



# 2021 Activity Report



KREDİ GARANTİ FONU





**KREDİ GARANTİ FONU**



Güney Bağımsız Denetim ve SMMM A.Ş.  
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(Convenience translation of a report originally issued in Turkish)

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

To the Shareholders of Kredi Garanti Fonu A.Ş.

### 1) Opinion

We have audited the annual report of Kredi Garanti Fonu A.Ş. ("the Company") for the period of 1/1/2021-31/12/2021.

In our opinion the financial information provided in the annual report of the Board of Directors and the discussions made by the Board of Directors on the situation of the Company are presented fairly and consistent, in all material respects, with the audited full set financial statements and the information we obtained during the audit.

### 2) Basis for Opinion

We conducted our audit in accordance with Independent Auditing Standards (InAS) which are part of the Turkish Auditing Standards as issued by the Public Oversight Accounting and Auditing Standards Authority of Turkey (POA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Annual Report section of our report. We are independent of the Company in accordance with the Code of Ethics for Independent Auditors (Code of Ethics) as issued by the POA, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### 3) Our Auditor's Opinion on the Full Set Financial Statements

We have expressed unqualified opinions in our auditor's reports dated March 7, 2022 on the full set financial statements of the Company for the period of 1 January 2021-31 December 2021.

### 4) The Responsibility of the Board of Directors on the Annual Report

In accordance with Articles 514 and 516 of the Turkish Commercial Code 6102 ("TTC"), the management of the Company is responsible for the following items:

- Preparation of the annual report within the first three months following the balance sheet date and submission of the annual report to the general assembly.
- Preparation and fair presentation of the annual report; reflecting the operations of the Company for the year, along with its financial position in a correct, complete, straightforward, true and honest manner. In this report, the financial position is assessed according to the financial statements. The development of the Company and the potential risks to be encountered are also noted in the report. The evaluation of the board of directors is also included in this report.



- c) The annual report also includes the matters below:
- Subsequent events occurred after the end of the fiscal year which have significance,
  - The research and development activities of the Company,
  - Financial benefits such as salaries and bonuses paid to the board members and to those charged governance, allowances, travel, accommodation and representation expenses, financial aids and aids in kind, insurances and similar deposits.

When preparing the annual report, the board of directors takes into account the secondary legislative arrangements published by the Ministry of Trade and related institutions.

#### 5) Auditor's Responsibilities for the Audit of the Annual Report

Our aim is to express an opinion, based on the independent audit we have performed on the annual report in accordance with provisions of the Turkish Commercial Code, on whether the financial information provided in this annual report and the discussions of the Board of Directors are presented fairly and consistent with the Company's audited financial statements and to prepare a report including our opinion.

The independent audit we have performed is conducted in accordance with InAS. These standards require compliance with ethical provisions and the independent audit to be planned and performed to obtain reasonable assurance on whether the financial information provided in the annual report and the discussions of the Board of Directors are free from material misstatement and consistent with the financial statements.

The name of the engagement partner who supervised and concluded this audit is Fatih Polat.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi  
A member firm of Ernst & Young Global Limited

Fatih Polat, SMMM  
Partner

April 20, 2022  
Istanbul, Turkey

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A blue-tinted photograph of a business meeting. In the foreground, a person's hand holds a pen over a document on a clipboard. Another person's hand is visible in the background, resting on a laptop. The scene is overlaid with large, teal-colored geometric shapes, including triangles and a parallelogram, creating a modern, professional aesthetic.

# **EVALUATION OF THE SENIOR MANAGEMENT**

Distinguished Stakeholders,

In 2021, we continued to experience the effects of COVID-19 that first impacted our country in March 2020, affecting both our economic and social lives. Having overcome the shock of the pandemic, we are starting to adapt to the new order. We have now left behind 2020 – a year in which we not only struggled with the pandemic, but also had to adapt to the resulting change and transformation of our trade, business and social relations.

