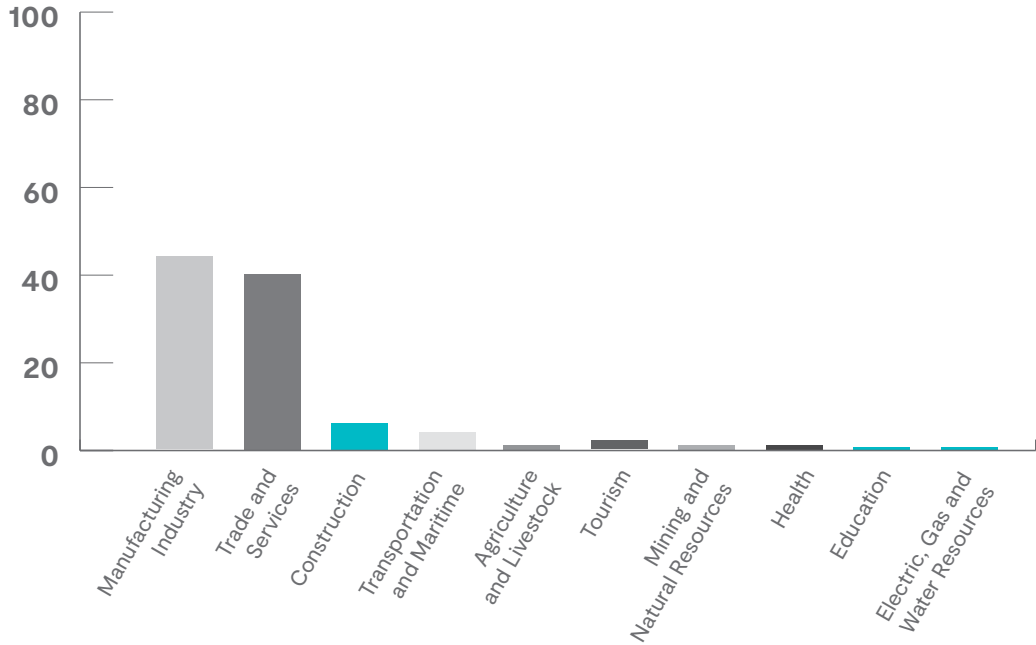
In 2024, Micro-Enterprises accounted for 33% of the total with the guarantees provided, while Small Enterprises received 43% of the total guarantees, with an average guarantee amount of TL 1.428 thousand. Medium-Sized Enterprises were granted guarantees totaling TL 16.880 million, representing 24% of the total.

In 2024, 43% of the guarantees provided were given to small enterprises, making a great contribution to the spread of financing to the base. The widespread use of guarantees at this scale has increased the role of small enterprises in the economy and supported their growth and sustainability.



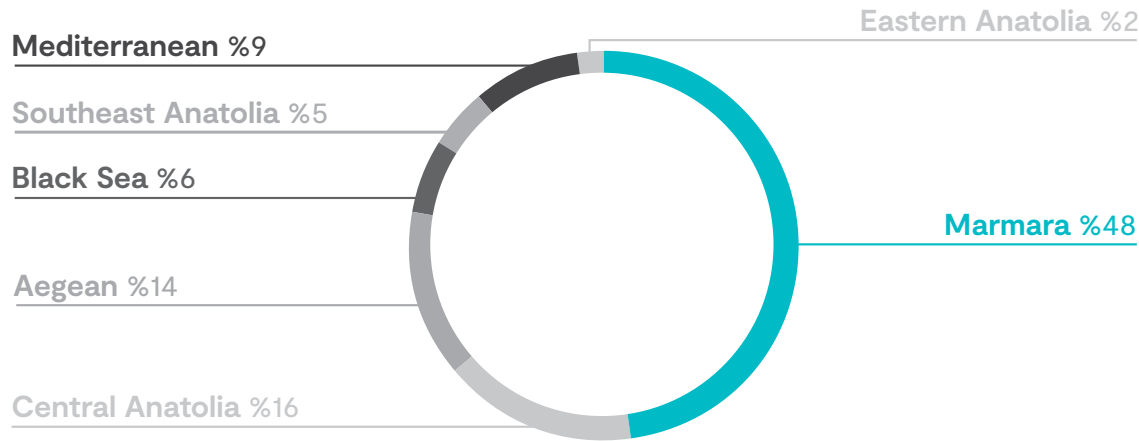
DISTRIBUTION OF GUARANTEES GIVEN BY SECTOR (TL Million)
(EQUITY 1994-2024)

Sectors	Number	Guarantee Amount	Ratio
MANUFACTURING INDUSTRY	21.585	31.093	%44
TRADE AND SERVICES	31.585	27.899	%40
CONSTRUCTION	4.348	4.226	%6
TRANSPORTATION AND MARITIME	3.159	2.928	%4
AGRICULTURE AND LIVESTOCK	1.430	715	%1
TOURISM	2.939	1.556	%2
MINING AND NATURAL RESOURCES	295	522	%1
HEALTH	541	545	%1
EDUCATION	371	267	%0
ELECTRICITY, GAS AND WATER RESOURCES	115	145	%0
TOTAL	66.368	69.896	%100



DISTRIBUTION OF GUARANTEES GIVEN BY REGION (TL Million)
(EQUITY 1994-2024)

Regions	Number of SMEs	Guarantee Amount	Ratio
Marmara	23.234	33.338	%48
Central Anatolia	11.433	11.385	%16
Aegean	9.350	9.620	%14
Black Sea	8.086	4.157	%6
Southeast Anatolia	3.988	3.546	%5
Mediterranean	6.701	6.301	%9
Eastern Anatolia	3.576	1.550	%2
TOTAL	66.368	69.896	%100



B. Financing Support Provided To Smes Through Guarantees From Treasury Support And Our Direct Guarantees (KOSGEB, TÜBİTAK, TTGV, Ministry of Industry and Technology)

UTILIZATION STATUS OF GUARANTEE REQUESTS BY YEAR (TL Million)
(TREASURY 2010-2024)

PERIOD	Guarantees Extended		
	Number of SMEs	Guarantee Amount	Loan Amount
2010-2015	7.711	3.899	5.440
2016	16.336	4.095	5.483
2017	291.981	186.613	207.107
2018	118.492	75.088	85.651
2019	109.499	56.514	70.142
2020	279.951	161.085	200.987
2021	44.484	11.010	13.283
2022	36.123	67.234	78.829
2023	59.523	150.250	184.190
2024	2.637	12.002	14.275
2010-2024	871.336	1.067.224	1.229.244
Individual 2021 (*)	6.961.454	33.496	41.641
TOTAL	7.832.790	1.100.720	1.270.885

The year-end TCMB (Central Bank of the Republic of Turkey) foreign exchange buying rate was used. The data refers to the total disbursements for the respective years.

(*) Includes Basic Needs Support Loans used exceptionally during the “Pandemic” period between 2020 and 2021.

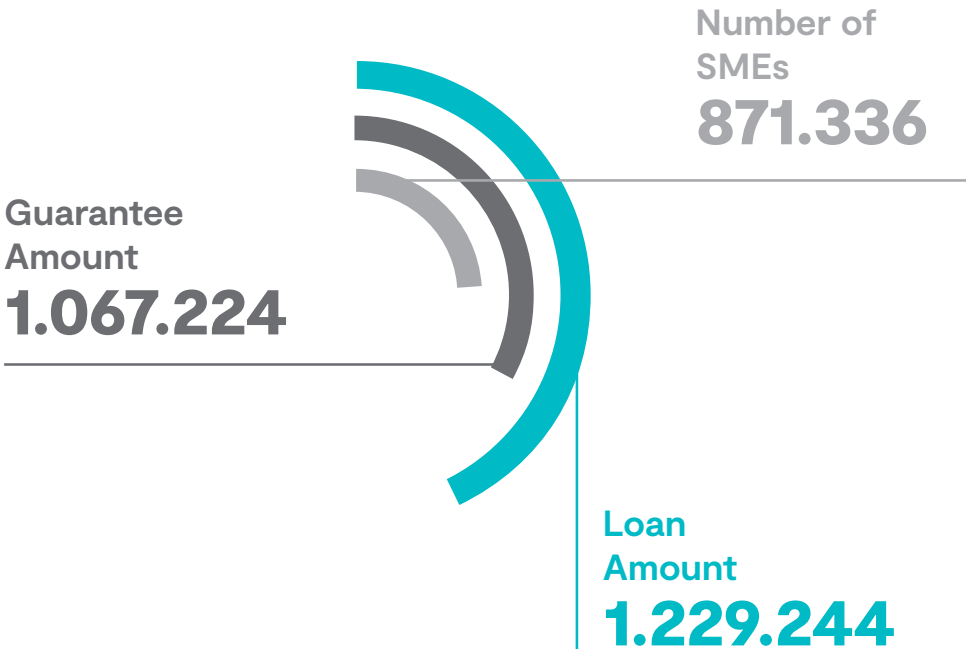


In 2024, the Treasury-Supported guarantee application continued with the eight support packages continuing within the scope of Commercial Credit Guarantees and the newly opened Digital Transformation Support Package.

Since 2014, the scope of the guarantee application has been expanded with the protocols signed with the Small and Medium Enterprises Development and Support Administration (KOSGEB), the Scientific and Technological Research Council of Turkey (TÜBİTAK), the Technology Development Foundation of Turkey

(TTGV) and the Ministry of Industry and Technology. In addition to the financing provided by financial institutions, guarantees have also started to be provided for other financial supports provided to SMEs. In this way, the KGF guarantee is accepted as collateral instead of a bank letter of guarantee, and the institutions and organizations in question continue to provide support to SMEs. Direct support will continue in 2024, allowing SMEs to benefit from public support without having to use their credit limits at banks for collateral transactions.

TOTAL



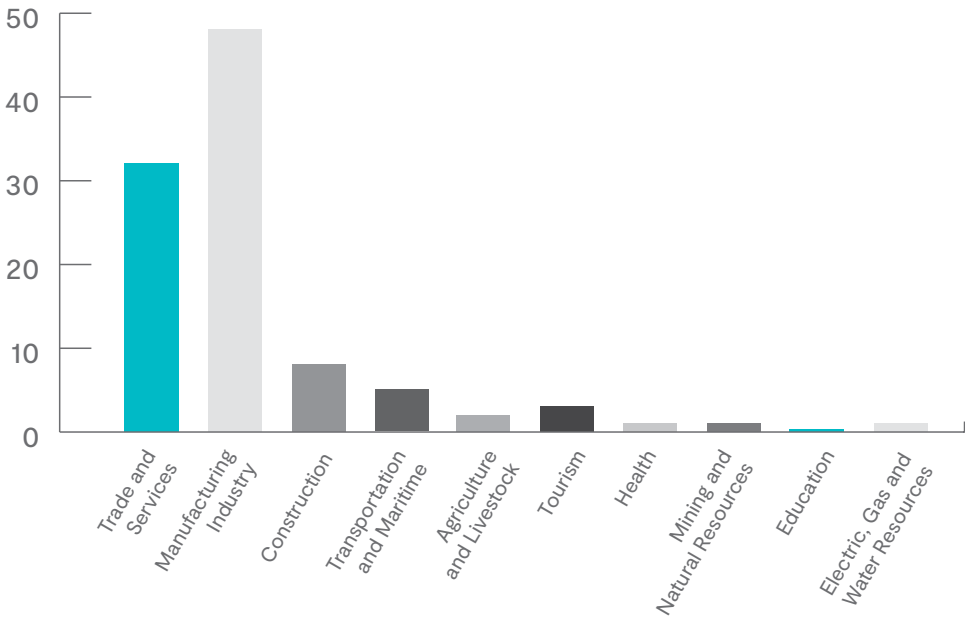


DISTRIBUTION OF GUARANTEES GIVEN BY SECTOR (TL Million)
(TREASURY 2010-2024)

Sectors	Number	Guarantee Amount	Ratio
TRADE AND SERVICES	431.007	340.962	%32
MANUFACTURING INDUSTRY	205.230	508.036	%48
CONSTRUCTION	85.586	85.117	%8
TRANSPORTATION AND MARITIME	46.133	50.923	%5
AGRICULTURE AND LIVESTOCK	43.882	16.409	%2
TOURISM	36.711	37.038	%3
HEALTH	10.934	8.225	%1
MINING AND NATURAL RESOURCES	3.277	9.571	%1
EDUCATION	7.049	4.746	%0
ELECTRIC, GAS AND WATER RESOURCES	1.527	6.196	%1
COMMERCIAL GUARANTEES TOTAL	871.336	1.067.224	%100

Individual (*)	6.961.454	33.496	%3
TOTAL	7.832.790	1.100.720	%100

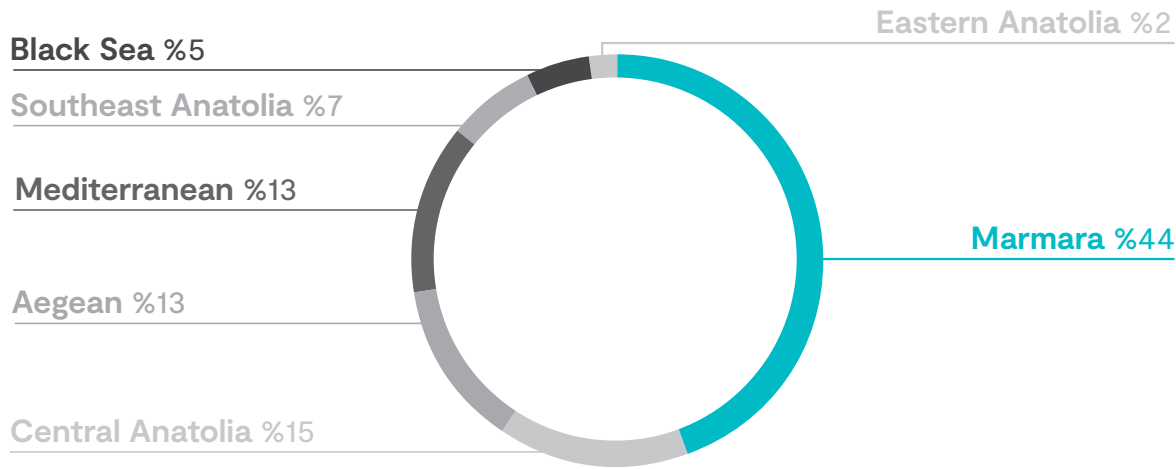
(*) Includes Basic Needs Support Loans granted exceptionally during the “Pandemic” period between 2020 and 2021.



DISTRIBUTION OF GUARANTEES GIVEN BY REGION (TL Million)
(TREASURY 2010-2024)

Regions	Number of Transactions	Guarantee Amount	Ratio
Marmara	325.459	472.791	%44
Central Anatolia	148.853	160.916	%15
Aegean	135.757	143.112	%13
Mediterranean	105.438	139.914	%13
Southeast Anatolia	46.928	76.104	%7
Black Sea	76.265	54.615	%5
Eastern Anatolia	32.636	19.771	%2
TOTAL	871.336	1.067.224	%100
Individual (*)	6.961.454	33.496	%3
TOTAL	7.832.790	1.100.720	%100

(*) Since Individual Loans are outside of Commercial Loan Guarantees, they are written without any regional distinction.



C. Non-Performing Guarantees

Since we started our operations in 1994, TL 69,896.3 million of commercial guarantees have been used from our equity capital until the end of 2024. A total of TL 838.6 million of the commercial guarantees used have turned into past due receivables, and the follow-up conversion ratio, which was 2.01% at the end of 2023, has become 1.20% at the end of 2024.

NON-PERFORMING GUARANTEES (NPG) AND RISK EXPOSURE (TL)

	01.01.1994 – 31.12.2024			31.12.2024	
	Guarantees Granted	Amount Transferred to Pursuit	Follow-up Ratio %	Tracking Risk Balance (Including Protocol Linked)	Tracking Risk Ratio %
KGF	69.896.305.170	838.590.656	1,20	288.535.456	0,41

Out of the TL 69 billion 896 million used as guarantee, TL 838.6 million has been transferred to proceedings by the end of 2024. As a result of the collections made, there is a tracking risk of TL 288.5 million as of the end of 2024.

Collections made from overdue receivables have also been increasing over the years. A total of TL 562.8 million has been collected from overdue receivables by the end of 2024. As a result of these collections, a follow-up risk of TL 288.5 million remained as of the end of 2024.





03

2024
Our Activities



Product Management and Marketing Activities

In 2024, within the scope of Equity Guarantee Transactions, the KGF General Support Program, Defense Industry Suppliers Support Program and KGF Thematic Support Program (Halkbank Youth Business Credit Project and Halkbank First Step Credit Project) and the Digital Transformation Support Package within the scope of Treasury-Supported Guarantee Transactions were put into operation.

With the guarantee resource of TL 2.5 billion on 08.10.2024, the 2024 Digital Transformation Support Package aims to provide financial support for the investments of SMEs operating in the manufacturing sector for digital transformation with the Protocol on Treasury Support. Small and medium-sized manufacturing SMEs whose SME Digital Transformation Support Program applications are approved by KOSGEB and who are entitled to receive credit interest support within the scope of the said program will be able to benefit from the support package. The support package, which will continue until the end of 2025, has not yet been used to provide credit.

On 18.11.2024, the KGF General Support Program, which was created to be provided from our institution's own resources in order to meet the intensive guarantee limit demands received from banks by our institution and to ensure the continuity of the support provided to SMEs, was put into practice. In the program, which is planned to be implemented continuously in the coming period, approximately TL 35 billion of credit was provided in a short period until the end of 2024.

On 29.11.2024, the KGF Thematic Support Program, created to be provided from our institution's equity, was put into practice. Approximately TL 500 million of credit has been provided by the end of 2024.

a) With the Halkbank Youth Business Credit Project, which provided a credit opportunity of TL 1.25 billion, it is aimed to support entrepreneurs operating in the manufacturing and IT/software sectors, newly established or wanting to expand their businesses, and to contribute to the development of the entrepreneurship ecosystem in our country,

b) With the Halkbank First Step Credit Project, which provided a credit opportunity of TL 1.25 billion, it is aimed to meet the financial needs of young people who have recently graduated from university, have taken or want to take the first step into entrepreneurship by establishing their own business.

On 02.12.2024, the Defense Industry Suppliers Support Program, which was created to be provided from our Institution's equity, was put into practice, providing a total of TL 35 billion of credit opportunity to businesses operating in the defense industry sector, with the aim of increasing the efficiency of cash flows of businesses by providing loans with guarantee support and grace period opportunities. Approximately TL 1 billion worth of loans have been provided by the end of 2024.



Works Planned for the Future Period

In the new period; it is aimed to develop new products and models that will support SME / non-SME companies, especially in the business, investment, manufacturing sector and exporters, in order to ensure maximum contribution to the country's economy.

In the development of the products and models in question, our studies aimed at ensuring the triple transformation (green, digital and social) simultaneously and in harmony in our country as well as all over the world are important.

The most suitable solutions for SMEs, which are the locomotives of the "Triple Transformation", are analyzed and developed by our institution and as a part of these studies; international best practices are shared with all our private and public sector stakeholders with whom we are in contact.

The main studies to be developed for SMEs are; national and international fund diversity in order to reach a more widespread SME base from guarantee programs, differentiated guarantee ratios, and increasing the contribution of the Kredi Garanti Fonu to the "Triple Transformation".

By ensuring much more effective and efficient use of our equity capital, studies will be carried out to develop new products and improve existing products and develop projects that will create long-term value with new technological transformations and

innovative studies. Studies will be carried out to support projects that will help to increase exports, which are of great importance for the country's economy, and thus reduce the current deficit by providing foreign exchange growth.

KGF, which is an important tool in terms of access to finance in general and also in focusing on the desired sector or sectors when needed, will continue to make significant contributions to our country's ability to achieve its economic goals if the process of taking an effective and active role continues. Collaborations will continue with credit guarantee funds operating abroad and studies will continue on new products and projects.

Negotiations for mutual cooperation are carried out with domestic and foreign NGOs, professional organizations and other international organizations to find a solution to the collateral problem by reducing the financing cost with the opportunities offered to banks and guarantees in accessing financing for businesses and to create new resource capacity, and thus studies continue to transform these collaborations into projects, especially for women entrepreneurs, on issues such as green transformation, carbon emission and energy efficiency.

In addition to our current mission with a proactive management approach, we will continue to offer solutions for the cyclical needs experienced in our country.



Human Resources Activities

KGF has established its human resources policy with the awareness that its most valuable resource is its employees and continues in line with the principle of transparency. In human resources practices, it is aimed to create and disseminate a culture where ethical values are kept alive and team spirit is kept at the forefront, sharing, participating and valuing creativity.

Total Number of Employees	101
Female Employee Ratio	%51
Senior and Mid-Level Female Manager Ratio	%41
University and/or College Graduate Ratio	%84
Average Age	41
Average Seniority	9 years

The number of employees, which was 118 as of the end of 2023, became 101 as of the end of 2024 with the departure of 30 people and the start of 13 people. 51% of the employees are women and 49% are men.

84% of the employees are university and/or college graduates. The average age of KGF, which has a young employee profile, is 41. The average seniority of the institution is 9 years.

With human resources practices, it prepares the appropriate environment for employees to develop in line with their potential and preferences; it plans the different tasks and responsibilities they can undertake within the organization. Within this framework; career planning, wage policy, duties, processes and all other rights are secured by in-house legislation and are managed transparently.

The Human Resources Department Directorate continues its work by following performance evaluation and in-house legislation without discriminating on the based on religion, language, race and gender in the recruitment and continuation processes. The main goal of the employees is to work in a fair, orderly, transparent and peaceful environment with their professional development.

In line with the human resources policy, a path is followed to increase the motivation of the employees by taking into account their needs and expectations. In this context, the career management studies carried out aim to manage human resources effectively and efficiently, to meet the personal development needs of the employees and to support their institutional development.

In addition to the basic personal rights of KGF employees, the personal accident insurance and complementary health insurance practices, which have been ongoing since 2016, have continued in 2024.

Within the framework of congratulation and reward practices, New Year gift, birth gift and wedding gift practices have been introduced.

The 2023 audit of the ISO 9001:2015 Service Sector Quality Certificate, which was obtained with the aim of continuity, development of stakeholder satisfaction in business processes

and providing high quality service, has been successfully completed and the document continuity has been earned. In addition, the TS EN ISO/IEC 27001:2017 certificate has been obtained with the aim of keeping the information security of our stakeholders and within the institution at the best level with the Information Security Management System.

In order to ensure and continuously improve business continuity in our institution's employee systems, considering all kinds of disasters (natural, information security, etc.), today, organizations have demonstrated their commitment to business continuity and ensure that destructive events are detected and handled without interruption, thus continuously improving the management system. Our employees, who are determined by our institution, have received the ISO 22301 certificate.

Occupational Health and Safety Board meetings have been held regularly. In order to increase awareness throughout the institution, necessary trainings on OHS (Occupational Health and Safety) are provided regularly. Necessary studies have been carried out within the framework of the consultancy support received on Occupational Health and Safety issues.

12 of our employees have received Basic First Aid Training and their certificates have been given.

ISO/IEC 27001 Awareness and Internal Auditor Training certificates have been received for our employees, who are determined within the scope of ISO/IEC 27001, in order to gain the competence to audit, improve and look at our institution's ISO/IEC 27001 Information Security Management System from the perspective of an auditor.

In order to support the development process that starts with the individual, employees continue a "personalized" development journey according to their development needs with the Online Education Platform and support their individual development plans. In addition, with the Digital Education Catalogue accessed through the KOBİT Academy Portal, they can access training that will meet their learning needs throughout the year on many subjects from strategic management to business development and innovation, from institutionalization to finance, from good management practices in companies to legal issues and human resource management with personalized training options matched with competency sets.



With technological applications such as digital libraries and podcasts, employees' personal and professional developments are made more colorful.

In 2024, university students were provided with the opportunity to do internships in our institution.

Within the scope of digital transformation, it was decided to close regional representatives and create a new organizational structure that aims to increase the effectiveness and efficiency of our resources in an institutional sense and to increase our service power.

KGF continues its investments in human resources in accordance with changing and developing needs, employee expectations, and new technologies.

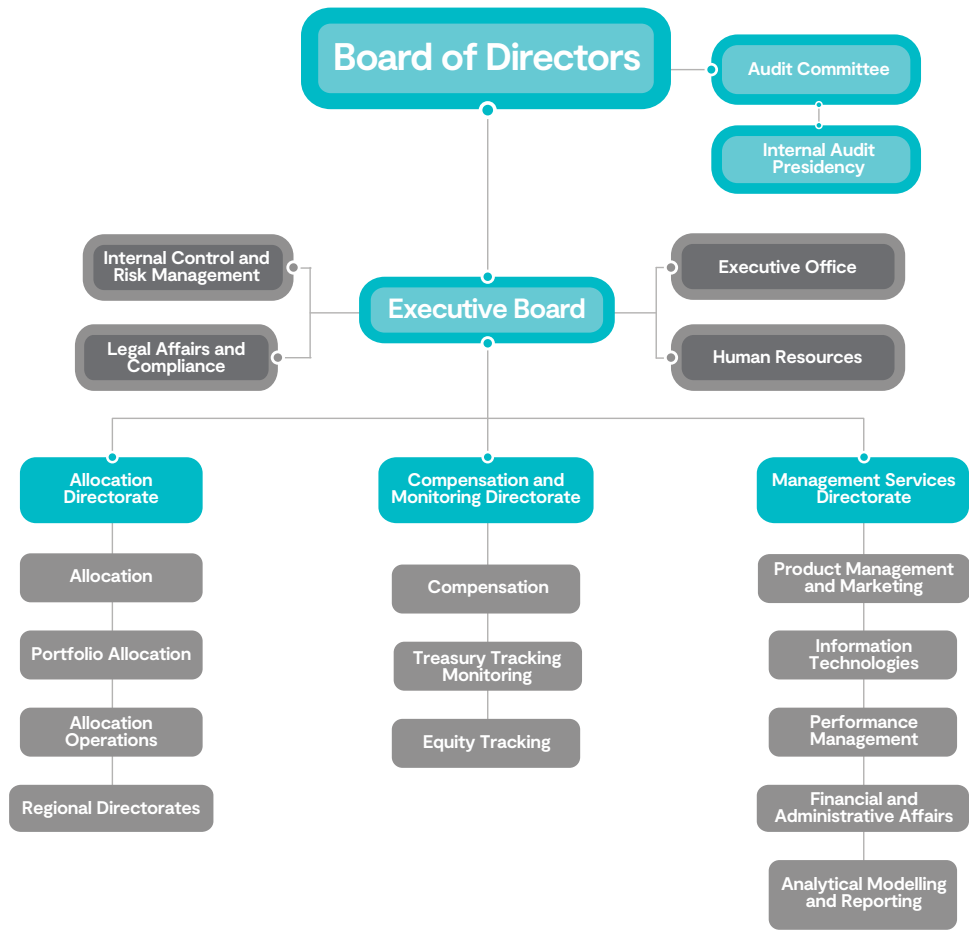
Competitive advantage has been created in the sector with investments made in competent human resources and digitalization. Within the scope of digitalization studies, HR

software has been purchased and the employee module has been put into operation.

The purpose of the human resources policy is to maximize the competence and efficiency of employees and ensure that they are fully reflected in business results. It aims to inspire its employees, provide them with the most suitable working environment and encourage them in order to achieve excellent business results.

A sustainable business can be considered an important value transferred to future generations. In this context; within the framework of sustainable human resources approach, we aim to create a contemporary and human rights-respecting work environment and to increase the consciousness and awareness of employees by spreading this understanding. We are taking determined steps to create value in every field in line with our goal of building a safer and more sustainable future for all our stakeholders.

ORGANIZATION CHART





Information Technologies and Security Studies

- ◀ The hardware on which the institution's server systems operate has been examined, the necessary renewal studies have been completed, and the systems have been made to operate on a faster and more reliable infrastructure.
- ◀ Optimization studies have been carried out on the software at the center of the Kredi Garanti Fonu systems, and the efficiency of the software has been increased.
- ◀ In order to improve data transfer processes with state institutions, software and hardware updates have been made, and the number of institutions integrated has been increased.
- ◀ The institution's security systems have been tested internally and externally, the security measures to be taken according to the test results have been listed, and security tightening studies have been carried out.
- ◀ Within the scope of the Digital Archive project, work continues to transfer printed documents to digital media.

Investments Made by the Company in the Relevant Accounting Period

Hardware and software investments have been made within the scope of security and system infrastructure developments.

Audits Subject to the Company

As a result of the independent audits, the Information Technologies Department Directorate has completed the second audit studies of the ISO 27001 certificate it received in 2022 and renewed the ISO 27001 certificate on 29.11.2024.

Within the scope of independent audit activities, our company's financial statements for the 31.12.2024 activity year have undergone independent external audit.

The Independent Audit was conducted by Köker Certified Public Accounting and Independent Auditing Inc.

Within the scope of the guarantee processes supported by the Ministry of Treasury and Finance of the Republic of Turkey, special purpose account audit procedures are also applied for reasonable assurance reports agreed upon within the framework of the grant agreements signed with KfW (German Development Bank).

Internal Audit Activities

Internal audit activities are carried out by the Internal Audit Department to ensure that the Institution's activities are carried out within the principles of reliability, impartiality, transparency and accountability, free from any conflict of interest, in accordance with internal and external legislation, ethical principles, and the Institution's goals and policies, and that resources are managed economically, effectively and efficiently.

Internal audit activities are carried out within the scope of the internal audit plan prepared periodically and on a risk basis in line with the Institution's strategies and priorities, and the Board of Directors approves them.

The Internal Audit Department aims to provide independent and impartial assurance and consultancy services for the assessment and development of the adequacy and effectiveness of internal control, risk management and corporate governance processes in order to improve the Institution's activities. It also adds value to the Institution, and is responsible to the Board of Directors for the performance of audit, consultancy, examination and investigation activities.

Other Activities

Information regarding the extraordinary general assembly meeting, including the date of the meeting, decisions taken at the meeting and actions taken in relation to it, if an extraordinary general assembly meeting was held during the year. (None)



Risk Management Activities

Risk management system and risk policies include the identification, quantification, measurement, reporting and management of other risk factors, including compensation risk arising from guarantee transactions and operational risks related to guarantee processes.

Risk Management Strategy and Objectives

Implementing regular risk assessment processes to review and update our current risk policies and risk inventory, analyzing risks more precisely by strengthening our data analytics and technological infrastructure, creating a systematic monitoring and reporting process by increasing the effectiveness of existing mechanisms for monitoring risks, analyzing our processes and developing improvement suggestions in order to increase the effectiveness of our guarantee transactions, ensuring regular communication and cooperation with stakeholders, continuously improving the knowledge and awareness on risk management within the institution and ensuring effective management of operational risks are among our strategic priorities in the upcoming period.

Other Considerations

(1) Statements regarding events of special importance that occurred in the Institution after the end of the activity year and that may affect the rights of partners, creditors and other relevant persons and organizations. (None)

(2) Additional information deemed appropriate by the management body, if it does not violate the provisions of the Regulation. (None)

04

Financial Information



Financial Status Assessment

As of 2024, our institution's total net sales increased by 173.2% and reached TL 1,304,156,482.46. Our operating profit increased by 267.7% and our net profit was TL 2,225,441,190.92 at the end of the 2024 accounting period.

OUR ASSETS

In 2024, our company's Asset size increased by 89.86% compared to the previous year and reached TL 8,430,356,734.20. The largest share in our assets belongs to the Current Assets item with a ratio of 99.2%.

Our Trade Receivables included in Current Assets decreased by 28% compared to 2023 and amounted to TL 86,068,806.96 with the positive reflection of effective evaluations and collections made from compensation, and the necessary legal provisions were set aside. Our Fixed Assets have reached TL 64,599,809.69.

Our company strengthens its IT infrastructure with new devices and machines, and acquires the necessary software, especially with investments made in the field of technology in line with the needs of the institution and its future vision.

OUR LIABILITIES

Our most basic item, our Equity, which constitutes 52% of our institution's Liability resources, has increased by 102.5% and reached a total of TL 4,395,950,899.62.

Our stakeholders' current accounts are being followed up in the Other Miscellaneous Liabilities account item within our Liabilities. The taxes and social security deductions to be paid have been paid in full the following month.

PROFIT DISTRIBUTION POLICY

Our institution does not distribute profits due to the exemption condition in Article 4, first paragraph, subparagraph (I) of the Corporate Tax Law No. 5520.

CONCLUSION

Our institution has successfully completed the 2024 fiscal year. Net profit for the period increased by 153.2% and reached TL 2.2 billion.

In line with the information in the financial statements regarding the profitability, active and passive structure of our institution, it is understood that the current equity structure is quite strong in the evaluation of the institution's capital and debt status, the institution's debt is very insignificant, and therefore there is no negative issue. Considering the importance of the Kredi Garanti Fonu for our country's economy, it seems that it is getting stronger in line with the goal of increasing its weight and influence within the current financial structure.





KREDİ GARANTİ FONU INC.
01.01.2024 – 31.12.2024 PERIOD COMPARATIVE BALANCE SHEET (T.L.) VUK

ASSETS		Previous Period	Current Period	LIABILITIES		Previous Period	Current Period
		31.12.2023	31.12.2024			31.12.2023	31.12.2024
1	CURRENT ASSETS			3	SHORT-TERM FOREIGN RESOURCES		
10	Liquid Assets	4.244.211.144,63	8.170.383.794,42	30	Financial Debts	187.092,51	2.232.801,40
100	Cash	0,00	0,00	300	Bank Loans	0,00	0,00
102	Banks	2.026.017.722,65	4.216.693.076,13	309	Other Financial Debts	187.092,51	2.232.801,40
104	Treasury, KOSGEB, KfW and EBRD Bank Accounts	2.218.193.421,98	3.953.690.718,29	32	Trade Debts	8.485.314,44	27.091.043,69
11	Securities	0,00	0,00	320	Sellers	1.653.960,88	18.281.732,14
111	Private Sector Bonds, Notes And Bills	0,00	0,00	326	Deposits and Guarantees Received	2.190.392,03	2.788.103,82
112	Public Sector Bonds, Notes And Bills	0,00	0,00	329	Other Trade Debts	4.640.961,53	6.021.207,73
12	Trade Receivables	119.006.719,35	86.068.806,96	33	Other Debts	2.216.477.238,37	3.954.565.689,12
120	Buyers	0,00	0,00	335	Debts to Employees	502,26	1.382.705,95
126	Deposits and Guarantees Given	11.559,59	19.081,42	336	Other Miscellaneous Debts	2.216.476.736,11	3.953.182.983,17
127	Other Trade Receivables (Protocol Bond)	134.574.913,31	143.483.243,24	34	Advances Received	6.665.950,20	8.219.092,01
128	Doubtful Trade Receivables	161.769.578,45	145.052.213,09	341	Fee and Commission Advances	6.665.950,20	8.219.092,01
129	Provision for Doubtful Trade Receivables (-)	-177.349.332,00	-202.485.730,79	349	Other Advances Received	0,00	0,00
13	Other Receivables	94.730,62	91.020,52	36	Taxes and Other Liabilities to be Paid	8.552.295,72	9.969.295,15
135	Receivables from Employee	2.520,52	2.520,52	360	Taxes and Funds to be Paid	3.343.962,07	6.061.092,62
136	Other Miscellaneous Receivables	92.210,10	88.500,00	361	Social Security Deductions to be Paid	5.090.738,52	3.657.722,49
15	Inventories	540,00	19.548,00	362	Taxes and Other Liabilities to be Paid (KTVÜ)	117.595,13	250.480,04
159	Advances Given for Orders	540,00	19.548,00	369	Other Liabilities to be Paid	0,00	0,00
18	Expenses for Future Months and Income Accruals	30.999.848,92	109.193.754,61	38	Income and Expense Accruals for Future Months	0,00	0,00
180	Expenses for Future Months	0,00	0,00				
181	Income Accruals	30.999.848,92	109.193.754,61	380	Income and Expenses for Future Months	0,00	0,00
19	Other Current Assets	289,85	0,00	39	Other Short-Term Foreign Resources	9.115,15	0,00
190	Carried Over VAT	0,00	0,00	391	Calculated VAT	464,17	0,00
191	VAT to be Deducted	0,00	0,00	393	Head Office and Branches Current Account	8.650,98	0,00
195	Business Advances	289,85	0,00		SHORT-TERM FOREIGN RESOURCES TOTAL	2.240.377.006,39	4.002.077.921,37
				4	LONG-TERM FOREIGN RESOURCES		
	TOTAL CURRENT ASSETS	4.394.313.273,37	8.365.756.924,51	40	Financial Debts	0,00	0,00
2	FIXED ASSETS			42	Trade Debts	0,00	0,00
22	Trade Receivables	0,00	0,00	43	Other Debts	0,00	0,00
220	Buyers	0,00	0,00	47	Debt and Expense Provisions	29.458.745,43	32.327.913,21
226	Given Deposits and Guarantees	0,00	0,00	472	Provisions for Severance Pay	29.458.745,43	32.327.913,21
23	Other Receivables	106.200,00	106.200,00	48	Income and Expense Accruals for Future Years	0,00	0,00
236	Other Miscellaneous Receivables	106.200,00	106.200,00		TOTAL LONG-TERM FOREIGN RESOURCES	29.458.745,43	32.327.913,21
25	Tangible Fixed Assets	34.316.967,65	24.412.139,91				
250	Land and Plots	94.975,00	94.975,00				
251	Underground and Aboveground Facilities	0,00	0,00	5	EQUITY		
252	Buildings	210.300,00	12.700,00	50	Paid-in Capital	513.134.229,53	513.134.229,53
253	Plant, Machinery and Equipment	0,00	0,00	500	Capital	513.134.229,53	513.134.229,53
254	Vehicles	5.338.600,66	5.338.600,66	501	Unpaid Capital (-)	0,00	0,00
255	Fixtures	30.254.671,12	31.112.788,57	52	Capital Reserves	5.592.596,44	5.592.596,44
256	Other Tangible Fixed Assets	0,00	0,00	529	Other Capital Reserves	5.592.596,44	5.592.596,44
257	Accumulated Depreciation (-)	-15.460.219,13	-21.586.924,32	54	Profit Reserves	50.236.643,35	94.178.638,17
258	Investments in Progress	13.878.640,00	9.440.000,00	540	Legal Reserves	50.236.643,35	94.178.638,17
26	Intangible Fixed Assets	8.751.163,60	37.648.626,91	542	Extraordinary Reserves	0,00	0,00
260	Rights	68.851,62	108.690,87	548	Other Profit Reserves	0,00	0,00
264	Special Costs	2.166.205,09	1.865.884,41	549	Special Funds	0,00	0,00
267	Other Intangible Fixed Assets	34.076.555,17	71.498.570,64	57	Previous Years' Profits	722.706.343,07	1.557.604.244,56
268	Accumulated Depreciation (-)	-27.560.448,28	-35.824.519,01	570	Previous Years' Profits	722.706.343,07	1.557.604.244,56
28	Expenses for Future Years and Income Accruals	2.857.855,90	2.432.842,87	58	Previous Years' Losses (-)	0,00	0,00
				580	Previous Years' Losses (-)	0,00	0,00
280	Expenses for Future Years	2.857.855,90	2.432.842,87	59	Net Profit (Loss) for the Period	878.839.896,31	2.225.441.190,92
281	Income Accruals	0,00	0,00	590	Net Profit for the Period	878.839.896,31	2.225.441.190,92
FIXED TOTAL ASSETS		46.032.187,15	64.599.809,69	TOTAL EQUITY		2.170.509.708,70	4.395.950.899,62
TOTAL ASSET (ASSETS)		4.440.345.460,52	8.430.356.734,20	TOTAL LIABILITIES		4.440.345.460,52	8.430.356.734,20