During this period, we have all observed the benefits of the ability to adapt to change and to transform both technologically and psychologically.

Having arrived at a juncture where macro-economic ratios have deteriorated in many countries and supply-demand gaps are feeding global inflation, important steps have been taken to mitigate the economic and social impacts of potential crises in the future, involving the rapid development of effective policies in our country.

KGF, under the leadership of our government, and with the awareness of its share of responsibilities, like all such institutions, organizations and companies, has kept working in the face of the contraction in the global economy, fluctuations in energy and commodity prices, breaks in the supply chain and crises.

From the very beginning of the pandemic, we continued to contribute to our economy with the Treasury-Backed KGF guarantee packages that entered into use in March 2020, and also through our equities and other programs.

During this period, the support packages prepared considering the needs of enterprises were made available to approximately 293,000 such companies, with 177 billion TRY worth of guarantees provided for approximately 221 billion TRY worth of loans. Some 33.5 billion TRY worth of guarantee support was provided to 7 million people for 41.6 billion TRY in Basic Needs Support Loans during the pandemic. KGF guarantee support packages are designed in accordance with the economic conditions of each period,

• Ministry of Treasury and Finance-backed TOBB Nefes Loan, TKYB Loan Support Package, Additional Employment Support Package, Manufacturing Based Import Substitution Support Package, Cold Air Units and Frigorific Vehicles Support Package, TurWIB Program Support Package, Emergency Support Packages;

• KGF Support Loan 2 package from our equities enabled our enterprises to cover their expenses by accessing affordable financing without facing problems of collateral, thus providing new employment and making investments, even during the pandemic. By extending 1.3 million in guarantees to 503,000 individual companies in Turkey, they have been able to access affordable financing on easy terms. Doing our part for Turkey under the slogan “Strong Economy, Strong Turkey”, we will continue to support enterprises in gaining access to financing by increasing our collateral for selective project-based loans through the resources of the Ministry of Treasury and Finance, our own equities and other programs, in line with the needs of our country and our SMEs.

Our focus will be on SMEs that produce, provide employment, invest, increase exports, engage in import substitute production, and contribute to the digital transformation and to technological and scientific development. As KGF, we will endeavor to be among the greatest supporters of enterprises that bring benefit to the country by supporting their access to finance in the coming periods, as we have in the past.

I would like to take this opportunity to express my gratitude to our President Recep Tayyip Erdoğan, our Ministry of Treasury and Finance, our stakeholders, our Board of Directors and our colleagues who work with full devotion for their continuous unwavering support during these difficult periods.

Chairman of the Board of Directors and Chairman of the Executive Board

**Erdoğan ÖZEGEN**



# Board of Directors



1. ERDOĞAN ÖZEGEN  
Chairman of the Board of Directors
2. HASAN BASRİ KURT  
Vice Chairman of the Board of Directors
3. MAHMUT MÜCAHİT FİNDİKLİ  
Member of the Board of Directors
4. HAKAN ERTÜRK  
Member of the Board of Directors
5. RECEP ALİ ERDOĞAN  
Member of the Board of Directors
6. ÖMER SERDAR  
Member of the Board of Directors
7. MÜCAHİT DUMAN  
Member of the Board of Directors
8. NECDET KARADENİZ  
Member of the Board of Directors
9. ŞÜKRÜ TUĞBAY KUMOĞLU  
Member of the Board of Directors



# Members of the Board of Directors and their Biographies

## ERDOĞAN ÖZEGEN

Chairman of the Board of Directors

Erdoğan Özegen was born in Niğde on November 29, 1965.

He graduated from the Public Administration Department of the Faculty of Economics.

He presided as Deputy for Niğde in the 22nd, 25th and 26th terms. He has held various political positions, being a member of the Agriculture, Forestry and Rural Affairs Commission, and the Health, Family, Labour and Social Affairs Commission; and a member of the Group Board of Directors, the Council of the Turkish Grand National Assembly (TBMM), the Presidency of the International Commission, the Assembly Chief of Administration, International Commission Presidency, Presidency of Turkish Group at the Parliamentary Assembly of the Mediterranean and General Secretary of Turkey-China Friendship Group.