KREDİ GARANTİ FONU INC.
DETAILED COMPARATIVE PROFIT/LOSS TABLE DATED 01.01.2024–31.12.2024 VUK

	31.12.2023		31.12.2024	
A- GROSS INCOME		489.753.141,23		1.354.837.903,06
1. Commissions from Domestic Guarantees	479.994.878,46		1.320.768.661,04	
-Income from Equity Guarantees	418.678.352,52		1.314.935.685,09	
-Income from Treasury Guarantees	61.316.525,94		5.832.975,95	
2. Commissions from Foreign Guarantees	0,00		0,00	
3. Other Income	9.758.262,77		34.069.242,02	
B- SALES DISCOUNTS (-)		12.366.844,05		50.681.420,60
1. Returns from Sales (-)	12.366.844,05		50.681.420,60	
2. Sales Discounts (-)	0,00		0,00	
3. Other Discounts (-)	0,00		0,00	
C- NET SALES		477.386.297,18		1.304.156.482,46
D- COST OF SALES (-)		0,00		0,00
GROSS SALES PROFIT OR LOSS		477.386.297,18		1.304.156.482,46
E- OPERATING EXPENSES (-)		196.210.757,38		270.317.809,91
1. Research and Development Expenses	0,00		0,00	
2. Branch Operating Expenses (-)	0,00		0,00	
3. General Administrative Expenses (-)	196.210.757,38		270.317.809,91	
OPERATING PROFIT OR LOSS		281.175.539,80		1.033.838.672,55
F- OTHER ACTIVITY. ORDINARY INCOME OR PROFITS		645.551.680,14		1.224.243.134,41
1. Dividend Income from Affiliates	0,00		0,00	
2. Dividend Income from Subsidiaries	0,00		0,00	
3. Interest Income	393.111.913,00		1.132.682.503,17	
4. Commission Income	0,00		0,00	
5. Provisions No Longer Required	27.784.050,33		19.325.258,16	
6. Securities Sale Profit	0,00		0,00	
7. Exchange Gains	224.655.716,81		72.235.373,08	
8. Rediscount Interest Income	0,00		0,00	
9. Other Income and Profits Related to Operations	0,00		0,00	
G- EXPENSES AND LOSSES FROM OTHER ACTIVITIES (-)		58.986.470,74		49.645.686,10
1. Commission Expenses	0,00		0,00	
2. Provision Expenses	39.307.044,45		44.461.656,95	
3. Securities Sale Losses	0,00		0,00	
4. Exchange Losses	19.679.426,29		5.184.029,15	
5. Rediscount Interest Expenses	0,00		0,00	
6. Other Ordinary Expenses and Losses	0,00		0,00	
ORDINARY PROFIT OR LOSS		867.740.749,20		2.208.436.120,86
H- EXTRAORDINARY INCOME AND PROFITS		20.328.550,17		18.071.170,10
1. Previous Period Income and Profits	7.244.516,41		2.838.958,87	
2. Other Extraordinary Income and Profits	13.084.033,76		15.232.211,23	
I- EXTRAORDINARY EXPENSES AND LOSSES (-)		9.229.403,06		1.066.100,04
1. Non-operating Part Expenses and Losses (-)	0,00		0,00	
2. Previous Period Expenses and Losses (-)	0,00		0,00	
3. Other Extraordinary Expenses and Losses (-)	9.229.403,06		1.066.100,04	
J- PERIOD PROFIT OR LOSS		878.839.896,31		2.225.441.190,92
PERIOD NET PROFIT OR LOSS		878.839.896,31		2.225.441.190,92

The background is a teal-colored collage of financial data. It includes several line graphs with fluctuating lines, bar charts, and tables of numbers. A black pen is positioned diagonally on the left side, pointing towards the bottom left. White geometric shapes, including triangles and rounded rectangles, are overlaid on the background. The overall aesthetic is professional and data-driven.

05

Independent Audit Report



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

To the General Assembly of Kredi Garanti Fonu A.Ş.,

1) Opinion

We have audited the annual report of Kredi Garanti Fonu A.Ş. for the accounting period of January 1, 2024 – December 31, 2024.

In our opinion, the financial information presented in the annual report of the Board of Directors and the evaluations made by the Board regarding the condition of the Company are, in all material respects, consistent with the audited financial statements and the information we obtained during our independent audit, and fairly present the truth.

2) Basis for Opinion

Our independent audit was conducted in accordance with the Independent Auditing Standards (IAS) which are part of the Turkish Auditing Standards published by the Public Oversight Accounting and Auditing Standards Authority (KGK). Our responsibilities under these standards are further described in the section titled *Responsibilities of the Independent Auditor for the Audit of the Annual Report* in this report. We declare that we are independent from the Company in accordance with the ethical requirements set out in the Code of Ethics for Independent Auditors (including Independence Standards) published by the KGK, and other ethical requirements relevant to the audit of the annual report. We believe that the audit evidence we have obtained during our audit is sufficient and appropriate to provide a basis for our opinion.

3) Auditor's Opinion on the Financial Statements

We have expressed an unqualified opinion in our auditor's report dated April 25, 2025, on the Company's financial statements for the accounting period of January 1, 2024 – December 31, 2024.

4) Responsibilities of the Board of Directors Regarding the Annual Report

According to Articles 514 and 516 of the Turkish Commercial Code ("TCC") No. 6102, the Company's Board of Directors is responsible for the following with respect to the annual report:

a) Preparing the annual report within the first three months following the balance sheet date and submitting it to the general assembly.

b) Preparing the annual report in a way that accurately, completely, directly, fairly, and honestly reflects the course of the Company's activities and its financial position. This financial position is evaluated based on the financial statements. The report shall also clearly indicate the Company's development and potential risks it may face, and include the Board of Directors' assessments on these matters.
c) The activity report also includes:

- Significant events that occurred in the Company after the end of the fiscal year,
- The Company's research and development activities,
- Financial benefits such as salaries, bonuses, and other compensations paid to the Board of Directors and senior executives, as well as allowances, travel, accommodation, and representation expenses, in-kind and cash benefits, insurances, and similar guarantees.

The Board of Directors shall also take into consideration the secondary regulations issued by the Ministry of Trade and relevant authorities when preparing the annual report.

5) Responsibilities of the Independent Auditor Regarding the Independent Audit of the Annual Report

Our objective is to express an opinion, within the framework of the TCC, as to whether the financial information and the evaluations made by the Board of Directors in the annual report are consistent with the audited financial statements of the Company and the information obtained during the audit, and whether they present the truth, and to issue a report that includes this opinion.

We conducted our audit in accordance with the Independent Auditing Standards. These standards require compliance with ethical requirements and that the audit be planned and performed to obtain reasonable assurance as to whether the financial information and the Board of Directors' evaluations are consistent with the financial statements and the information obtained during the audit, and whether they fairly reflect the truth.

The responsible auditor who conducted and concluded this independent audit is Akın AKBULUT.

Ankara, April 25, 2025

**Köker Sworn-in Certified Public Accountancy
Independent Audit Inc.**

Akın AKBULUT
CPA (Sworn-in), Auditor



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INDEPENDENT AUDITOR'S REPORT

To the General Assembly of Kredi Garanti Fonu A.Ş.;

A) Independent Audit of the Financial Statements

1) Opinion

We have audited the accompanying financial statements of Kredi Garanti Fonu Anonim Şirketi, which comprise the statement of financial position as at December 31, 2024, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, as well as a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Kredi Garanti Fonu Anonim Şirketi as at December 31, 2024, and its financial performance and cash flows for the year then ended in accordance with Turkish Accounting Standards (TAS).

2) Basis for Opinion

We conducted our audit in accordance with the Independent Auditing Standards (IAS), which are part of the Turkish Auditing Standards issued by the Public Oversight Accounting and Auditing Standards Authority (KGK). Our responsibilities under those standards are further described in the section titled *Responsibilities of the Independent Auditor for the Audit of the Financial Statements* of our report. We declare that we are independent of the Company in accordance with the ethical requirements related to the audit of the financial statements in Turkey, and that we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



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3) 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; we do not provide a separate opinion on these matters.

Key Audit Matter	How the Matter Was Addressed in the Audit
Revenue Recognition: The Company's primary sources of revenue consist of equity-backed guarantee commissions and Treasury-related transaction commissions. For the fiscal year from January 1 to December 31, 2024, the Company recognized a total revenue amount of TRY 701,932,693 under the "Revenue" line item in the statement of profit or loss. Revenue is considered a significant financial statement line item and thus constitutes a key area of focus in our audit. Disclosures and explanatory notes related to these revenues are presented in Notes 3 and 17 to the accompanying financial statements.	-We evaluated the appropriateness of the Company's accounting policy for revenue recognition. -We tested, on a sample basis, whether management recorded revenue in the correct accounting period by verifying selected transactions. -We performed substantive testing on a sample basis to verify whether the rights and obligations related to invoiced items had been transferred to the customer. -We reviewed the Company's sales processes and internal control environment related to revenue transactions.
Inflation Adjustment As disclosed in Note 2.1, TAS 29 "Financial Reporting in Hyperinflationary Economies" is applicable to the Company. According to TAS 29, financial statements must be restated in terms of the current purchasing power at the end of the reporting period. Accordingly, transactions in 2024 and non-monetary balances as of the period end have been restated to reflect the purchasing power as of December 31, 2024. The application of TAS 29 results in comprehensive and material changes in many items in the Company's financial statements. The impact of TAS 29 throughout the year relies on complex calculations and various management judgments in restating many balance sheet items and current period transactions. Preparing financial statements in terms of current purchasing power requires the application of many complex procedures. Due to the nature of management judgments applied during the restatement process, the complexity of the calculations, and the risk of incomplete or inaccurate data being used, the application of TAS 29 has been identified as a key audit matter.	The following audit procedures have been performed in relation to the application of TAS 29 "Financial Reporting in Hyperinflationary Economies": <ul style="list-style-type: none"> The Company's current processes and accounting policies have been reviewed. Controls designed and implemented by management in connection with the application of TAS 29 have been examined and evaluated. Detailed listings of non-monetary items were obtained and verified against original cost and acquisition dates using supporting documentation. The appropriateness of the judgments applied by management has been assessed by comparing them with prevailing practices, supported by our sector knowledge and experience. It was also checked whether such judgments were applied consistently across periods. The classification of items into monetary and non-monetary categories by management has been reviewed for compliance with IFRS. The general price index rates used were verified, and the restatement of non-monetary items, the income statement, and the cash flow statement was tested in terms of the inflation impact.



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4. Other Matters

A positive opinion has been expressed regarding the Board of Directors' annual activity report.

5. 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 Turkish Accounting Standards (TAS), 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.

6. Responsibilities of the Independent Auditor for the Audit of the Financial Statements

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 Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and 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.

Additional explanations regarding our responsibilities for the audit of the financial statements are available on the website of the Public Oversight, Accounting and Auditing Standards Authority (www.kgk.gov.tr). These explanations constitute an integral part of our auditor's report.

The responsible auditor conducting and concluding this independent audit is Akin AKBULUT.

**Köker Yeminli Mali Müşavirlik
Bağımsız Denetim A.Ş.**

Akin AKBULUT
Sworn-in Certified Public Accountant, Responsible Auditor
Ankara, April 25, 2025



Kredi Garanti Fonu Inc.

Consolidated Statement of Financial Position

As of 31 December 2024 and 31 December 2023

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Kredi Garanti Fonu Inc.

Statements of Financial Position

As of 31 December 2024 and 31 December 2023

(Unless otherwise indicated, amounts are expressed in Turkish Lira (“TL”) at purchasing power as of 31 December 2024.)

		Audited	Audited
	Notes	31.12.2024	31.12.2023
ASSETS		8.466.649.343	6.429.269.779
Current Assets		8.334.651.644	6.264.660.936
Cash and Cash Equivalents	4	8.254.739.037	6.172.506.881
Trade Receivables	6	77.286.075	87.387.157
– Trade Receivables from Non-related Parties		77.286.075	87.387.157
Other Receivables	7	38.629	22.826
– Other Receivables from Non-related Parties		38.629	22.826
Prepaid Expenses	8	2.585.382	4.740.013
Other Current Assets	15	2.521	4.058
Total Current Assets		8.334.651.644	6.264.660.936
Non-current Assets		131.997.699	164.608.843
Property, Plant and Equipment	9	40.330.409	54.955.852
Right-of-use Assets	11	16.316.954	20.569.082
Intangible Assets (excluding Goodwill)	10	73.059.503	85.794.764
Other Non-current Assets	15	2.290.833	3.289.145
Total Non-current Assets		131.997.699	164.608.843
TOTAL ASSETS		8.466.649.343	6.429.269.779

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

Kredi Garanti Fonu Inc.

Statements of Financial Position

As of 31 December 2024 and 31 December 2023

(Unless otherwise indicated, amounts are expressed in Turkish Lira (“TL”) at purchasing power as of 31 December 2024.)

		Audited	Audited
	Notes	31.12.2024	31.12.2023
LIABILITIES AND EQUITY		8.466.649.343	6.429.269.779
LIABILITIES		5.173.271.432	3.859.192.889
Current Liabilities		4.989.209.344	3.739.262.440
Short-term Borrowings	15	2.029.733	-
Lease Liabilities	12	2.026.965	4.685.852
Trade Payables	6	24.506.008	2.658.095
– Trade Payables to Non-related Parties		24.506.008	2.658.095
Employee Benefit Obligations	13	8.897.616	11.476.339
Other Payables	7	11.257.676	12.799.188
– Other Payables to Related Parties		-	12.490
– Other Payables to Non-related Parties		11.257.676	12.786.698
Deferred Income	8	920.116.488	453.344.705
Short-term Provisions	14	59.277.779	38.523.430
– Provisions for Employee Benefits		4.745.316	10.157.487
– Other Short-term Provisions		54.532.463	28.365.943
Other Short-term Liabilities	15	3.961.097.080	3.215.774.831
Non-current Liabilities		184.062.088	119.930.449
Lease Liabilities	12	2.708.656	6.735.989
Long-term Provisions	14	181.353.432	113.194.460
– Provisions for Employee Benefits – Severance Pay Provision		19.872.964	29.945.084
– Other Long-term Provisions		161.480.468	83.249.376
Total Non-current Liabilities	15	184.062.088	119.930.449
TOTAL LIABILITIES		5.173.271.432	3.859.192.889
EQUITY	16	3.293.377.911	2.570.076.887
Equity Attributable to Owners of the Parent		3.293.377.911	2.570.076.887
Paid-in Capital		513.134.230	513.134.230
Capital Adjustment Differences		5.615.063.995	5.615.063.995
Accumulated Other Comprehensive Income (+/-)		(14.254.686)	(8.872.978)
Items Not to Be Reclassified to Profit or Loss, Before Tax (+/-)		(14.254.686)	(8.872.992)
Restricted Reserves Appropriated from Profit		305.243.419	241.800.406
Retained Earnings (Accumulated Losses)		(3.854.491.763)	(3.718.523.011)
Net Profit (Loss) for the Period		728.682.716	(72.525.740)
TOTAL EQUITY		3.293.377.911	2.570.076.887
TOTAL EQUITY AND LIABILITIES		8.466.649.343	6.429.269.779

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



Kredi Garanti Fonu Inc.

Statement of Profit or Loss and Other Comprehensive Income For The Years Ended December 31, 2024 And December 31, 2023

(Amounts are expressed in Turkish Lira (“TL”) in terms of the purchasing power as of December 31, 2024, unless otherwise indicated.)

		Audited	Audited
	Notes	01.01.-31.12 2024	01.01.-31.12 2023
Revenue	17	701.932.693	449.608.092
Cost of Sales (-)	17	(300.778.540)	(298.339.937)
Gross Profit (Loss) from Commercial Activities		401.154.153	151.268.155
Gross Profit (Loss) (+/-)		401.154.153	151.268.155
General Administrative Expenses (-)	18	(35.409.980)	(34.613.108)
Other Operating Income			
Other Operating Expenses (-)	19	99.019.932	131.159.050
	19	(219.740.503)	(132.423.789)
Operating Profit (Loss)		245.023.602	115.390.308
Income from Investing Activities			
	20	3.446.112	2.185.237
Profit (Loss) Before Finance Expenses		248.469.714	117.575.546
Finance Income			
	21	1.371.669.936	1.099.772.565
Finance Expenses (-)			
	21	(16.510.499)	(45.961.958)
Net Monetary Position Gains/Losses (+/-)	21	(874.946.435)	(1.243.911.893)
Profit (Loss) Before Tax from Continuing Operations	16	728.682.716	(72.525.740)
Net Profit (Loss) from Continuing Operations (+/-)		728.682.716	(72.525.740)
Net Profit (Loss) from Discontinued Operations		-	-
Net Profit (Loss) for the Period (+/-)	16	728.682.716	(72.525.740)
Distribution of Profit (Loss) for the Period Attributable to Owners of the Parent		728.682.716	(72.525.740)
Basic Earnings (Loss) per Share	22	0,0142	(0,0014)
– Earnings (Loss) per Share from Continuing Operations (+/-)		0,0142	(0,0014)
Total Basic Earnings (Loss) per Share (+/-)		0,0142	(0,0014)
Diluted Earnings (Loss) per Share			
– Diluted Earnings (Loss) per Share from Continuing Operations (+/-)		0,0142	(0,0014)
TFRS – STATEMENT OF COMPREHENSIVE INCOME			
Profit (Loss) for the Period		728.682.716	(72.525.740)
Statement of Other Comprehensive Income			
Items Not to Be Reclassified to Profit or Loss, Before Tax (+/-)		(5.381.694)	(6.962.631)
Remeasurement Gains/Losses on Defined Benefit Plans, Before Tax (+/-)		(5.381.694)	(6.962.631)
Total Other Comprehensive Income		(5.381.694)	(6.962.631)
Total Other Comprehensive Income (+/-)		(5.381.694)	(6.962.631)
Total Comprehensive Income (+/-)		723.301.023	(79.488.370)
Distribution of Total Comprehensive Income			
Attributable to Owners of the Parent		723.301.023	(79.488.370)

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

Kredi Garanti Fonu Inc.

Statements of Changes in Equity For The Years Ended December 31, 2024 And December 31, 2023

(Unless otherwise indicated, amounts are expressed in Turkish Lira (“TL”) at purchasing power as of 31 December 2024.)

				Accumulated Other Comprehensive Income or Loss Not to Be Reclassified to Profit or Loss		Retained Earnings		Equity Attributable to Owners of the Parent	
	NOTE	Paid-in Capital	Capital Adjustment Differences	Accumulated Remeasurement Gains/Losses on Defined Benefit Plans	Restricted Reserves Appropriated from Profit	Retained Earnings (Accumulated Losses)	Net Profit (Loss) for the Period		EQUITY
31.12.2022		513.134.230	5.615.063.995	(1.910.361)	207.043.756	(3.304.986.921)	(378.779.440)	2.649.565.257	2.649.565.257
1.01.2023		513.134.230	5.615.063.995	(1.910.361)	207.043.756	(3.304.986.921)	(378.779.440)	2.649.565.257	2.649.565.257
Transfer		-	-	-	34.756.650	(413.536.090)	(378.779.440)	-	-
Other Comprehensive Income / Expense		-	-	(6.962.631)	-	-	-	(6.962.631)	(6.962.631)
Net Profit / Loss for the Period		-	-	-	-	-	(72.525.740)	(72.525.740)	(72.525.740)
31.12.2023		513.134.230	5.615.063.995	(8.872.992)	241.800.406	(3.718.523.011)	(72.525.740)	2.570.076.887	2.570.076.887
1.01.2024		513.134.230	5.615.063.995	(8.872.992)	241.800.406	(3.718.523.011)	(72.525.740)	2.570.076.887	2.570.076.887
Transfer		-	-	-	63.443.013	(135.968.753)	(72.525.740)	-	-
Other Comprehensive Income / Expense		-	-	(5.381.694)	-	-	-	(5.381.694)	(5.381.694)
Net Profit / Loss for the Period		-	-	-	-	-	728.682.716	728.682.716	728.682.716
31.12.2024		513.134.230	5.615.063.995	(14.254.686)	305.243.419	(3.854.491.763)	728.682.716	3.293.377.910	3.293.377.911

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

Kredi Garanti Fonu Inc.
Cash Flow Statements
For The Years Ended December 31, 2024
And December 31, 2023

(Amounts are expressed in Turkish Lira (“TL”) at the purchasing power as of December 31, 2024,
unless otherwise indicated.)

		Audited	Audited
(All amounts are presented in Turkish Lira (TL).)		January 1 – December 31, 2024	January 1 – December 31, 2023
CASH FLOWS FROM OPERATING ACTIVITIES		1.323.735.374	3.035.564.667
Profit (Loss) for the Period		728,682,716	(72.525.740)
– Profit (Loss) for the Period from Continuing Operations		728,682,716	(72.525.740)
Adjustments Related to the Reconciliation of Net Profit (Loss) for the Period		1,889,172,771	3.736.738.944
Adjustments for Depreciation and Amortization Expense	9-10-11	27.612.347	22.110.233
Adjustments for Impairment / Reversal of Impairment	18	59.464.975	56.751.117
Adjustments for Provisions	14	86.710.498	64.370.052
Adjustments for Interest Income and Expenses	14	(9.807.308)	(23.302.566)
Adjustments for Losses (Gains) on Disposal of Non-current Assets	9-10-11	(3.446.112)	(1.749.862)
Adjustments for Revenue		913,531,248	458.342.440
Adjustments for Monetary Position Gains (Losses)		605.063.211	1.733.403.668
Other Adjustments		210,043,912	1.426.813.862
Changes in Working Capital		19.376.279	(51.910.389)
Adjustments for Increase / Decrease in Trade Receivables	6-23	10.101.082	(56.130.969)
Adjustments for Increase / Decrease in Other Operating Receivables	7-23	(15.803)	(12.392)
Adjustments for Increase / Decrease in Prepaid Expenses	8-23	2.154.631	(696.925)
Adjustments for Increase / Decrease in Trade Payables	6-23	17.206.950	(12.373.490)
Adjustments for Increase / Decrease in Employee Benefit Obligations	13	(10.072.120)	6.445.665
Adjustments for Increase / Decrease in Other Operating Payables	7-23	-	8.573.390
Adjustments for Other Increase / Decrease in Working Capital	15	1.538	2.284.331
Cash Flows from Operating Activities		2,637,231,767	3,612,302,815
Interest Received	20	(1.292.103.736)	(567.571.049)
Severance Payments	14	(21.392.656)	(9.167.099)
CASH FLOWS FROM INVESTING ACTIVITIES		28.359.016	(42.443.603)
Cash Outflows from the Acquisition of Tangible and Intangible Assets	9-10-11	27.360.704	(44.448.867)
Other Non-current Assets		998.312	2.005.264
CASH FLOWS FROM FINANCING ACTIVITIES		1.215.607.111	557.893.893
Funds Obtained from Counter-Guarantee Institutions	15	738.632.352	2.413.567.077
Cash Outflows Related to Lease Liability Payments	12	(4.735.621)	(10.225.166)
Interest Received	21	1.292.103.736	567.571.049
Changes in Blocked Accounts	4	(810.393.356)	(2.413.019.067)
Net Increase (Decrease) in Cash and Cash Equivalents		2,567,701,502	3,551,014,958
Effect of Inflation on Cash and Cash Equivalents		(1,295,862,701)	(2,296,083,547)
Cash and Cash Equivalents at the Beginning of the Period		2,919,990,764	1,665,059,353
Cash and Cash Equivalents at the End of the Period		4,191,829,564	2,919,990,764

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



Kredi Garanti Fonu Inc.
Explanatory Notes to The Financial Statements for The
Accounting Period January 1 – December 31, 2024

(Unless otherwise indicated, amounts are expressed in Turkish Lira (“TL”) at the purchasing power as of December 31, 2024.)

NOTE 1 – COMPANY ORGANIZATION AND NATURE OF OPERATIONS

Credit Guarantee Fund Inc. (“the Company”) was established in 1991 and operates in Turkey. The Company provides guarantees to support Small and Medium-sized Enterprises (“SMEs”), enabling them to access bank loans for their investments and operational financing. The Company issued its first credit guarantee in July 1994.

Based on the Council of Ministers Decree dated 14 July 2009 and numbered 2009/15197 regarding the Procedures and Principles for Treasury Support to Credit Guarantee Institutions, a protocol was signed on 18 September 2009 between the Undersecretariat of Treasury and the Company. This protocol outlines the use of the Treasury’s contribution, the roles, authorities, and responsibilities of the parties, and the conditions to be met by eligible beneficiaries. The purpose is to provide guarantees backed by Treasury support, contribute to the effective functioning of the credit market, support firms with limited access to financing, and offer additional lending opportunities. Under this protocol, the Company earns income both from guarantee commissions on supported guarantees and from transactions conducted without support.

The Company provides its guarantees based on its own equity and the support provided by the Ministry of Treasury and Finance. The protocol, initially signed on 18 September 2009, defines the conditions for the use of the Ministry’s support, the responsibilities of the parties, and the requirements for eligible beneficiaries, in line with the provisions of the Council of Ministers Decree dated 14 July 2009 and numbered 2009/15197. The protocols have been updated in line with subsequent legal and regulatory changes. The goal remains to enhance the efficiency of the credit market, improve access to financing for firms with limited funding options, and offer additional lending facilities. The Company generates income from the commissions it receives for the guarantees it provides.

The shareholders of the Company are as follows: 28.30% Turkish Union of Chambers and Commodity Exchanges (“TOBB”), 28.29% Small and Medium Enterprises Development and Support Administration (“KOSGEB”), 0.12% Confederation of Turkish Tradesmen and Craftsmen (“TESK”), 0.01% Turkish Foundation for Small and Medium Enterprises, Freelancers, and Managers (“TOSYÖV”), 0.004% Vocational Education and Small Industry Support Foundation (“MEKSA”), and 43.28% equally shared among 29 banks (Note 17).

The registered address of the Company is TOBB Twin Towers, Block C, Floors 5-6-7, 20 Dumlupınar Boulevard, No: 252, Ankara.

As of 31 December 2024, the Company employs 101 personnel (31 December 2023: 118).

NOTE 2 – BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1 Basis of Presentation

Statement of Compliance with TFRS

The accompanying financial statements have been prepared in accordance with the Turkish Financial Reporting Standards (“TFRS”), which have been put into effect by the Public Oversight Accounting and Auditing Standards Authority (“POA”). TFRS comprise Turkish Accounting Standards (“TAS”), Turkish Financial Reporting Standards, and related annexes and interpretations.



Kredi Garanti Fonu Inc.

Explanatory Notes to The Financial Statements for The Accounting Period January 1 – December 31, 2024

(Unless otherwise indicated, amounts are expressed in Turkish Lira (“TL”) at the purchasing power as of December 31, 2024.)

In maintaining its accounting records and preparing its statutory financial statements, the Company complies with the principles and requirements issued by the POA, the Turkish Commercial Code (“TCC”), tax legislation, and the Uniform Chart of Accounts issued by the Ministry of Treasury and Finance of the Republic of Turkey (“Ministry of Treasury and Finance”). These financial statements, prepared in accordance with the Turkish Financial Reporting Standards, are presented in Turkish Lira, on the historical cost basis, except for derivative instruments which are measured at fair value. Historical cost generally represents the fair value of the consideration paid for the assets. The financial statements have been presented in accordance with the formats set out in the Financial Statement Examples and User Guide published by the POA’s announcement “Announcement on TFRS Taxonomy” dated 4 October 2022. However, these financial statements have been adjusted and reclassified, as necessary, to ensure proper presentation under the Turkish Financial Reporting Standards based on statutory records prepared on a historical cost basis.

Functional Currency

The Company’s financial statements are presented in the currency of the primary economic environment in which it operates (its functional currency). The financial position and results of the Company are expressed in Turkish Lira (“TL”), which is the Company’s functional and presentation currency.

Approval of Financial Statements

The financial statements as of 31 December 2024 were approved by the Board of Directors on 25 April 2025. The General Assembly has the authority to amend the financial statements.

Adjustment of Financial Statements in Periods of High Inflation

On 23 November 2023, the POA issued a clarification regarding the scope and application of TAS 29. It stated that entities applying Turkish Financial Reporting Standards are required to present their financial statements for annual reporting periods ending on or after 31 December 2024 in accordance with the relevant accounting principles of TAS 29, adjusted for the effects of inflation.

Accordingly, the set of financial statements as of 31 December 2024 and 31 December 2023, as well as the statement of financial position as of 31 December 2022, were prepared with inflation adjustments in accordance with TAS 29.

The financial statements and prior period comparative figures have been restated to reflect the changes in the general purchasing power of the functional currency, and as a result, the financial statements and comparative figures are expressed in the measurement unit current at the end of the reporting period in accordance with TAS 29, Financial Reporting in Hyperinflationary Economies. TAS 29 applies to the financial statements of any entity whose functional currency is the currency of a hyperinflationary economy. When an economy is hyperinflationary, TAS 29 requires that the financial statements of an entity whose functional currency is that of a hyperinflationary economy be stated in terms of the measuring unit current at the end of the reporting period.

As of the reporting date, since the cumulative change in the general purchasing power over the last three years, based on the Consumer Price Index (“CPI”), exceeded 100%, entities operating in Turkey are required to apply TAS 29 “Financial Reporting in Hyperinflationary Economies” for reporting periods ending on or after 31 December 2024—or for subsequent periods in which high inflation persists. The following table presents the inflation rates calculated based on the Consumer Price Indices published by the Turkish Statistical Institute (TURKSTAT):

Kredi Garanti Fonu Inc.

Explanatory Notes to The Financial Statements for The Accounting Period January 1 – December 31, 2024

(Unless otherwise indicated, amounts are expressed in Turkish Lira (“TL”) at the purchasing power as of December 31, 2024.)

Date	Index	Restatement (presentation) coefficient	Three-year cumulative inflation rates
31.12.2024	2.684,55	1,00000	291%
31.12.2023	1.859,38	1,44379	268%
31.12.2022	1.128,45	2,37897	156%

- The main outlines of the TAS 29 indexation process are as follows:*
- All items, except those already expressed in current purchasing power as of the balance sheet date, have been indexed using the relevant price index coefficients. Figures from prior years have been similarly indexed.
 - Monetary assets and liabilities have not been indexed since they are already expressed in current purchasing power at the balance sheet date. Monetary items are cash and items to be received or paid in cash.
 - Fixed assets, investments, and similar assets have been indexed based on their acquisition costs, not exceeding their market value. Depreciation has been adjusted accordingly. Amounts included in equity have been restated by applying the general price indices corresponding to the periods during which such amounts were contributed to the Company or generated within the Company.
 - All income statement items, except those arising from non-monetary balance sheet items, have been indexed using the coefficients calculated based on the periods when income and expense accounts were initially recognized in the financial statements.
 - The gain or loss resulting from the overall inflation effect on the net monetary position represents the difference between the adjustments made to non-monetary assets, equity items, and income statement accounts. This gain or loss calculated over the net monetary position has been included in net profit.

Summary of the Impact of Applying the TAS 29 Inflation Accounting Standard:

Restatement of the Statement of Financial Position

Amounts presented in the statement of financial position that are not expressed in the measurement unit current at the end of the reporting period are restated. Accordingly, monetary items are not restated as they are expressed in the currency current at the end of the reporting period. Non-monetary items must be restated unless they are already presented at their current amounts as of the reporting date. The net gain or loss resulting from the restatement of non-monetary items is included in profit or loss and presented separately in the statement of comprehensive income.

Restatement of the Statement of Profit or Loss

All items in the statement of profit or loss are expressed in the measurement unit current at the end of the reporting period. Therefore, all amounts have been restated by applying the changes in the monthly general price index. The cost of property, plant, and equipment sold has been calculated based on the restated cost figures. Depreciation and amortization expenses have been adjusted using the restated balances of property, plant and equipment, intangible assets, investment properties, and right-of-use assets.

Restatement of the Statement of Cash Flows

All items in the statement of cash flows are expressed in the measurement unit current at the end of the reporting period.



Kredi Garanti Fonu Inc.

Explanatory Notes to The Financial Statements for The Accounting Period January 1 – December 31, 2024

(Unless otherwise indicated, amounts are expressed in Turkish Lira (“TL”) at the purchasing power as of December 31, 2024.)

Company Financial Statements
In cases where financial statements with different reporting period ends are presented, all monetary and non-monetary items are restated in accordance with the measurement unit current as of the financial statements’ dates.

Comparative Information and Restatement of Prior Period Financial Statements
Figures related to the prior reporting period are restated using the general price index to present the comparative financial statements in the measurement unit current at the end of the reporting period. Information disclosed for earlier periods is also expressed in the measurement unit current at the end of the reporting period.

To enable the identification of financial position and performance trends, the Company’s financial statements are prepared on a comparative basis with the prior period. Comparative information is reclassified where necessary to align the presentation with the current period financial statements, and material differences are explained.

Offsetting / Netting

All items that are material in terms of content and amount are presented separately in the Company’s financial statements, even if they are similar in nature. Insignificant amounts are aggregated and presented on the basis of items that are similar in nature or function. When the substance of a transaction or event requires offsetting, the presentation of such transaction or event on a net basis or the recognition of assets at their net amounts after deducting impairment losses is not considered a violation of the non-offsetting principle. Income earned by the Company as a result of transactions carried out in the ordinary course of business, other than revenue defined under the “Revenue” section, is presented on a net basis, provided that such presentation reflects the substance of the transaction or event.

2.2 Changes in Accounting Policies
The Company has applied its accounting policies consistently with the prior year. Significant changes in accounting policies and material accounting errors identified are applied retrospectively, and prior period financial statements are restated.

2.3 Changes in Accounting Estimates and Errors
The Company has applied its accounting policies consistently with the prior year. Significant changes in accounting policies and material accounting errors identified are applied retrospectively, and prior period financial statements are restated. Changes in accounting estimates are applied prospectively in the period of change if they affect only that period, or both in the period of change and future periods if they affect both. Other than the effects of the changes in new and revised standards disclosed in Note 2.4, the Company has not made any changes to its accounting policies during the current year.

2.4. New and Revised Turkish Accounting Standards

a) Amendments and Interpretations Effective from 2024

• TAS 1 (Amendments) Disclosure of Accounting Policies	• TAS 1 (Amendments) Disclosure of Accounting Policies
• TAS 8 (Amendments) Definition of Accounting Estimates	• TAS 8 (Amendments) Definition of Accounting Estimates
• TAS 12 (Amendments) Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction	• TAS 12 (Amendments) Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction
• TAS 12 (Amendments) International Tax Reform – Pillar Two Model Rules	• TAS 12 (Amendments) International Tax Reform – Pillar Two Model Rules

Kredi Garanti Fonu Inc.

Explanatory Notes to The Financial Statements for The Accounting Period January 1 – December 31, 2024

(Unless otherwise indicated, amounts are expressed in Turkish Lira (“TL”) at the purchasing power as of December 31, 2024.)

TAS 1 (Amendments) Disclosure of Accounting Policies
This amendment requires entities to apply materiality principles in the disclosure of accounting policies.
The amendment to TAS 1 is effective for annual reporting periods beginning on or after 1 January 2024, with earlier application permitted.

TAS 8 (Amendments) Definition of Accounting Estimates
This amendment introduces the definition of “accounting estimate” in place of “change in accounting estimate,” includes examples and explanatory paragraphs regarding estimates, and clarifies the prospective application of estimates versus the retrospective correction of errors, as well as the differences between these concepts.
The amendments to TAS 8 are effective for annual reporting periods beginning on or after 1 January 2024, with earlier application permitted.

TAS 12 (Amendments) – Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction

These amendments clarify that the exemption from recognizing deferred tax at the initial recognition of an asset or liability does not apply to transactions where equal amounts of taxable and deductible temporary differences arise at initial recognition.
The amendments to TAS 12 are effective for annual reporting periods beginning on or after 1 January 2024, with earlier application permitted.

TAS 12 (Amendments) – International Tax Reform – Pillar Two Model Rules

These amendments introduce a temporary exception from the requirements to recognize deferred tax assets and liabilities related to the Pillar Two income tax.
The amendments to TAS 12 are effective for annual reporting periods beginning on or after 1 January 2024.