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 on Corporate Relations in 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 Council of the Ankara Chamber of Commerce (ATO), and as a member of various Social and Cultural Assistance Associations, such as the TOBB Education and Culture Foundation (TOBEV).

He is currently a member of the General Administrative Council of TOBB, a founder and member of the Board of Trustees of GS1 Turkey, a member of the High Council of TOBB Strategy, and a founder and member of the Selimiye Foundation for the Protection of Monuments (SISEV) and the Board of Trustees, and the Chairman of the Board of Directors of the Smart Buildings Facility. He is married and has three children.

## HASAN BASRİ KURT

Vice Chairman of the Board of Directors

Hasan Basri Kurt was born in Samsun on 20 April, 1978. He is a political scientist, and holds Bachelor and Master's degrees in International Relations.

He has held different managerial positions at the Istanbul Metropolitan Municipality, working respectively as a Business Development Manager, Social Services Projects Manager and Project Coordination Manager at Sağlık A.Ş., a subsidiary of Istanbul Metropolitan Municipality.

During this period, he managed various projects related to such areas as Home Care, Women's Health and the Disabled. He led the Social Aid Coupon project, through which people in need can shop directly from the markets.

He has been a founding partner and a board member of various companies, working as a freelance entrepreneur in the fields of IT, food and construction.

He was elected Deputy for Samsun for the 25th and 26th terms as an AK Parti candidate.

He has served as a member of the AK Parti Group Board of Directors and as a Secretary Member of the Foreign Affairs Committee of the Turkish Grand National Assembly (TBMM). His term as a deputy led him to work in the Fishery and Medical sectors.

He was appointed President of the Small and Medium Enterprises Development Organization of Turkey (KOSGEB) while working as the General Manager in charge of Management Services in the Ministry of Industry and Technology.

Kurt speaks English; he is married and has two children.



## MAHMUT MÜCAHİT FINDIKLI

### Member of the Board of Directors

M. Mücahit Fındıklı was born in Malatya on 15 August, 1957 to father Hasan Tahsin and mother Kamuran.

He graduated from Fırat University, Faculty of Engineering, Department of Electrical Engineering as an electrical engineer. He has been a contractor for many years.

He served as the Chairman of the Board of Malatya Chamber of Commerce and Industry. He was a member of the Union of Chambers and Commodity Exchanges of Turkey. He was the Chairman of the Board of UMAT TÜRK A.Ş. – a subsidiary of TOBB. He established Gümrük ve Turizm İşletmeleri A.Ş. and held the position of Chairman of the Board of Directors. In the 23rd and 24th terms he was elected as the AK Parti Deputy for Malatya. During the 24th Term, he served as the Chairman of the Industry, Trade, Energy, Natural Resources, Information and Technology Commission of the Grand National Assembly of Turkey. Since 2015, he has been serving as Deputy Chairman of Economic Affairs within AK Parti. He speaks intermediate level English. He is married and has three children.

## HAKAN ERTÜRK

### Member of the Board of Directors

Hakan Ertürk was born in Ankara in 1977. He graduated from the Faculty of Political Sciences, Department of Economics of Ankara University in 2000. He successfully completed an MBA (Finance) program at the University of Illinois in the United States between 2006 and 2008. He successfully completed his Business Administration doctorate program at Ankara University, Institute of Social Sciences in 2018 with a doctoral dissertation in the field of venture capital. In September 2000, he started his professional career at CBRT, and having passed his Intern Treasury Controller