Amendments Issued by the International Accounting Standards Board (IASB) but Not Yet Issued by the POA

The following two amendments to IFRS 9 and IFRS 7, the Annual Improvements to IFRS Accounting Standards, and the IFRS 18 and IFRS 19 standards have been issued by the IASB but have not yet been endorsed or published by the POA; therefore, they do not form part of the Turkish Financial Reporting Standards (TFRS) yet. The Company will make the necessary amendments in its financial statements and notes once these standards and amendments become effective under TFRS.

- Amendments to IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments
- Amendments to IFRS 9 and IFRS 7 – Contracts for Electricity from Renewable Energy Sources
- IFRS 18 – Presentation and Disclosures in Financial Statements (New Standard)
The potential impact of these standards, amendments, and improvements on the Company’s financial position and performance is being assessed.
- IFRS 19 – Subsidiaries without Public Accountability: Disclosures Standard



Kredi Garanti Fonu Inc.

Explanatory Notes to The Financial Statements for The Accounting Period January 1 – December 31, 2024

(Unless otherwise indicated, amounts are expressed in Turkish Lira (“TL”) at the purchasing power as of December 31, 2024.)

TSRS 1 – General Requirements for the Disclosure of Sustainability-related Financial Information

TSRS 1 sets out general requirements for sustainability-related financial disclosures to provide users of general-purpose financial reports with information useful in making decisions about providing resources to the entity, focusing on sustainability-related risks and opportunities. Application of this standard is mandatory for entities meeting the criteria outlined in the POA’s announcement dated 5 January 2024 (no. 2024-5), as well as for banks, regardless of criteria, for annual reporting periods beginning on or after 1 January 2024. Other entities may apply TSRS standards voluntarily. The Company has not reported in accordance with the TSRS standards.

TSRS 2 – Climate-related Disclosures

TSRS 2 sets out the requirements for identifying, measuring, and disclosing climate-related risks and opportunities useful to users of general-purpose financial reports in making resource allocation decisions. Application of this standard is mandatory for entities meeting the criteria outlined in the POA’s announcement dated 5 January 2024 (no. 2024-5), as well as for banks, regardless of criteria, for annual reporting periods beginning on or after 1 January 2024. Other entities may apply TSRS standards voluntarily. The Company has not reported in accordance with the TSRS standards.

Going Concern

The Company’s financial statements have been prepared on a going concern basis, assuming that the Company will realize its assets and discharge its liabilities in the normal course of business over the next twelve months.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The key accounting policies applied in the preparation of the accompanying financial statements are as follows:

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, cash at banks, and deposits. Cash and cash equivalents consist of highly liquid assets with a maturity of three months or less, which are readily convertible to known amounts of cash and subject to insignificant risk of changes in value. Cash and cash equivalents are presented at acquisition cost plus accrued interest. The carrying amount of these assets approximates their fair value.

Trade Receivables and Expected Credit Losses

Trade receivables comprise guarantee amounts transferred to legal and administrative collection. Trade receivables are measured at amortized cost using the effective interest method. Short-term trade receivables without a specified interest rate are measured at invoice amounts, if the effect of interest accrual is insignificant.

If there is objective evidence that the Company may not collect amounts due, an allowance is recognized for credit risk. The amount of the allowance is the difference between the carrying amount of the receivable and the recoverable amount. The recoverable amount is the discounted value of all expected cash flows, including amounts collectible from guarantees and collaterals, using the effective interest rate. If the impairment amount decreases due to an event occurring after the impairment was recognized, the decrease is reversed in the current period's income statement.

Kredi Garanti Fonu Inc.

Explanatory Notes to The Financial Statements for The Accounting Period January 1 – December 31, 2024

(Unless otherwise indicated, amounts are expressed in Turkish Lira (“TL”) at the purchasing power as of December 31, 2024.)

The Company applies the expected credit loss (ECL) model under TFRS 9 for measuring expected credit losses related to financial assets measured at amortized cost (e.g., bank deposits, financial investments at amortized cost, and trade receivables) as well as allocated equity-backed guarantee risks.

The estimate of expected credit losses includes unbiased, probability-weighted amounts, considers the time value of money, and incorporates supportable information about past events, current conditions, and forecasts of future economic conditions.

Where trade receivables are not individually impaired, the Company measures expected credit losses at an amount equal to lifetime expected credit losses. The calculation incorporates historical credit loss experience and the Company’s forward-looking estimates. For bank deposits, financial investments at amortized cost, and trade receivables, provisions are deducted from the respective asset line items on the balance sheet, while provisions for equity-backed guarantee risks are recognized under short-term and long-term provisions in liabilities.

Disclosures on Financial Assets

The Company classifies and accounts for its financial assets as “Financial Assets at Fair Value Through Profit or Loss (FVTPL),” “Financial Assets at Fair Value Through Other Comprehensive Income (FVOCI),” or “Financial Assets Measured at Amortized Cost.” These financial assets are recognized and derecognized in accordance with the provisions on “Recognition and Derecognition of Financial Instruments” in Section 3 of the “TFRS 9 Financial Instruments” standard, published in the Official Gazette dated 19 January 2017 and numbered 29953 by the Public Oversight Accounting and Auditing Standards Authority (POA).

Financial assets are initially measured at fair value. For financial assets other than those at FVTPL, transaction costs are added to or deducted from the fair value at initial recognition. The Company recognizes a financial asset in its statement of financial position only when it becomes a party to the contractual provisions of the instrument. When a financial asset is initially recognized, management considers the business model under which the asset is held and the contractual cash flow characteristics of the financial asset. If the business model is changed, all affected financial assets are reclassified, and the reclassification is applied prospectively. In such cases, no adjustment is made to previously recognized gains, losses, or interest.

a. Financial Assets at Fair Value Through Profit or Loss (FVTPL):

These are financial assets managed under a business model other than one aimed at collecting contractual cash flows or collecting contractual cash flows and selling the assets, or where the contractual terms do not give rise to cash flows solely representing payments of principal and interest. They include assets held for the purpose of generating short-term profit from fluctuations in prices or similar elements, or assets that are part of a portfolio aimed at short-term profit.

FVTPL financial assets are initially recognized at fair value and subsequently measured at fair value. Gains and losses arising from changes in fair value are included in profit or loss.

As of 31 December 2024 and 2023, the Company does not have any financial assets classified as FVTPL.



Kredi Garanti Fonu Inc.

Explanatory Notes to The Financial Statements for The Accounting Period January 1 – December 31, 2024

(Unless otherwise indicated, amounts are expressed in Turkish Lira (“TL”) at the purchasing power as of December 31, 2024.)

b. Financial Assets at Fair Value Through Other Comprehensive Income (FVOCI):
These are financial assets held under a business model aimed at both collecting contractual cash flows and selling the assets, where contractual terms give rise to cash flows that are solely payments of principal and interest on specified dates. They are initially recognized at fair value, including transaction costs, and subsequently measured at fair value. Interest income calculated using the effective interest method and dividend income from equity investments are recognized in the income statement.

Unrealized gains and losses, i.e., the difference between fair value and amortized cost, are recognized in the “Accumulated Other Comprehensive Income or Expense to Be Reclassified to Profit or Loss” account under equity until the asset is collected, sold, or impaired. Upon collection or disposal, accumulated fair value differences recognized in equity are reclassified to profit or loss.

Upon initial recognition, the entity may make an irrevocable election to present subsequent changes in the fair value of an equity investment not held for trading in other comprehensive income. In this case, dividends received are recognized in profit or loss.

As of 31 December 2024 and 2023, the Company does not have any financial assets classified as FVOCI.

c. Financial Assets Measured at Amortized Cost:
A financial asset is classified as measured at amortized cost if it is held within a business model aimed at collecting contractual cash flows and if the contractual terms give rise to cash flows that are solely payments of principal and interest.

Such financial assets are initially measured at fair value plus transaction costs and subsequently measured at amortized cost using the effective interest method. Interest income from these assets is recognized in the income statement.

As of 31 December 2024 and 2023, the Company does not have any financial assets measured at amortized cost.

d. Disclosures on Expected Credit Loss Provisions:

The “TFRS 9 Financial Instruments” standard, published in the Official Gazette dated 19 December 2017 and numbered 29953 by the Public Oversight Accounting and Auditing Standards Authority, replaced the “TAS 39 Financial Instruments: Recognition and Measurement” standard as of 1 January 2018. As of 31 December 2018, the method used for setting aside credit loss provisions under the relevant regulations was replaced with the expected credit loss (ECL) model under TFRS 9. The ECL estimate includes unbiased, probability-weighted amounts, considers the time value of money, and incorporates supportable information about past events, current conditions, and forecasts of future economic conditions.

Kredi Garanti Fonu Inc.

Explanatory Notes to The Financial Statements for The Accounting Period January 1 – December 31, 2024

(Unless otherwise indicated, amounts are expressed in Turkish Lira (“TL”) at the purchasing power as of December 31, 2024.)

Expected Credit Loss (ECL) Calculation – Inputs and Estimation Methodologies:

The ECL is calculated over the asset’s remaining lifetime, depending on whether it is determined that the asset has experienced a credit loss since initial recognition. The ECL is calculated using the components of Exposure at Default (EAD), Probability of Default (PD), and Loss Given Default (LGD).

Exposure at Default (EAD): Represents the risk amount at the time of guarantee payment if the Company’s equity-backed guarantees are triggered. It is calculated and updated over the borrower’s remaining maturity.
Probability of Default (PD): Represents the likelihood that the borrower will default on obligations, leading to the triggering of the Company’s equity-backed guarantees. The Company estimates lifetime PD using historical data and extrapolating observed default rates using various functions.

The models used to estimate PD are developed using historical data on compensated and uncompensated guarantees, taking into account past loss experiences. Under TFRS 9, PD values are calculated separately for each borrower based on their sector. The relationship between risk parameters and macroeconomic conditions has been identified, and macroeconomic forecasts are considered using different scenarios when assessing PD changes.

The expected credit loss calculations are reviewed once a year. Following the most recent review conducted within the reporting period:

- There have been no changes in the assumptions of the estimation techniques.
- The model risk parameters and macroeconomic forecast models have been updated using recent data from the short-term period.

Loss Given Default (LGD): Represents the portion of the receivable that is not recoverable following the borrower’s default.

The LGD methodology considers long-term recovery processes specific to each sector, including compensated guarantees and recovery amounts, and calculates the LGD by deducting net recoveries from the compensated amount, discounted at the effective interest rate or an approximate rate.

The ECL is calculated over the remaining maturity using EAD, PD, and LGD components. The calculated values are discounted to the reporting date using the discount rate, original effective interest rate, or an approximate rate. Additionally, the Company performs individual assessments for compensated guarantees with risk amounts exceeding a certain threshold, as required by Company policy.



Kredi Garanti Fonu Inc.

Explanatory Notes to The Financial Statements for The Accounting Period January 1 – December 31, 2024

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Write-off Policy

The Company applies a write-off policy primarily when guarantees have been compensated, there is no expectation of recovery, and this is supported by legal documentation.

Partial write-offs occur when an agreement is reached that only part of the receivable will be paid by the debtor, and the remaining balance is written off from the financial statements following receipt of the agreed amount

Trade Payables

Trade payables represent amounts to be paid for goods and services, whether invoiced or not, and are recorded at amortized cost, which represents their fair value.

Property, Plant and Equipment

Property, plant and equipment are stated at acquisition cost, less accumulated depreciation and impairment losses, if any. The cost of property, plant and equipment includes the purchase price, non-refundable taxes, and costs directly attributable to bringing the asset to its intended use.

Except for land, plots, and construction-in-progress, the cost amounts of property, plant and equipment are depreciated using the straight-line method over their estimated useful lives. The estimated useful lives, residual values, and depreciation methods are reviewed annually, and the effects of any changes in estimates are accounted for prospectively.

The estimated useful lives of these assets are as follows:

Asset Type	Useful Life
Buildings	50 years
Vehicles	5 years
Fixtures and Fittings	3–15 years
Right-of-Use Assets	Over useful life
Leasehold Improvements	Over lease term

Expenditures arising from the replacement of any part of property, plant and equipment can be capitalized if they represent maintenance costs that enhance the future economic benefits of the asset. All other expenses are recognized in profit or loss as incurred within expense items.

When there are indications of impairment in property, plant and equipment, a review is conducted to determine whether any impairment loss has occurred. If the carrying amount of the asset exceeds its recoverable amount, the carrying amount is reduced to its recoverable amount through the recognition of an impairment provision.

The recoverable amount is defined as the higher of the asset’s net selling price and the value in use derived from the net cash flows expected from its continued use.

Gains and losses arising from the sale of property, plant and equipment are included in other operating income and expenses.

Property, plant and equipment acquired before 1 January 2005 are carried at cost adjusted for the effects of inflation.

Kredi Garanti Fonu Inc.

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(Unless otherwise indicated, amounts are expressed in Turkish Lira (“TL”) at the purchasing power as of December 31, 2024.)

Intangible Assets

Intangible assets include software programs. Items purchased before 1 January 2005 are carried at cost adjusted for the effects of inflation as of 31 December 2004, while items acquired after 1 January 2005 are carried at acquisition cost less accumulated amortization and impairment losses. Amortization of intangible assets is recognized in the statement of comprehensive income using the straight-line method over their estimated useful lives, which range from 3 to 5 years.

Impairment of Non-Financial Assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If such an indication exists, the recoverable amount of the asset is estimated. An impairment loss is recognized if the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount. The recoverable amount is the higher of the asset’s net selling price and value in use. Value in use is the present value of the estimated future cash flows expected to be derived from the asset’s continued use and disposal at the end of its useful life. Impairment losses are recognized in the income statement.

Provisions, Contingent Assets, and Contingent Liabilities

A provision is recognized in the financial statements when the Company has a present legal or constructive obligation as a result of past events, 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 these conditions are not met, the matter is disclosed in the relevant notes to the financial statements. Contingent assets are not recognized in the financial statements unless they materialize but are disclosed in the notes.

Contingent assets are continuously assessed to ensure appropriate reflection in the financial statements. When the inflow of economic benefits becomes virtually certain, the related asset and associated income are recognized in the financial statements of the period in which the change occurs.

If the inflow of economic benefits becomes probable, the Company discloses the contingent asset in the notes to the financial statements.

Employee Benefits

Defined Benefit Plan

In accordance with the labor laws in Turkey, the Company is obliged to pay termination benefits to employees who have completed at least one year of service and who leave due to retirement or reasons other than resignation or misconduct.

The Company recognizes a provision for severance pay in the accompanying financial statements based on the estimated present value of the probable future liabilities arising from the retirement of employees. The provision for severance pay is calculated based on the ceiling amount announced by the government.

All actuarial gains and losses calculated are reflected in the income statement.

Defined Contribution Plan

The Company is required to pay social security contributions to the Social Security Institution in Turkey. As long as these contributions are paid, the Company has no further obligations. These contributions are recognized as employee expenses in the period in which they accrue.

Short-Term Employee Benefits

Short-term employee benefits are recognized as expenses in the income statement as the related service is provided, without discounting.

The amount expected to be paid as short-term cash bonuses is recognized as a provision if the Company has a present legal or constructive obligation to make such payments as a result of past service provided by the employee, and the obligation can be estimated reliably.



Kredi Garanti Fonu Inc.

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(Unless otherwise indicated, amounts are expressed in Turkish Lira (“TL”) at the purchasing power as of December 31, 2024.)

Leased Assets Disclosures

The Company as Lessee

At the inception of a contract, the Company assesses whether the contract is, or contains, a lease. A contract is classified as a lease or contains a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company recognizes a right-of-use asset and a lease liability in its financial statements at the commencement date of the lease.

In assessing whether a contract conveys the right to control the use of an identified asset, the Company considers the following:

1. The contract contains an identified asset, typically specified explicitly or implicitly.
2. The asset is physically distinct or represents substantially all of the capacity of the asset.
3. The Company has the right to obtain substantially all of the economic benefits from the use of the identified asset.
4. The Company has the right to direct the use of the identified asset, which is the case when:
 - a) The Company has the right to direct how and for what purpose the asset is used throughout the period of use, or
 - b) Decisions about how and for what purpose the asset will be used are predetermined:
 - i) The Company operates the asset or directs others to operate the asset as it determines, without the supplier having the right to change these operating instructions, or
 - ii) The Company designed the asset (or specific aspects of the asset) in a way that predetermines how and for what purpose it will be used throughout the period of use.

Right-of-Use Asset

The right-of-use asset is initially measured at cost, which comprises:

1. The initial measurement of the lease liability,
2. Any lease payments made at or before the commencement date, less any lease incentives received,
3. Any initial direct costs incurred by the Company, and
4. The costs incurred by the Company to restore the underlying asset to the condition required under the terms and conditions of the lease.

Under the cost model, the Company measures the right-of-use asset:

1. Less any accumulated depreciation and accumulated impairment losses, and
2. Adjusted for any remeasurement of the lease liability.

When depreciating the right-of-use asset, the Company applies the depreciation requirements in IAS 16 Property, Plant and Equipment. If the ownership of the underlying asset is transferred to the Company by the end of the lease term or if the cost of the right-of-use asset reflects that the Company will exercise a purchase option, the Company depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. In other cases, the Company depreciates 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 IAS 36 Impairment of Assets to determine whether the right-of-use asset is impaired and to account for any identified impairment losses.

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(Unless otherwise indicated, amounts are expressed in Turkish Lira (“TL”) at the purchasing power as of December 31, 2024.)

Lease Liability

At the commencement date of the lease, the Company measures the lease liability at the present value of lease payments that are not paid at that date. Lease payments are discounted using the implicit interest rate in the lease, if this rate can be readily determined; if not, the Company uses its incremental borrowing rate. The lease payments included in the measurement of the lease liability at the commencement date consist of:

1. Fixed payments, less any lease incentives receivable,
2. Lease payments linked to an index or rate, measured using the index or rate at the commencement date,
3. The exercise price of a purchase option if the Company is reasonably certain to exercise that option,
4. Payments of penalties for terminating the lease if the lease term reflects the lessee exercising an option to terminate the lease.

After the commencement date, the Company measures the lease liability by:

1. Increasing the carrying amount to reflect interest on the lease liability,
2. Reducing the carrying amount to reflect lease payments made, and
3. Remeasuring the carrying amount to reflect any reassessment or lease modifications. The Company reflects the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Extension and Termination Options

The lease liability is determined considering extension and termination options included in contracts. Most of these options are mutually exercisable by both the Company and the lessor. If the option is under the Company’s control and its exercise is reasonably certain, the Company includes it in the lease term. Any significant change in circumstances triggers a reassessment by the Company.

Practical Expedients

Short-term leases with a term of 12 months or less and leases of low-value IT equipment (mainly printers, etc.) are accounted for under the exemption provided in IFRS 16 Leases, and the related payments are recognized as expenses in the period incurred.

The Company as Lessor

The Company does not have any assets subject to lease as a lessor.

Revenue

The Company recognizes revenue in its financial statements when or as it satisfies a performance obligation by transferring a promised good or service to a customer. Control of the asset is transferred when the customer obtains control over the asset.

The Company applies the following five-step model under IFRS 15 “Revenue from Contracts with Customers” to account for revenue:



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(Unless otherwise indicated, amounts are expressed in Turkish Lira (“TL”) at the purchasing power as of December 31, 2024.)