Exam, he took up a position in the Undersecretariat of the Treasury. He worked as an Intern Treasury Controller from 2000 to 2006 and as an Internal Auditor from 2009 to 2011. In 2011 he was appointed to the Financial Instruments and Markets Development Department of the Undersecretariat of the Treasury. In 2016 he was appointed General Manager of Financial Markets and Foreign Exchange, and during his tenure in this post, he played an important role in introducing many new financial instruments facilitating access to financing to our country. He managed and assisted in the formation of the basic frameworks of the individual participation capital system (Angel Investors), venture capital fund programs (Venture Fund of Capital and Fund), the subsidized loan on Portfolio Guarantee System, the Secured Transactions and General Registry System and the Turkey Investment and Development Bank site in Turkey, and actively participated in the creation of the foundation of the legal infrastructure of the Development Fund. As part of his duties under the authority of the General Directorate, he prepared and executed the foreign exchange system regulations and the works of the financial stability committee. In this post, he actively contributed to many regulations related to financial markets. From 2019 to 2021, he acted as the Head of the Central Finance and Contracts Unit, which is responsible for the execution of European Union Programs. During his tenure, he oversaw the implementation of many projects and studies related to the effective execution of EU Programs and the creation of new business models. He is continuing in his duties as the General Manager of Financial Markets and Foreign Exchange, to which he was appointed as a proxy since August 2021.

Hakan Ertürk is married and has three children. He speaks fluent English.

# Members of the Board of Directors and their Biographies

## RECEP ALİ ERDOĞAN

Member of the Board of Directors

Born in Istanbul on 01.07.1980, Recep Ali ERDOĞAN graduated from the Department of Public Administration of Anadolu University and obtained his masters degree in Business Administration.

In 2002 he began his career at the KOSGEB Technology Development Centre of Boğaziçi University and worked as SME Assistant Expert in the Budget and Performance Department of the Strategy Development and Financial Services Directorate at KOSGEB from 2007 to 2010. He served as the Director of Legal Affairs and In-Service Training respectively from 2010 to 2014.

From 2014 to 2016, he served as the Head of the Human Resources Department and the Head of SME Finance Department at KOSGEB, and has been the Vice Chairman of the KOSGEB Administration since 09.06.2017.

Erdoğan is the President of the Association for the Cooperation and Solidarity Alliance for the Members of Small- and Medium-Sized Enterprises Development and Support, and is a Board Member of the Federation of School Sports. He is married and has two children.

## ÖMER SERDAR

Member of the Board of Directors

Ömer Serdar was born in Elazığ, Palu in 1963. He graduated from the Istanbul University Faculty of Law.

He began his career as a lawyer in 1991. He has served as the General Secretary of the Bar Association and as a Delegate of the Union of Bar Associations.

In his political life, he has served as the Provincial Director of the Refah Party and as the Deputy Chairman of the

Anavatan Party.

In addition to his political activities, he has published articles in the magazines of various non-governmental organizations and in art and literature publications.

In the general elections held on 1 November, 2016, he was elected Deputy for Elazığ for the 26th Term as an AK Parti candidate. During his first legislative year, he was a member of the TBMM Presidency Council and a member of the Culture, Art and Publishing Board of the TBMM. In the Second Legislative Year of the 26th Term he was elected President of the Human Rights Committee of the Turkish Grand National Assembly (TBMM).

During his Presidency of the TBMM Human Rights Inquiry Commission: Establishment of the "Sub-Commission for the Investigation of Rights Violations and Grievances During the 28 February Process". This sub-commission was involved in reviewing and reporting on the claims of members of the public who were negatively affected by the 28 February post-modern coup, and who suffered various losses of rights

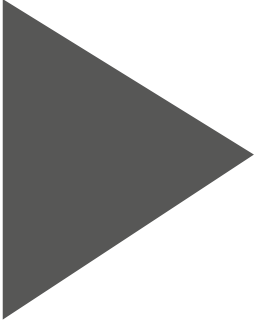
## MÜCAHİT DUMAN

Member of the Board of Directors

Born in 1983 in Ankara, Mücahit Duman graduated from the Industrial Engineering Department of METU.

He embarked upon a career at the Turkish Patent Institute, and after working in the Central Finance and Contracts Unit as a Finance and Contracts specialist, he started working at the Undersecretariat of the Treasury in 2008. After working as a Treasury Assistant Specialist and a Treasury Specialist, he worked temporarily as a Commission





Expert in the Information and Internet Research Commission established within the Turkish Grand National Assembly. Between 2013 and 2016, he served as Deputy President in charge of Information Management and e-Transformation, as well as Internal Control and Risk Management, in the Department of Strategy Development of the Undersecretariat of the Treasury. In this post, he took over the management and design of many projects on strategic management, process management, performance management, risk management, business analysis, corporate communication, information management and decision support systems. Thereafter, in the General Directorate of Financial Markets and Foreign Exchange, he served as the Head of Financial Market Policies and the Coordination Department responsible for financial stability, participation finance and financial inclusion. He continues to serve as the Head of the Financial Markets and Policies and Access to Credit and Financing Solutions Departments, which includes Treasury backed guarantee system, under the General Directorate of Financial Markets and Foreign Exchange.

Duman speaks fluent English. He is married and has one child.

## NECDET KARADENİZ

### Member of the Board of Directors

Necdet Karadeniz was born in Iğdır in 1959. He graduated from the Metallurgical Engineering Department of the Metallurgy Faculty of Istanbul Technical University, and has a masters degree in Business Management from Istanbul University. He started his banking career at T. Emlak Bankası A.Ş. in 1988, and worked in the loans department of Alternatifbank between 1992 and 2001 as a Credit Management Manager. Between 2002 and 2006 he worked as a Credit Allocation Manager in Türkiye Finans Katılım Bankası A.Ş., and continued his career in the role of Credit Allocation and Monitoring Manager between

2006 and 2007 at Ak Finans Kiralama A.Ş. and FFK Fon Finansal Kiralama A.Ş. Between 2007 and 2012, he served as Head of the Commercial Loan Department and as a Commercial Branch Manager at Ziraat Bank. Since 2012 he has been employed as the Deputy General Manager for Credit Allocations in the Export Credit Bank of Turkey (TURK EXIMBANK). He is married and has one child.

## ŞÜKRÜ TUĞBAY KUMOĞLU

### Member of the Board of Directors

Şükrü Tuğbay Kumoğlu is a graduate of the Department of Finance of the Gazi University Faculty of Economics and Administrative Sciences, and started his banking career with Garanti Bank in 1999. Kumoğlu has assumed different roles in the branches, regional offices and headquarters of the bank, and was appointed Regional Director of Türk Ekonomi Bankası A.Ş. (TEB) in 2006. After serving as the Regional Director for a year, he was appointed as the Retail Banking Sales Director of the same bank in 2007. In addition to his role as Sales Director, he served as the Member of the Board responsible for the expansion of retail banking activities in TEB Sha Kosova between 2013 and 2018. More recently, he has served as Group Director of the TEB Retail Banking Sales and Call Centre. Kumoğlu was appointed Deputy General Manager in charge of Şekerbank Retail and Agriculture Banking in December 2019, and has been responsible also for SME Banking since July 2020. Kumoğlu also serves as a Member of the Board of Directors of Kredi Kayıt Bürosu A.Ş. and Kredi Garanti Fonu A.Ş.

# Executive Board

ERDOĞAN ÖZEGEN

Chairman of the Executive Board

Erdoğan Özegen was born in Niğde on November 29, 1965. He graduated from the Public Administration Department of the Faculty of Economics.