- (a) Identify the contract with the customer,
- (b) Identify the performance obligations in the contract,
- (c) Determine the transaction price,
- (d) Allocate the transaction price to the performance obligations,
- (e) Recognize revenue when (or as) the entity satisfies a performance obligation.

Revenue is recognized when control over products is transferred to the customer. The Company recognizes revenue in the amount to which it has the right to invoice if it has the right to invoice the customer as the service is performed.

If the entity acts as an agent in arranging for the provision of specified goods or services by another party, it does not control the specified good or service before it is transferred to the customer. An agent recognizes revenue in the amount of the fee or commission it expects to be entitled to in exchange for arranging for the goods or services to be provided by the other party.

Financial Guarantees and Income

The Company provides financial guarantees in the form of sureties. The income earned includes guarantee commissions, review fees, and transaction charges. Initial year commissions are recognized as revenue upon execution of the transaction; transaction fees are recognized as service income when collected; subsequent year commissions are recognized on an accrual basis.

Financial Income and Expenses

Interest income and expenses are recognized in the income statement using the effective interest rate method. The effective interest rate is the discount rate that exactly discounts estimated future cash flows over the expected life of the financial asset or liability to the net carrying amount.

All fees, transaction costs, and premiums or discounts that are an integral part of the effective interest rate are included in the calculation. Transaction costs are incremental costs directly attributable to the acquisition, issuance, or disposal of a financial asset or liability.

Interest income and expenses reported in the income statement include interest calculated on the basis of the effective interest rate on financial assets and liabilities.

Foreign exchange gains and losses are included in financial income and expenses in the income statement.

Foreign Currency Transactions

Foreign currency transactions during the year are translated at the exchange rates prevailing at the transaction dates. Monetary assets on the balance sheet are translated at the buying rate, and monetary liabilities are translated at the selling rate at the balance sheet date. Foreign currency monetary assets and liabilities are translated into Turkish Lira at the exchange rates prevailing at the reporting date. Exchange differences arising from such transactions are recognized in the income statement.

Kredi Garanti Fonu Inc.

Explanatory Notes to The Financial Statements for The Accounting Period January 1 – December 31, 2024

(Unless otherwise indicated, amounts are expressed in Turkish Lira (“TL”) at the purchasing power as of December 31, 2024.)

Management Decision on Exchange Rates

The Company’s management evaluated the use of the buying rate on 29 December 2024, instead of the 31 December 2024 spot rate, for the translation of foreign currency balances and opted to use the 29 December 2024 rate, concluding that it does not have a material impact on the financial statements.

31 December 2024	Buying Rate	Selling Rate
US Dollar	35,2803	35,3438
Euro	36,7362	36,8024

Related Parties

Related parties are persons or entities that are related to the entity preparing its financial statements (the reporting entity).

- (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 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 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 itself has 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).

A related party transaction is a transfer of resources, services, or obligations between a reporting entity and a related party, regardless of whether a price is charged.

Taxation

The Tax Procedure Law No. 213, the Law on the Collection of Public Receivables No. 6183, the Income Tax Law No. 193, the repealed Corporate Tax Law No. 5520, and the amendments introduced by Law No. 6009 on Amendments to the Value Added Tax Law No. 3065, entered into force following publication in the Official Gazette dated 2 June 1995.

According to this law, “Institutions established solely to provide credit guarantees within the framework of financial and technical cooperation agreements with foreign countries or international financial institutions, and which add the income derived from these activities to guarantee responsibility funds without distributing to shareholders and deposit such funds in banks or institutions providing the loans,” are exempt from corporate tax under Article 4, Paragraph 1, Subparagraph (I) of the Corporate Tax Law (amended by Article 4 of Law No. 6009).



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Under Article 17/4-e of the Value Added Tax Law, Article 7(24) of the repealed Corporate Tax Law No. 5422, and Article 4(I) of the new Corporate Tax Law No. 5520, the credit guarantee services provided by these institutions are exempt from value-added tax.

With the addition of Article 22 to Section V—Papers Related to Institutions—in Table 2 of the Stamp Tax Law No. 488, through Article 29 of the Law on Amendments to Certain Laws No. 4842, papers issued in transactions related to the credit guarantees of institutions specified in Article 7(24) of the Corporate Tax Law are exempt from stamp tax.

Cash Flow Statement

The cash flow statement reports cash flows for the period, classified by operating, investing, and financing activities.

Cash flows from operating activities reflect cash flows arising from the Company’s principal revenue-producing activities.

Cash flows from investing activities reflect cash flows used in or generated from investing activities (such as capital investments and financial investments).

Cash flows from financing activities reflect the sources of cash from and repayments of cash to external financing.

Events After the Balance Sheet Date

Events after the balance sheet date comprise all events between the balance sheet date and the date the financial statements are authorized for issue, even if they occur after the announcement of the profit or the release of selected financial information to the public.

If events occur after the balance sheet date that require adjustments, the Company adjusts the amounts recognized in its financial statements to reflect such events.

NOTE 4 – CASH AND CASH EQUIVALENTS

As of 31 December 2024 and 31 December 2023, the details of cash and cash equivalents are as follows:

	31 December 2024	31 December 2023
Cash on Hand	-	-
Banks	8.279.577.549	6.172.506.881
- Demand Deposits	2.841.609	541.593
- Other Fund Providers	3,953,690,718	3,202,605,481
- Time Deposits	4.213.851.467	2.924.602.535
- Accrued Interest	109.193.755	44.757.272
Expected Credit Loss Provisions	(24.838.512)	
Total	8.254.739.037	6.172.506.881

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Explanatory Notes to The Financial Statements for The Accounting Period January 1 – December 31, 2024

(Unless otherwise indicated, amounts are expressed in Turkish Lira (“TL”) at the purchasing power as of December 31, 2024.)

As of 31 December 2024, the original maturities of TL, Euro, and US Dollar time deposits at domestic banks are less than 3 months, with average interest rates as follows:

Average Interest Rates	31 December 2024	31 December 2023
TL	49,35%	23,58%
USD	0,00%	2,44%
EUR	2,90%	0,53%

As of 31 December 2024, there is a balance of TL 4,062,909,473 blocked on the original deposit balances (31 December 2023: TL 3,252,510,968).

As of 31 December 2024 and 31 December 2023, in the Company’s cash flow statements, cash and cash equivalents are presented after deducting accrued interest and blocked accounts from cash on hand, and adding expected credit loss provisions.

	31 December 2024	31 December 2023
Cash and Cash Equivalents	8.254.739.037	6.172.506.881
Other Blocked Accounts	(3,953,690,718)	(3,202,605,481)
Collateral Blockages	(25.000)	(5.153.364)
Accrued Interest	(109.193.755)	(44.757.272)
Total	4.191.829.564	2.919.990.764

NOTE 5 – FINANCIAL INVESTMENTS

As of 31 December 2024 and 31 December 2023, there are no financial investments.

NOTE 6 – TRADE RECEIVABLES AND PAYABLES

a) Trade Receivables

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

Trade Receivables	31 December 2024	31 December 2023
Other Trade Receivables	143.483.243	194.297.914
Receivables Under Legal Follow-up	145.076.615	233.596.530
Allowance for Doubtful Receivables	(211.273.784)	(340.507.287)
Total	77.286.075	87.387.157



Kredi Garanti Fonu Inc.

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(Unless otherwise indicated, amounts are expressed in Turkish Lira (“TL”) at the purchasing power as of December 31, 2024.)

The movements of the allowance for doubtful receivables as of 31 December 2024 and 31 December 2023 are as follows:

Allowance for Doubtful Receivables	31 December 2024	31 December 2023
1 January Balance	(340.507.287)	(572.414.204)
Reversals of Allowance for Doubtful Receivables No Longer Required	(9.759.691)	(63.638.892)
Provisions Recognized During the Year	59.464.975	56.751.117
Monetary Loss / (Gain)	79.528.219	238.794.692
Ending Balance	(211.273.784)	(340.507.287)

a) Trade Payables

As of 31 December 2024 and 31 December 2023, the Company’s trade payables are as follows:

Trade Payables	31 December 2024	31 December 2023
Other Financial Liabilities	203.068	270.123
Vendors	18.281.732	2.387.972
Other Trade Payables	6.021.208	-
Total	24.506.008	2.658.095

NOTE 7 - OTHER RECEIVABLES AND PAYABLES

a) Other Receivables

As of 31 December 2024 and 31 December 2023, the Company’s other receivables are as follows:

Other Receivables	31 December 2024	31 December 2023
Deposits and Guarantees Given	19.081	16.690
Advances Given for Orders	19.548	780
Other Miscellaneous Receivables	-	5.356
Total	38.629	22.826

Kredi Garanti Fonu Inc.

Explanatory Notes to The Financial Statements for The Accounting Period January 1 – December 31, 2024

(Unless otherwise indicated, amounts are expressed in Turkish Lira (“TL”) at the purchasing power as of December 31, 2024.)

b) Other Payables

As of 31 December 2024 and 31 December 2023, the Company’s other payables are as follows:

Other Payables	31 December 2024	31 December 2023
Deposits and Guarantees Received (*)	2.788.104	3.162.466
Fee and Commission Advances	8.219.092	9.624.232
Overdue Deferred Installment Taxes and Other Liabilities	250.480	-
Payables to Branches	-	12.490
Total	11.257.676	12.799.188

(*) They arise from the amounts received in cash from the companies guaranteed under equity-backed sureties and from the assignments over payments made by third parties to the guaranteed companies.

NOTE 8 - PREPAID EXPENSES AND DEFERRED INCOME

a) Prepaid Expenses

As of 31 December 2024 and 31 December 2023, the Company’s prepaid expenses are as follows:

PREPAID EXPENSES	31 December 2024	31 December 2023
Expenses for Future Periods	2.585.382	4.740.013
Total	2.585.382	4.740.013

b) Deferred Income

As of 31 December 2024 and 31 December 2023, the deferred income and their recognition periods are as follows:

Deferred Income	31 December 2024	31 December 2023
up to 1 month	88.795.402	52.326.243
1–3 months	161.949.527	94.858.328
3–6 months	245.082.034	126.187.844
6–12 months	424.289.525	179.972.290
Total	920.116.488	453.344.705

Deferred income consists of guarantee commissions received annually in advance from customers for allocated guarantees, and these amounts are recognized as income proportionally over the relevant periods.



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(Unless otherwise indicated, amounts are expressed in Turkish Lira (“TL”) at the purchasing power as of December 31, 2024.)

NOTE 9 – PROPERTY, PLANT AND EQUIPMENT

The movements in property, plant, and equipment as of December 31, 2024, and December 31, 2023, are as follows:

As of December 31, 2024, all depreciation expenses are recognized under the “Cost of Sales” account in the statement of profit or loss.

As of December 31, 2024, there is no mortgage on property, plant, and equipment.

Property, Plant and Equipment	January 1, 2024	Additions	Disposals	December 31, 2024
Vehicles	14.702.594			14.702.594
Fixtures and Fittings	107.568.592	1.389.489	4.677.909	104.280.172
Leasehold Improvements	6.588.648		2.046.275	4.542.373
Total	128.859.834	1.389.489	6.724.184	123.525.139
Accumulated Depreciation (-)	January 1, 2024	Additions	Disposals	December 31, 2024
Vehicles	5.256.704	2.276.220		7.532.924
Fixtures and Fittings	65.383.621	12.761.815	4.595.492	73.549.944
Leasehold Improvements	3.263.657	894.475	2.046.270	2.111.862
Total	73.903.982	15.932.510	6.641.762	83.194.730
Net Book Value	54.955.852			40.330.409

Property, Plant and Equipment	January 1, 2023	Additions	Disposals	December 31, 2023
Vehicles	14,702,594	-	-	14,702,594
Fixtures	76,102,348	31,657,329	191,087	107,568,592
Leasehold Improvements	2,857,001	3,731,647	-	6,588,648
Total	93,661,945	35,388,976	191,087	128,859,834
Accumulated Depreciation (-)	January 1, 2023	Additions	Disposals	December 31, 2023
Vehicles	2,792,563	2,464,141	-	5,256,704
Fixtures	54,369,076	11,083,548	69,003	65,383,621
Leasehold Improvements	2,449,424	814,233	-	3,263,657
Total	59,611,063	14,361,922	69,003	73,903,982
Net Book Value	34.050.882			54.955.852

Kredi Garanti Fonu Inc.

Explanatory Notes to The Financial Statements for The Accounting Period January 1 – December 31, 2024

(Unless otherwise indicated, amounts are expressed in Turkish Lira (“TL”) at the purchasing power as of December 31, 2024.)

NOTE 10 – INTANGIBLE ASSETS

As of December 31, 2024 and December 31, 2023, the movements in intangible assets of the Company are as follows:

Intangible Assets	January 1, 2024	Additions	Disposals	December 31, 2024
Rights	425.463	85.187	127.555	383.095
Computer Software	148.405.405		34.080.417	114.324.988
Investments in Progress (*)	56.609.959	51.368.575	74.774.750	33.203.784
Total	205.440.828	51.453.762	108.982.723	147.911.867
Accumulated Amortization (-)	January 1, 2024	Additions	Disposals	December 31, 2024
Rights	301.484	64.232	128.849	236.866
Computer Software	119.344.582	28.160.300	72.889.384	74.615.498
Total	119.646.066			74.852.364
	-			
Net Book Value	85.794.764			73.059.503

(*) They consist of incomplete software and system installation expenses.

As of December 31, 2024, all amortization expenses are recognized under the “Cost of Sales” account in the income statement.

Intangible Fixed Assets	January 1, 2023	Additions	Disposals	December 31, 2023
Rights	425.463	-	-	425.463
Computer Software	132.846.062	15.559.344	-	148.405.405
Investments in Progress (*)	50.201.547	6.408.412	-	56.609.959
Total	183.473.074	21.967.756	-	205.440.829
Accumulated Amortization (-)	January 1, 2023	Additions	Disposals	December 31, 2023
Rights	215.016	86.467	-	301.484
Computer Software	94.203.889	25.140.694	-	119.344.582
Total	94.418.905	25.227.159	-	119.646.066
Net Book Value	89.054.168	-	-	85.794.764



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Explanatory Notes to The Financial Statements for The Accounting Period January 1 – December 31, 2024

(Unless otherwise indicated, amounts are expressed in Turkish Lira (“TL”) at the purchasing power as of December 31, 2024.)

NOTE 11 – RIGHT-OF-USE ASSETS

As of December 31, 2024 and December 31, 2023, the Company’s right-of-use assets are as follows:

Right-of-Use Assets	January 1, 2024	Additions	Disposals (-)	December 31, 2024
Properties	93.131.847	52.370.412		145.502.259
Vehicles	19.773.817	6.492.761		26.266.578
Total	112.905.664			171.768.837
Accumulated Amortization (-)	January 1, 2024	Additions	Disposals (-)	December 31, 2024
Properties	85.505.627	54.986.501		140.492.128
Vehicles	6.830.955	8.128.799		14.959.755
Total	92.336.582			155.451.883
Net Book Value	20.569.082			16.316.954

Right-of-Use Assets	January 1, 2023	Additions	Disposals (-)	December 31, 2023
Properties	52.734.935	40.396.912	-	93.131.847
Vehicles	30.625.606	-	10.851.788	19.773.817
Total	83.360.541	40.396.912	10.851.788	112.905.664
Accumulated Amortization (-)	January 1, 2023	Additions	Disposals (-)	December 31, 2023
Properties	49.195.630	36.309.996	-	85.505.627
Vehicles	5.313.020	4.782.296	3.264.360	6.830.955
Total	54.508.650	41.092.292	3.264.360	92.336.582
	-	-	-	-
Net Book Value	28.851.891	-	-	20.569.082

NOTE 12 – LIABILITIES FROM LEASE TRANSACTIONS

a) Short-Term Lease Liabilities

As of December 31, 2024 and December 31, 2023, the Company’s short-term lease liabilities are as follows:

Short-Term Lease Liabilities	December 31, 2024	December 31, 2023
Lease Liabilities	2.026.965	4.685.852
Total	2.026.965	4.685.852

Kredi Garanti Fonu Inc.

Explanatory Notes to The Financial Statements for The Accounting Period January 1 – December 31, 2024

(Unless otherwise indicated, amounts are expressed in Turkish Lira (“TL”) at the purchasing power as of December 31, 2024.)

b) Long-Term Lease Liabilities

As of December 31, 2024 and December 31, 2023, the Company’s long-term lease liabilities are as follows:

Long-Term Lease Liabilities	December 31, 2024	December 31, 2023
Lease Liabilities	2.708.656	6.735.989
Total	2.708.656	6.735.989

NOTE 13 – LIABILITIES FOR EMPLOYEE BENEFITS

As of December 31, 2024 and December 31, 2023, the Company’s short-term employee benefits liabilities are as follows:

LIABILITIES FOR EMPLOYEE BENEFITS	December 31, 2024	December 31, 2023
Payables to Personnel	1.382.706	725
Social Security Withholdings Payable	3.657.722	7.349.958
Income Taxes Payable	3.857.187	4.125.656
Total	8.897.616	11.476.339

NOTE 14 - SHORT-TERM AND LONG-TERM PROVISIONS

a) Short-Term Provisions

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

Short-Term Provisions	December 31, 2024	December 31, 2023
Leave Provisions	4.745.316	7.601.979
Bonus Provisions	-	2.555.508
Litigation Provisions	2.970.401	2.705.182
Expected Credit Loss Provisions for Guarantees Provided	51.562.062	25.660.761
Total	59.277.779	38.523.430



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(Unless otherwise indicated, amounts are expressed in Turkish Lira (“TL”) at the purchasing power as of December 31, 2024.)

b) Long-Term Provisions

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

Long-Term Provisions	December 31, 2024	December 31, 2023
Provision for Employment Termination Benefits	19.872.964	29.945.084
Expected Credit Loss Provisions on Guarantees Provided	161.480.468	83.249.376
Total	181.353.432	113.194.460

Provision for Employment Termination Benefits

The provision for employment termination benefits represents the present value of the Company’s estimated future obligations arising from the retirement of employees, calculated in accordance with the Turkish Labor Law. The provision is calculated on an accrual basis as employees earn their rights, and it is reflected in the financial statements. The calculation is based on the severance pay ceiling determined by the government. As of December 31, 2024 and December 31, 2023, the applicable severance pay ceilings were TL 46,655.43 and TL 35,058.58, respectively.

The movement of the provision for employment termination benefits during the current period is presented below:

Provision for Employment Termination Benefits	December 31, 2024	December 31, 2023
January 1	29.945.084	33.432.348
Service Cost	2.608.643	3.607.426
Interest Expense	9.807.308	7.501.244
Actuarial (Income)/Expense	(8.109.061)	7.713.604
Paid	(3.560.740)	(9.167.099)
Monetary Loss/Gain	(10.818.270)	(13.142.440)
December 31	19.872.964	29.945.084

According to Turkish Financial Reporting Standards, actuarial valuation methods must be developed to determine the company’s severance pay provision liability. The main actuarial assumptions used in calculating the severance pay liability in the accompanying financial statements as of December 31, 2024, and December 31, 2023, are as follows:

	December 31, 2024	December 31, 2023
Net Discount Rate	%3,77	%3,92
Probability Rate Used for Retirement	%96,63	%98,17

Kredi Garanti Fonu Inc.