He presided as Deputy for Niğde in the 22nd, 25th and 26th terms. He has held various political positions, being a member of the Agriculture, Forestry and Rural Affairs Commission, and the Health, Family, Labour and Social Affairs Commission; and a member of the Group Board of Directors, the Council of the Turkish Grand National Assembly (TBMM), the Presidency of the International Commission, the Assembly Chief of Administration, International Commission Presidency, Presidency of Turkish Group at the Parliamentary Assembly of the Mediterranean and General Secretary of Turkey-China Friendship Group. 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 on Corporate Relations in 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 Council of the Ankara Chamber of Commerce (ATO), and as a member of various Social and Cultural Assistance Associations, such as the TOBB Education and Culture Foundation (TOBEV).

He is currently a member of the General Administrative Council of TOBB, a founder and member of the Board of Trustees of GS1 Turkey, a member of the High Council of TOBB Strategy, and a founder and member of the Selimiye Foundation for the Protection of Monuments (SISEV) and the Board of Trustees, and the Chairman of the Board of Directors of the Smart Buildings Facility.

He is married and has three children.



## HASAN BASRİ KURT

### Vice Chairman of the Executive Board

Hasan Basri Kurt was born in Samsun on 20 April, 1978. He is a political scientist, and holds Bachelor and Master's degrees in International Relations. He has held different managerial positions at the Istanbul Metropolitan Municipality, working respectively as a Business Development Manager, Social Services Projects Manager and Project Coordination Manager at Sağlık A.Ş., a subsidiary of Istanbul Metropolitan Municipality. During this period, he managed various projects related to such areas as Home Care, Women's Health and the Disabled. He led the Social Aid Coupon project, through which people in need can shop directly from the markets. He has been a founding partner and a board member of various companies, working as a freelance entrepreneur in the fields of IT, food and construction. He was elected Deputy for Samsun for the 25th and 26th terms as an AK Parti candidate. He has served as a member of the AK Parti Group Board of Directors and as a Secretary Member of the Foreign Affairs Committee of the Turkish Grand National Assembly (TBMM). His term as a deputy led him to work in the Fishery and Medical sectors. He was appointed President of the Small and Medium Enterprises Development Organization of Turkey (KOSGEB) while working as the General Manager in charge of Management Services in the Ministry of Industry and Technology. Kurt speaks English; he is married and has two children.

## ÖZGE DEMİR KUZUCU

### General Coordinator

Özge Demir Kuzucu was born in Konya in 1983. She graduated from Ankara University, Faculty of Political Sciences, Department of Public Administration in 2006, and completed her Master's degree in Business Management (MBA) at Atılım University in 2013. She started her career at Türkiye Halk Bankası A.Ş. Inspection Board in 2007 and served consecutively as assistant inspector, inspector and senior inspector. She joined KGF A.Ş. in 2016 and assumed the position of Internal Audit Department Manager. She was appointed acting General Manager and as a Member of the Board of Directors on 11.08.2021. She has been working as the Chief Advisor to the Board of Directors at KGF A.Ş. since 08.02.2022. Özge DEMİR KUZUCU, who is a certified public accountant, speaks English. She is married and has one child.



# Biographies of Directors

CANER TEBEROĞLU

Director

Teberoğlu was born in Ankara in 1969. He graduated from the Middle East Technical University, Department of Mathematics in 1993. Between 1993 and 2015 he held various offices and positions in the corporate, commercial and SME marketing divisions of Demirbank, Pamukbank and Halkbank, working in the corporate branches, regional offices and headquarters. He has been serving as the Director of Kredi Garanti Fonu since December 2015. He is married and has one child. He speaks English.



## ŞEYDA YAVUZ

Director

Yavuz was born in Diyarbakır in 1976. After completing her secondary education at Ankara Gazi Anatolian High School, she graduated from Ankara Gazi University, Faculty of Economics and Administrative Sciences, Department of Business Administration. She started her career in 1995 at Halkbank, and held managerial positions in the External Transactions division in the headquarters between 1995 and 2011, and in the SME and Retail Marketing divisions at the Regional Coordination Office from 2011 to 2016. She joined Kredi Garanti Fonu in April 2016 as the Head of the Corporate Communication and Product Management Division. She has been serving as the Director of Kredi Garanti Fonu since September 16, 2019. She is married and has a daughter.