Explanatory Notes to The Financial Statements for The Accounting Period January 1 – December 31, 2024

(Unless otherwise indicated, amounts are expressed in Turkish Lira (“TL”) at the purchasing power as of December 31, 2024.)

c) Provisions for Guarantee Transactions

The movements of provisions allocated for guarantee transactions as of December 31, 2024 and December 31, 2023 are as follows:

Provisions for Guarantee Transactions	December 31, 2024	December 31, 2023
January 1 Balance	108.910.137	85.030.783
Guarantees Expected Credit Loss Provisions (ST)	51.562.062	25.660.761
Provisions Allocated During the Year	33.788.867	16.401.918
Guarantees Expected Credit Loss Provisions (LT)	161.480.468	83.249.376
Released Provisions	-	-
Provisions Allocated During the Year	103.820.160	40.903.501
Monetary Loss / (Gain)	(33.476.634)	(33.426.064)
Period End	213.042.530	108.910.137

(*) Prior year Turkish Lira equivalent amounts have been prepared based on the purchasing power as of December 31, 2024.

NOTE 15 - OTHER ASSETS AND LIABILITIES

a) Other Current Assets

Other Current Assets	December 31, 2024	December 31, 2023
Receivables from Personnel	2.521	3.640
Business Advances	-	419
Total	2.521	4.058

As of December 31, 2024 and December 31, 2023, the Company’s other current assets are as follows:

b) Other Non-Current Assets

Other Non-Current Assets	December 31, 2024	December 31, 2023
Land and Plots	1.049.125	1.774.429
Buildings	1.241.708	1.514.717
Total	2.290.833	3.289.145

Land, plots, and buildings consist of assets acquired by the Company due to its non-performing loan portfolio, which are not used by the Company itself and cannot be classified under TFRS 5.



Kredi Garanti Fonu Inc.

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(Unless otherwise indicated, amounts are expressed in Turkish Lira (“TL”) at the purchasing power as of December 31, 2024.)

c) Short-Term Other Liabilities

As of December 31, 2024 and December 31, 2023, the Company’s short-term other liabilities are as follows:

Short-Term Other Liabilities	December 31, 2024	December 31, 2023
Funds (*)	3.953.177.602	3,214,545,250
Taxes and Funds Payable	2.203.906	702.993
Other Liabilities	5.715.572	526.588
Total	3.961.097.080	3.215.774.831

d) Long-Term Other Liabilities

As of December 31, 2024 and December 31, 2023, the Company has no long-term other liabilities.

e) Short-Term Borrowings

Short-Term Borrowings	December 31, 2024	December 31, 2023
Short-Term Borrowings	2.029.733	-
Total	2.029.733	-

(*) The Company has signed agreements with various institutions to regulate the principles of utilization and operation of funds to be established within those institutions, in order to provide the necessary collateral for any type of loan to be obtained by small or medium-sized industrial enterprises operating in Turkey. In the event of force majeure circumstances that prevent or significantly endanger the use of fund contributions in accordance with their purpose, the implementation of the Credit Guarantee Fund (KGF) applications, or the fulfillment of obligations by the parties, such agreements may be terminated, and the fund accounts liquidated, by mutual agreement between the parties. These funds consist of contributions from the European Investment Fund, the GTZ Fund, the Republic of Türkiye Ministry of Treasury and Finance, and the Baku-Tbilisi-Ceyhan Company (“BTC”) funds.

Based on the protocol signed between the Republic of Türkiye Ministry of Treasury and Finance and Kredi Garanti Fonu A.Ş., guarantee operations backed by Treasury support commenced in February 2010. According to the protocol, Kredi Garanti Fonu has recorded the portion of the commissions and fees collected from guarantees provided under Treasury support, attributable to itself, as income in its financial statements, while the portion attributable to the Treasury has been recognized as a liability under “obligations to the Ministry of Treasury and Finance” in other liabilities. Over the years, changes have occurred in commission rates, fee amounts, and sharing ratios.

Among the shareholders of KGF, KOSGEB has implemented financial support schemes in which, following the issuance of loans by protocol banks under agreed conditions, all or part of the interest/profit share is covered by KOSGEB. In cases where the guarantee becomes a doubtful receivable, the fund amounts provided are used by the Company under the Finance Agreement signed between the German Development Bank (KfW) – representing the German Ministry for Economic

Kredi Garanti Fonu Inc.

Explanatory Notes to The Financial Statements for The Accounting Period January 1 – December 31, 2024

(Unless otherwise indicated, amounts are expressed in Turkish Lira (“TL”) at the purchasing power as of December 31, 2024.)

Cooperation and Development – and KGF, for lending to SMEs located in provinces with a high number of Syrian refugees. These loans are backed by KGF guarantees, and if the employment commitment (of additional Turkish and Syrian staff) is fulfilled, the loan interest is covered by KOSGEB. Additionally, an Implementation Agreement has been signed between KGF, KfW, and KOSGEB to govern these practices.

NOT 16 - EQUITY

a) Paid-in Capital

As of December 31, 2024 and December 31, 2023, the shareholding structure of the Company is as follows:

Dec. 31, 2024	Shareholding (%)	Group A	Group B	Group C	Group D	Total
TOBB	28,30%	145.196.895	-	-	-	145.196.895
KOSGEB	28,29%	-	145.155.059	-	-	145.155.059
29BANKA	43,28%	-	-	222.102.876	-	222.102.876
TESK	0,12%	-	-	-	619.358	619.358
TOSYÖV	0,01%	-	-	-	40.016	40.016
MEKSA	0,00%	-	-	-	20.026	20.026

Nominal Capital	100%	145.196.895	145.155.059	222.102.876	679.400	513.134.230
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Dec. 31, 2024	Shareholding (%)	Group A	Group B	Group C	Group D	Total
TOBB	28,30%	145.196.895	-	-	-	145.196.895
KOSGEB	28,29%	-	145.155.059	-	-	145.155.059
29BANKA	43,28%	-	-	222.102.876	-	222.102.876
TESK	0,12%	-	-	-	619.358	619.358
TOSYÖV	0,01%	-	-	-	40.016	40.016
MEKSA	0,00%	-	-	-	20.026	20.026

Nominal Sermaye	100%	145.196.895	145.155.059	222.102.876	679.400	513.134.230
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The Company’s registered capital is 513,134,229.53 Turkish Lira.

This capital is divided into 51,313,422,953 registered shares, each with a nominal value of 1 kuruş (0.01 TL).

The management and administration of the Company are carried out by a Board of Directors consisting of a total of ten members: three members from each of the A, B, and C Group shareholders, and the general manager of the Company.

However, in the event that the Republic of Turkey Prime Ministry Undersecretariat of Treasury provides funding to the Company, until the Treasury support accounts are closed and liquidated, one of the three representatives of the B Group and C Group shareholders on the Board of Directors shall be selected from among the candidates nominated by the Undersecretariat of Treasury.

Following the closure and liquidation of the Treasury support accounts after the Treasury has provided funding to the Company, the members representing the Undersecretariat of Treasury shall be replaced by one person nominated by the B Group shareholders and one person nominated by the C Group shareholders.



Kredi Garanti Fonu Inc.

Explanatory Notes to The Financial Statements for The Accounting Period January 1 – December 31, 2024

(Unless otherwise indicated, amounts are expressed in Turkish Lira (“TL”) at the purchasing power as of December 31, 2024.)

The term of office for the members of the Board of Directors is three years for shareholders of A and B Groups, and two years for shareholders of the C Group. Members whose term has expired may be re-elected. The Board of Directors shall elect one of the persons nominated by the A Group shareholders as the chairman of the Board.

The details of the Company’s shareholding structure are as follows:

Shareholders	Capital Amount (TL)	Shareholding (%)	Class
TOBB	145.196.894,76	28,2961	A
KOSGEB	145.155.059,00	28,2879	B
TESK	619.358,17	0,1207	D
TOSYÖV	40.015,94	0,0078	D
MEKSA	20.025,71	0,0039	D
TÜRKİYE HALK BANKASI A.Ş.	7.658.719,86	1,4925	C
AKBANK T.A.Ş.	7.658.719,86	1,4925	C
ALBARAKA TÜRK KATILIM BANKASI A.Ş.	7.658.719,86	1,4925	C
DENİZBANK A.Ş.	7.658.719,86	1,4925	C
BURGAN BANK A.Ş.	7.658.719,86	1,4925	C
QNB FİNANSBANK A.Ş.	7.658.719,86	1,4925	C
HSBC BANK A.Ş.	7.658.719,86	1,4925	C
ING BANK A.Ş.	7.658.719,86	1,4925	C
KUVEYT TÜRK KATILIM BANKASI A.Ş.	7.658.719,86	1,4925	C
ŞEKERBANK T.A.Ş.	7.658.719,86	1,4925	C
TÜRK EKONOMİ BANKASI A.Ş.	7.658.719,86	1,4925	C
TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.	7.658.719,86	1,4925	C
TÜRKİYE FİNANS KATILIM BANKASI A.Ş.	7.658.719,86	1,4925	C
TÜRKİYE GARANTİ BANKASI A.Ş.	7.658.719,86	1,4925	C
TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.	7.658.719,86	1,4925	C
TÜRKİYE İŞ BANKASI A.Ş.	7.658.719,86	1,4925	C
TÜRKİYE VAKIFLAR BANKASI T.A.O.	7.658.719,86	1,4925	C
YAPI VE KREDİ BANKASI A.Ş.	7.658.719,86	1,4925	C
ZİRAAT KATILIM BANKASI A.Ş.	7.658.719,86	1,4925	C
ALTERNATİFBANK A.Ş.	7.658.719,86	1,4925	C
VAKIF KATILIM BANKASI A.Ş.	7.658.719,86	1,4925	C
TURKLAND BANK A.Ş.	7.658.719,86	1,4925	C
ANADOLUBANK A.Ş.	7.658.719,86	1,4925	C
FİBABANKA A.Ş.	7.658.719,86	1,4925	C
ODEABANK A.Ş.	7.658.719,86	1,4925	C
NUROL YATIRIM BANKASI A.Ş.	7.658.719,86	1,4925	C
TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.	7.658.719,86	1,4925	C
TÜRKİYE EMLAK KATILIM BANKASI A.Ş.	7.658.719,86	1,4925	C
PASHA YATIRIM BANKASI A.Ş.	7.658.719,86	1,4925	C
Total	513.134.230	100	

Kredi Garanti Fonu Inc.

Explanatory Notes to The Financial Statements for The Accounting Period January 1 – December 31, 2024

(Unless otherwise indicated, amounts are expressed in Turkish Lira (“TL”) at the purchasing power as of December 31, 2024.)

b) Restricted Reserves Appropriated from Profit

	December 31, 2024	December 31, 2023
Legal Reserves	305.243.419	241.800.406
Total	305.243.419	241.800.406

According to Article 519 of the Turkish Commercial Code, the legal reserves are appropriated at the rate of 5% of the annual profit until they reach 20% of the Company’s paid-in capital. After this threshold is reached, an additional 10% of the total amount to be distributed to shareholders and other profit-sharing beneficiaries, after the payment of a 5% dividend to shareholders, is added to the general legal reserves. Pursuant to the Turkish Commercial Code, unless the general legal reserves exceed half of the capital or issued capital, they may only be used to offset losses, to sustain the company during times of financial difficulty, or to take measures to prevent unemployment or mitigate its consequences.

c) Accumulated Other Comprehensive Income / (Loss) -Not to Be Reclassified to Profit or Loss-

	December 31, 2024	December 31, 2023
Remeasurement Gains (Losses) on Defined Benefit Plans	(14.254.686)	(8.872.992)
Total	(14.254.686)	(8.872.992)

d) Prior Years' Losses/Profits

	December 31, 2024	December 31, 2023
Prior Years' Losses/Profits	(3.854.491.763)	(3.718.523.011)
Total	(3.854.491.763)	(3.718.523.011)

e) Profit/(Loss) for the Period

	December 31, 2024	December 31, 2023
Current Period (Losses) / Profits	728.682.716	(72.525.740)
Total	728.682.716	(72.525.740)



Kredi Garanti Fonu Inc.

Explanatory Notes to The Financial Statements for The Accounting Period January 1 – December 31, 2024

(Unless otherwise indicated, amounts are expressed in Turkish Lira (“TL”) at the purchasing power as of December 31, 2024.)

NOTE 17 – REVENUE AND COST OF SALES

a) Revenue

As of December 31, 2024 and December 31, 2023, the details of the Company’s revenue are as follows:

Revenue	January 1 - December 31, 2024	January 1 - December 31, 2023
Income from Guarantee Transactions	729.602.101	468.499.949
Other Income	34.069.242	-
Returns (-)	(61.738.651)	(18.891.857)
Total	701.932.693	449.608.92

b)Cost of Sales

The cost of sales of the Company as of December 31, 2024 and December 31, 2023 is as follows:

Cost of Sales	January 1 - December 31, 2024	January 1 - December 31, 2023
Personnel Expenses	194.759.980	199.490.042
Depreciation and Amortization Expenses	42.063.887	22.110.233
Information Technology Expenses	47.098.068	34.428.998
Litigation and Court Expenses	10.206.244	4.236.143
Others	6.650.362	38.074.521
Total	300.778.540	298.339.937

NOTE 18 - GENERAL ADMINISTRATIVE EXPENSES

As of December 31, 2024 and December 31, 2023, the Company’s general administrative expenses are as follows:

	January 1 - December 31, 2024	January 1 - December 31, 2023
General Administrative Expenses (*)	35.409.980	34.613.108
Total	35.409.980	34.613.108

(*) Comprise per diem allowances, representation and hospitality expenses, attendance fees, and travel expenses.

Kredi Garanti Fonu Inc.

Explanatory Notes to The Financial Statements for The Accounting Period January 1 – December 31, 2024

(Unless otherwise indicated, amounts are expressed in Turkish Lira (“TL”) at the purchasing power as of December 31, 2024.)

NOTE 19 – OTHER OPERATING INCOME / (EXPENSES)

a) Other Operating Income

As of December 31, 2024 and December 31, 2023, the details of other operating income of the Company are as follows:

Other Operating Income from Main Activities	January 1 - December 31, 2024	January 1 - December 31, 2023
Reversal of Provisions No Longer Required	82.135.606	78.421.595
-Reversal of Provisions for Collected Doubtful Receivables	21.982.674	77.752.664
-Other Provision Reversals	60.152.932	668.931
Social Security Institution (SSI) Incentive Income	5.805.705	16.204.573
Collections from Written-off Receivables	3.229.344	13.566.392
Other	7.849.277	22.966.490
Total	99.019.932	131.159.050

b) Other Operating Expenses

The details of the Company's other operating expenses as of December 31, 2024 and December 31, 2023 are as follows:

Other Operating Expenses from Main Activities	January 1 - December 31, 2024	January 1 - December 31, 2023
Expected Credit Loss Provisions	218.398.108	114.056.537
-Indemnified Guarantees	44.930.066	56.751.117
-Guarantees Provided Within Equity	15.738.511	57.305.420
Other Expenses	1.342.395	18.367.252
Total	219,740,503	132.423.789

NOTE 20 - INCOME FROM INVESTING ACTIVITIES

As of December 31, 2024 and December 31, 2023, the Company’s income from investing activities is as follows:

Income/Expenses from Investing Activities	January 1 - December 31, 2024	January 1 - December 31, 2023
Gains on Sale of Non-Current Assets	3.446.112	2.185.237
Total	3.446.112	2.185.237



Kredi Garanti Fonu Inc.

Explanatory Notes to The Financial Statements for The Accounting Period January 1 – December 31, 2024

(Unless otherwise indicated, amounts are expressed in Turkish Lira (“TL”) at the purchasing power as of December 31, 2024.)

NOTE 21 – FINANCE INCOME AND EXPENSES

a) Finance Income

Finance income of the Company as of December 31, 2024 and December 31, 2023 is as follows:

Finance Income	January 1 - December 31, 2024	January 1 - December 31, 2023
Interest Income from Banks	1.292.103.736	682.979.339
Foreign Exchange Gains	79.566.200	416.793.225
Total	1.371.669.936	1.099.772.565

b) Finance Expenses

As of December 31, 2024 and December 31, 2023, the Company’s finance expenses are as follows:

Finance Expenses	January 1 - December 31, 2024	January 1 - December 31, 2023
Foreign Exchange Losses	(5.363.904)	(35.621.205)
Interest Expenses	(11.146.595)	(10.340.753)
Total	(16.510.499)	(45.961.958)

Net Monetary Position Gains / (Losses)

As of December 31, 2024 and December 31, 2023, the Company’s gains or losses on net monetary position are as follows:

Net Monetary Position Gains / (Losses) (+/-)		
Net Monetary Position Gains / (Losses) (+/-)	(874.946.435)	(1.243.911.893)
Total	(874.946.435)	(1.243.911.893)

Kredi Garanti Fonu Inc.

Explanatory Notes to The Financial Statements for The Accounting Period January 1 – December 31, 2024

(Unless otherwise indicated, amounts are expressed in Turkish Lira (“TL”) at the purchasing power as of December 31, 2024.)

Monetary Position Income Statement

Property, Plant and Equipment	33.716.241
Depreciation of Property, Plant and Equipment	(25.976.111)
Intangible Assets	34.288.571
Amortization of Intangible Assets	(32.953.446)
Right-of-Use Assets	90.322.424
Depreciation of Right-of-Use Assets	(89.116.103)
Capital	(1.883.676.359)
Retained Earnings	1.184.787.884
Extraordinary Reserves	(93.825.263)
Deferred Income	(6.585.240)
Profit / Loss Statement	(85.929.032)
Total	(874.946.435)

NOTE 22 – EARNINGS PER SHARE

As of December 31, 2024 and December 31, 2023, earnings per share and gross dividend per share of the Company are as follows:

	January 1 - December 31, 2024	January 1 - December 31, 2023
Net Profit / (Loss) for the Period	728.682.716	(72.525.740)
Number of Shares with a Nominal Value of TL 0.01 Each	51.313.423.000	51.313.423.000
Earnings (Loss) Per Share	0,0142	(0,0014)

NOTE 23 - RELATED PARTY DISCLOSURES

Receivables from related parties as of December 31, 2024 and December 31, 2023 are as follows:

Receivables from Related Parties		
Cash and Cash Equivalents (*)	4.325.886.831	2.969.901.400
Total	4.325.886.831	2.969.901.400

(*) Comprising the cash, cash equivalents, bonds, and funds held at shareholder banks mentioned in Note 16, which the Company is required to maintain due to its establishment purpose.



Kredi Garanti Fonu Inc.

Explanatory Notes to The Financial Statements for The Accounting Period January 1 – December 31, 2024

(Unless otherwise indicated, amounts are expressed in Turkish Lira (“TL”) at the purchasing power as of December 31, 2024.)

As of December 31, 2024 and December 31, 2023, the Company’s income from related parties and expenses paid to related parties are as follows:

	December 31, 2024	December 31, 2023
Commission Income from Related Parties	729.602.101	468.499.949
Interest Income from Related Parties – Shareholders	1.292.103.736	682.979.340
Total	2.021.705.837	1.151.479.289
	December 31, 2024	December 31, 2023
Benefits and Rights Provided to Key Management Personnel	(23.546.605)	(34.613.111)
Total	(23.546.605)	(34.613.111)

There are no liabilities to related parties as of December 31, 2024 and December 31, 2023.