## OUR MISSION

To provide strategic support to the growth and development of Turkey by facilitating the Access to financing of all enterprises, especially those which are promising.



## OUR VISION

To become an indispensable financial support institution for Turkey, ensuring access to credit of all SMEs and non-SMEs through its national and international cooperation.









# 1

## **GENERAL INFORMATION**

## A. TRADE REGISTRY DETAILS

### Accounting Period

01.01.2021 – 31.12.2021

### Commercial Title

Kredi Garanti Fonu Anonim Şirketi

### Number of Employees

Year 2020: 166

Year 2021: 157

### Mersis Central Registration System Number

0589005350800014

### Trade Registry Number

83408

### Tax Office / Tax ID Number

Maltepe Tax Office – 5890053508

### Address

Dumlupınar Bulv. No: 252 TOBB İkiz  
Kuleler C Blok Kat: 5-6- 7-20 Eskişehir  
Yolu 9. km. 06530 Yenimahalle /  
ANKARA

### Phone

+90 312 204 00 00 (pbx)

### Fax

+90 312 204 01 97- 98

### Call Center




















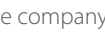

444 7 543

### Website

[www.kgf.com.tr](http://www.kgf.com.tr)



## B. SHAREHOLDING STRUCTURE

OUR SHAREHOLDERS	GROUP	AMOUNT OF CAPITAL (TL)	SHARE PERCENTAGE (%)
 TOBB (Türkiye Odalar ve Borsalar Birliği)	A	145.196.894,76	28,2961
 KOSGEB (Küçük ve Orta Ölçekli Sanayi Geliştirme ve Destekleme İdaresi Başkanlığı)	B	145.155.059,00	28,2879
 TESK (Türkiye Esnaf ve Sanatkarları Konfederasyonu)	D	619.358,17	0,1207
 TOSYÖV (Türkiye Küçük ve Orta Ölçekli İşletmeler, Serbest Meslek Mensupları ve Yöneticiler Vakfı)	D	40.015,94	0,0078
 MEKSA (Mesleki Eğitim ve Küçük Sanayii Destekleme Vakfı)	D	20.025,72	0,0039
 AKBANK T.A.Ş.	C	7.658.719,86	1,4925
 ALBARAKA TÜRK KATILIM BANKASI A.Ş.	C	7.658.719,86	1,4925
 ALTERNATİFBANK A.Ş.	C	7.658.719,86	1,4925
 ANADOLUBANK A.Ş.	C	7.658.719,86	1,4925
 BURGAN BANK A.Ş.	C	7.658.719,86	1,4925
 DENİZBANK A.Ş.	C	7.658.719,86	1,4925
 FİBABANKA A.Ş.	C	7.658.719,86	1,4925
 HSBC BANK A.Ş.	C	7.658.719,86	1,4925
 ING BANK A.Ş.	C	7.658.719,86	1,4925
 KUVEYT TÜRK KATILIM BANKASI A.Ş.	C	7.658.719,86	1,4925
 NUROL YATIRIM BANKASI A.Ş.	C	7.658.719,86	1,4925
 ODEABANK A.Ş.	C	7.658.719,86	1,4925
 QNB FİNANSBANK A.Ş.	C	7.658.719,86	1,4925
 ŞEKERBANK T.A.Ş.	C	7.658.719,86	1,4925
 TURKLAND BANK A.Ş.	C	7.658.719,86	1,4925
 TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.	C	7.658.719,86	1,4925
 TÜRK EKONOMİ BANKASI A.Ş.	C	7.658.719,86	1,4925
 TÜRKİYE FİNANS KATILIM BANKASI A.Ş.	C	7.658.719,86	1,4925
 TÜRKİYE GARANTİ BANKASI A.Ş.	C	7.658.719,86	1,4925
 TÜRKİYE HALK BANKASI A.Ş.	C	7.658.719,86	1,4925
 TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.	C	7.658.719,86	1,4925
 TÜRKİYE İŞ BANKASI A.Ş.	C	7.658.719,86	1,4925
 TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.	C	7.658.719,86	1,4925
 TÜRKİYE VAKIFLAR BANKASI T.A.O.	C	7.658.719,86	1,4925
 VAKIF KATILIM BANKASI A.Ş.	C	7.658.719,86	1,4925
 YAPI VE KREDİ BANKASI A.Ş.	C	7.658.719,86	1,4925
 ZİRAAT KATILIM BANKASI A.Ş.	C	7.658.719,86	1,4925
 TÜRKİYE EMLAK KATILIM BANKASI A.Ş.	C	7.658.719,86	1,4925
PASHA YATIRIM BANKASI A.Ş.	C	7.658.719,86	1,4925
		513.134.229,53	100,00