NOTE 24 – NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

Capital Management

In capital management, the Company aims to maintain the continuity of its operations while also maximizing profitability by efficiently balancing debt and equity. The Company’s capital structure consists of cash and cash equivalents and equity components, which include issued capital, capital reserves, and retained earnings, as disclosed in the **Equity** note.

The cost of capital and the risks associated with each class of capital are assessed by the Company’s senior management.

The Company monitors its capital using the debt-to-equity ratio, which is calculated by dividing net debt by total equity. Net debt is calculated as the total liabilities (including financial liabilities, trade and other payables, and short- and long-term other liabilities, as shown in the statement of financial position) less cash and cash equivalents. However, the Company has no financial liabilities.

	December 31, 2024	December 31, 2023
Total Liabilities	5.173.271.432	3.859.192.889
Less: Cash and Cash Equivalents	8.254.739.037	6.172.506.881
Net Financial Asset	3.081.467.605	2.313.313.992
Total Equity	3.293.377.911	2.570.076.887

Kredi Garanti Fonu Inc.

Explanatory Notes to The Financial Statements for The Accounting Period January 1 – December 31, 2024

(Unless otherwise indicated, amounts are expressed in Turkish Lira (“TL”) at the purchasing power as of December 31, 2024.)

Credit Risk

As of December 31, 2024 and December 31, 2023, the Company’s maximum exposure to credit risk is as follows:

December 31, 2024	Trade Receivables		Other Receivables		Cash and Cash Equivalents	
	Related Party	Third Party	Related Party	Third Party	Deposits	Other
Maximum Credit Risk Exposure as of the Reporting Date (A+B+C+D+E) (*)	-	31.131.401.051	-	19.081	8.254.739.037	-
Portion of maximum risk secured by collateral, guarantees, etc.	-	-	-	-	-	-
A. Net book value of financial assets neither past due nor impaired	-	77.286.075	-	19.081	8.254.739.037	-
B. Book value of financial assets whose terms have been renegotiated, which would otherwise be classified as past due or impaired	-	-	-	-	-	-
C. Net book value of financial assets past due but not impaired	-	-	-	-	-	-
Portion secured by collateral, guarantees, etc.	-	-	-	-	-	-
D. Net book value of impaired assets	-	-	-	-	-	-
Past due (gross book value)	-	211.273.784	-	-	-	-
Impairment (-)	-	(211.273.784)	-	-	-	-
Portion of net value secured by collateral, guarantees, etc.	-	-	-	-	-	-
Not past due (gross book value)	-	-	-	-	-	-
Impairment (-)	-	-	-	-	-	-
Portion of net value secured by collateral, guarantees, etc.	-	-	-	-	-	-
E. Off-balance sheet items that involve credit risk	-	31.054.114.976	-	-	-	-

December 31, 2023	Trade Receivables		Other Receivables		Cash and Cash Equivalents	
	Related Party	Third Party	Related Party	Third Party	Deposits	Other
Maximum Credit Risk Exposure as of the Reporting Date (A+B+C+D+E) (*)	-	19.305.922.441	-	16.690	6.172.506.881	-
Portion of maximum risk secured by collateral, guarantees, etc.	-	-	-	-	-	-
A. Net book value of financial assets neither past due nor impaired	-	87.387.157	-	16.690	6.172.506.881	-
B. Book value of financial assets whose terms have been renegotiated, which would otherwise be classified as past due or impaired	-	-	-	-	-	-
C. Net book value of financial assets past due but not impaired	-	-	-	-	-	-
Portion secured by collateral, guarantees, etc.	-	-	-	-	-	-
D. Net book value of impaired assets	-	-	-	-	-	-
Past due (gross book value)	-	340.507.287	-	-	-	-
Impairment (-)	-	340.507.287	-	-	-	-
Portion of net value secured by collateral, guarantees, etc.	-	-	-	-	-	-
Not past due (gross book value)	-	-	-	-	-	-
Impairment (-)	-	-	-	-	-	-
Portion of net value secured by collateral, guarantees, etc.	-	-	-	-	-	-
E. Off-balance sheet items that involve credit risk	-	19.218.535.282	-	-	-	-

As of December 31, 2024, the total original value of collateral received by the Company for its equity-backed guarantees—comprising various degrees of real estate mortgages and commercial pledges—amounts to TL 5,229,446,811 (December 31, 2023: TL 5,260,339,271).



Kredi Garanti Fonu Inc.

Explanatory Notes to The Financial Statements for The Accounting Period January 1 – December 31, 2024

(Unless otherwise indicated, amounts are expressed in Turkish Lira (“TL”) at the purchasing power as of December 31, 2024.)

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its obligations arising from financial liabilities. The Company's approach to liquidity management is to ensure that it always has sufficient liquidity to meet its obligations as they fall due, under both normal and stressed conditions, without incurring unacceptable losses. However, the Company has no financial liabilities.

The table below presents the contractual undiscounted cash outflows as of December 31, 2024:

December 31, 2024							
Contractual Maturities	Carrying Amount	Total Contractual Cash Outflows	Overdue	Within 3 Months	Between 3–12 Months	Between 1–5 Years	Over 5 Years
Non-Derivative Financial Liabilities	6.765.354	6.765.354	-	4.181.857	2.533.726	49.771	-
Bank Tax-SSI Payments Account *	2.029.733	2.029.733		2.029.733			
Lease Liabilities	4.735.621	4.735.621		2.152.124	2.533.726	49.771	
Expected Maturities							
Non-Derivative Financial Liabilities	-	-	-	-	-	-	-
Trade Payables							
Other Payables							
Total	6.765.354	6.765.354	-	4.181.857	2.533.726	49.771	-

* Demand Deposit Tax-SSI Payments Account

December 31, 2023							
Contractual Maturities	Carrying Amount	Total Contractual Cash Outflows	Overdue	Within 3 Months	Between 3–12 Months	Between 1–5 Years	Over 5 Years
Non-Derivative Financial Liabilities	11.421.841	11.421.841	-	2.152.125	2.533.725	6.735.991	-
Lease Liabilities from Financial Leasing Transactions	11.421.841	11.421.841	-	2.152.125	2.533.725	6.735.991	-
Expected Maturities							
Non-Derivative Financial Liabilities	15.457.282	15.457.282	-	15.457.282	-	-	-
Trade Payables	2.658.094	2.658.094	-	2.658.094	-	-	-
Other Payables	12.799.168	12.799.188	-	12.799.188	-	-	-
Total	26.879.123	26.879.123	-	17.609.406	2.533.725	6.735.991	-

The “Funds” balance tracked under other liabilities has not been included in the liquidity risk table above.

As of December 31, 2024 and December 31, 2023, the Company does not have any derivative financial liabilities.

Kredi Garanti Fonu Inc.

Explanatory Notes to The Financial Statements for The Accounting Period January 1 – December 31, 2024

(Unless otherwise indicated, amounts are expressed in Turkish Lira (“TL”) at the purchasing power as of December 31, 2024.)

Market Risk

Market risk is the risk that changes in market prices, such as interest rates, equity prices, foreign exchange rates, and credit spreads, will affect the Company’s income or the value of its financial instruments. The Company manages this risk by balancing its interest rate-sensitive assets and liabilities.

Foreign Exchange Risk

Foreign exchange risk arises from the potential impact of exchange rate fluctuations on the Company’s assets, liabilities, and off-balance sheet items denominated in foreign currencies.

The table below summarizes the Company’s foreign currency position risk as of December 31, 2024 and December 31, 2023, showing the carrying amounts of its foreign currency-denominated assets and liabilities in Turkish Lira:

Foreign Currency Position Table	31.12.2024		
	TL Equivalent (Functional Currency)	USD	EURO
1. Trade Receivables	--	--	--
2a.Monetary Financial Assets (including Cash and Bank Accounts)	26.266.599	312	714.706
2b. Non-Monetary Financial Assets			
3. Other			
4. Current Assets (1+2+3)	26.266.599	312	714.706
5. Trade Receivables			
6a. Monetary Financial Assets			
6b. Non-Monetary Financial Assets			
7. Other			
8. Non-Current Assets (5+6+7)	-	-	-
9. Total Assets (4+8)	26.266.599	312	714.706
10. Trade Payables	353.438	10.000	
11. Financial Liabilities			
12a. Other Monetary Liabilities			
12b. Other Non-Monetary Liabilities			
13. Short-Term Liabilities (10+11+12)	353.438	10.000	-
14. Trade Payables			
15. Financial Liabilities			
16 a. Other Monetary Liabilities			
16 b. Other Non-Monetary Liabilities			
17. Long-Term Liabilities (14+15+16)	-	-	-
18. Total Liabilities (13+17)	353.438	10.000	-
19. Off-Balance Sheet Derivative Instruments Net Asset / (Liability) Position (19a-19b)			
20. Net Foreign Currency Asset / (Liability) Position (9-18+19)	25.913.161	(9.688)	714.706



Kredi Garanti Fonu Inc.

Explanatory Notes to The Financial Statements for The Accounting Period January 1 – December 31, 2024

(Unless otherwise indicated, amounts are expressed in Turkish Lira (“TL”) at the purchasing power as of December 31, 2024.)

Foreign Currency Position Table		31.12.2023		
	TL Equivalent (Functional Currency)	USD	EURO	
1. Trade Receivables				
2a. Monetary Financial Assets (including Cash and Bank Accounts)	797.140.354	6.585.938	10.965.679	
2b. Non-Monetary Financial Assets				
3. Other				
4. Current Assets (1+2+3)	797.140.354	6.585.938	10.965.679	
5. Trade Receivables				
6a. Monetary Financial Assets				
6b. Non-Monetary Financial Assets				
7. Other				
8. Non-Current Assets (5+6+7)	-	-	-	
9. Total Assets (4+8)	797.140.354	6.585.938	10.965.679	
10. Trade Payables				
11. Financial Liabilities				
12a. Other Monetary Liabilities				
12b. Other Non-Monetary Liabilities				
13. Short-Term Liabilities (10+11+12)	-	-	-	
14. Trade Payables				
15. Financial Liabilities				
16 a. Other Monetary Liabilities				
16 b. Other Non-Monetary Liabilities				
17. Long-Term Liabilities (14+15+16)	-	-	-	
18. Total Liabilities (13+17)	-			
19. Off-Balance Sheet Derivative Instruments Net Asset / (Liability) Position (19a-19b)				
20. Net Foreign Currency Asset / (Liability) Position (9-18+19)	797.140.354	6.585.938	10.965.679	

(*)Prior year amounts denominated in Turkish Lira have been restated in terms of the purchasing power of the Turkish Lira as of December 31, 2024.

Kredi Garanti Fonu Inc.

Explanatory Notes to The Financial Statements for The Accounting Period January 1 – December 31, 2024

(Unless otherwise indicated, amounts are expressed in Turkish Lira (“TL”) at the purchasing power as of December 31, 2024.)

Foreign Currency Risk Exposure:

The table below presents the estimated impact on the statement of comprehensive income and profit or loss for the years ended December 31, 2024 and December 31, 2023, assuming a 10% depreciation of the Turkish Lira against the following currencies:

Foreign Currency Sensitivity Analysis Table		
December 31, 2024		
	Profit/(Loss)	
	Foreign Currency Appreciation	Foreign Currency Depreciation
In the Case of a 10% Change in the US Dollar Against the Turkish Lira:		
1- Net Asset/Liability Position in US Dollars	(34.243)	34.243
2- Portion Hedged Against US Dollar Risk (-)		
3- USD Net Effect	(34.243)	34.243
In the Case of a 10% Change in the Euro Against the Turkish Lira:		
4- Net Asset/Liability Position in Euro	2.625.559	(2.625.559)
5- Portion Hedged Against Euro Risk (-)		
6- Euro Net Effect	2.625.559	(2.625.559)
Total (3+6+9)	2.591.316	(2.591.316)

Foreign Currency Sensitivity Analysis Table		
December 31, 2023		
	Profit/(Loss)	
	Foreign Currency Appreciation	Foreign Currency Depreciation
In the Case of a 10% Change in the US Dollar Against the Turkish Lira:		
1- Net Asset/Liability Position in US Dollars	27.952.999	(27.952.999)
2- Portion Hedged Against US Dollar Risk (-)	--	--
3- USD Net Effect	27.952.999	(27.952.999)
In the Case of a 10% Change in the Euro Against the Turkish Lira:		
4- Net Asset/Liability Position in Euro	74.731.949	(51.761.037)
5- Portion Hedged Against Euro Risk (-)	--	--
6- Euro Net Effect	74.731.949	(51.761.037)
Total (3+6+9)	102.684.949	(79.714.036)



Kredi Garanti Fonu Inc.

Explanatory Notes to The Financial Statements for The Accounting Period January 1 – December 31, 2024

(Unless otherwise indicated, amounts are expressed in Turkish Lira (“TL”) at the purchasing power as of December 31, 2024.)

Interest Rate Risk

The Company is exposed to interest rate risk due to the effect of changes in interest rates on its interest-sensitive assets and liabilities.

As of December 31, 2024 and 2023, the Company does not have any financial assets or liabilities with variable interest rates.

NOTE 25 – CONTINGENT LIABILITIES AND COMMITMENTS

The Company’s contingent liabilities and commitments as of December 31, 2024 and December 31, 2023 are as follows:

	December 31, 2024	December 31, 2023
Equity-Backed Guarantee Risk	31.065.487.035	19,218,535,282
Total	31.065.487.035	19,218,535,282

(*) Prior year Turkish Lira equivalent amounts have been prepared based on the purchasing power as of December 31, 2024.

NOTE 26 - SUBSEQUENT EVENTS AFTER THE STATEMENT OF FINANCIAL POSITION DATE

None.

NOTE 27 – FEES FOR SERVICES RECEIVED FROM THE INDEPENDENT AUDITOR/AUDIT FIRM

Pursuant to the resolution of the Public Oversight Accounting and Auditing Standards Authority (KGK) published in the Official Gazette dated 30.03.2021 (duplicate issue), the disclosures regarding the fees for services provided by the audit firms are as follows:

	January 1 – December 31, 2024	January 1 – December 31, 2023
Audit Fee for the Reporting Period	400.000	200.000
Other Assurance Services	225.000	50.000
Tax Advisory Services	-	-
Non-Audit Service Fees	-	-
Total	625.000	250.000

An aerial photograph of a solar farm with rows of solar panels, partially obscured by a dense forest. The image is overlaid with several white geometric shapes: a large rounded rectangle in the top right, a large triangle in the bottom left, and several smaller triangles and polygons scattered throughout. The entire image has a teal/cyan color cast.

06

Sustainability Approach

The climate crisis, which has become one of the biggest problems of our day, and its global effects, bring with it many regulations in the international arena. These regulations include comprehensive, time-bound and goal-oriented studies in our country and in the international arena.

The concept of sustainability, which centers on the principle that existing resources are not unlimited, contains three basic elements. These are environmental sustainability, social sustainability and economic sustainability.

Kredi Garanti Fonu Sustainability Approach

Kredi Garanti Fonu adopts a strategy that considers both environmental and social responsibilities within the framework of its sustainability approach and aims to create long-term value in every field it operates.

Kredi Garanti Fonu maximizes its contribution by using its limited resources in the most effective way for the development of businesses, especially SMEs, which are one of the most important cogs in the wheel of the country's economy, in shaping its projects and carrying out its work.

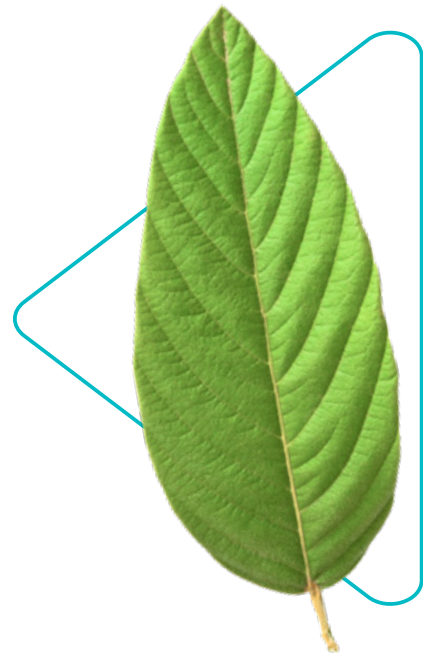
At the international level, the Paris Agreement signed in 2015 to combat the climate crisis and the subsequent European Union Green Deal, which aims to reduce carbon emissions to zero, and the "Border Carbon Adjustment Mechanism" planned to be implemented in the near future, are working to contribute to the sustainable growth and development of the country's economy with support packages for financing needs caused by the financial burdens that will arise on companies.



Sustainability for SMEs

SMEs which have a major impact on the economy, also provide a significant portion of employment in society. Therefore, they have the responsibility of both efficient resource use and creating value for society. In this context, SMEs, like large enterprises, take responsibility in the field of sustainability and participate in efforts to reduce their environmental impacts.

Sustainability strategies bring many opportunities for SMEs. These opportunities can be interpreted as reducing operational costs, maintaining a competitive structure and accessing new markets.



Sustainable Finance and Environmental, Social and Governance Impact

Sustainable finance, which is also defined as the process of considering the investment decisions of SMEs in terms of environmental, social and governance, encourages projects and investments aimed at reducing carbon emissions. Thus, it is planned to provide financial support in the transition processes to environmentally friendly economies such as investments in low-carbon projects and renewable energy investments.

Financial sustainability is evaluated both in terms of the continuation of the fund and the financial functioning of the SMEs it provides collateral for. In this area, the priority is to ensure that resources are used effectively in order to support as many businesses as possible and to determine a risk management strategy that can increase the repayment ratios of loans, i.e. reduce risk.

Long-term planning, income-expenditure balance and transparency are the basic criteria in the effective use of resources.

In addition to these, it supports entrepreneurs in terms of fair social development and social sustainability by providing access to financing in matters such as micro enterprises, women entrepreneurs, young entrepreneurs, emergency support packages in cases of emergency.



Conclusion and Evaluation in the Sustainability Approach of the Kredi Garanti Fonu

The Kredi Garanti Fonu determines a Human Resources Policy that prioritizes the welfare, rights and development of its employees by constantly updating its work on issues such as improving working conditions within the institution, providing training, and providing health insurance.

In short, the Kredi Garanti Fonu shapes its mission, which is to facilitate access to financing, within the framework of sustainability and continues its work with the awareness of all its environmental, social and economic responsibilities.

Not only for the reputation of the institution, businesses or its country, but also with the awareness of this responsibility globally, it will always continue to act with a responsible strategy in the new world order.

“The Kredi Garanti Fonu adopts a strategy that takes both environmental and social responsibilities into consideration within the framework of the sustainability approach and aims to create long-term value in every field in which it operates.”

The background is a solid teal color with a pattern of white line art. The line art consists of several overlapping, rounded rectangular shapes that resemble stylized letters or symbols. These shapes are arranged in a way that they appear to be floating or layered over each other. The overall effect is modern and geometric.

07

**Contact
Information**



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