The company has no privileged shares and does not have any repurchased shares

# C. LEGAL FRAMEWORK AND REGULATIONS GOVERNING THE COMPANY

## Legal Framework Governing Our Company

Legal Framework Governing Our Company  
Our Company was established on 29.07.1991 with the name “Kredi Garanti Fonu İşletme ve Araştırma Anonim Şirketi”, and was renamed as “Kredi Garanti Fonu Anonim Şirketi” on 28.06.2007. Our Company, which was decided to be established by International Treaty, is subject to the provisions of the Turkish Commercial Code.

Through “Decree no. 2015/7715 dated 13.05.2015 on the Amendment of the Decree on Principles and Procedures Concerning Treasury Support for Credit Guarantee Agencies”, published in the Official Gazette dated June 24, 2015, the amount of support that may be provided by the Undersecretariat of the Treasury to the Company was increased from TRY 1 billion to TRY 2 billion.

“Decree no 2017/9969 dated February 27, 2017 on the Amendment of the Decree on Treasury Support for Credit Guarantee Agencies” took effect after being published in the Official Gazette of March 10, 2017, and increased the amount of support provided by the Undersecretariat of Treasury from TRY 2 billion to TRY 25 billion.

“Decree no 2020/2325 dated March 29, 2020 on the Amendment of the Decree on Treasury Support for Credit Guarantee Agencies” took

effect after being published in the Official Gazette of March 30, 2020, and increased the amount of support provided by the Ministry of Treasury and Finance from TRY 25 billion to TRY 50 billion.

Under the “Regulation on the Principles and Procedures Governing the Classification of Loans and Provisions to be Made for These Loans”, the guarantees provided by our Company with the support of the Treasury have been classified as Group-1 Collateral, and the guarantees provided without the support of Treasury have been classified as Group-2 Collateral.

No lawsuit has been initiated against the Company that would affect the Company’s financial standing and operations, quantitatively or qualitatively.

## Main Field of Activity and the Company’s Position in the Sector

KGF was established in 1991 to aid SMEs in gaining access to financing. The Company has since been working toward achieving its primary objective of providing guarantees and collateral support to SMEs that have credibility before banks but that are unable to access loans due to a lack of collateral.

We are fully aware that SMEs are at the heart

of an economy. SMEs account for 99.8% of all enterprises in Turkey, and provide 72% of the total employment in the country. These figures are the most striking illustration of the role and great significance of SMEs to the national economy. In summary, SMEs should be supported to strengthen the economy of Turkey.

It is necessary to improve the productivity of SMEs, to support their integration into international markets, to ensure they have access to know-how and consultancy assistance in the fields of investment, production and marketing, and to support their access to long-term and low-cost loans.

It is here that KGF steps in, issuing guarantees to SMEs as well as non-SME enterprises in line with the most recent regulations.

## Exemptions and Exceptions Applicable to Our Company

Our Company is exempt from corporate tax, pursuant to the provision of subparagraph (I) of the first paragraph of Article 4 of the Corporate Tax Law No 5520.

Pursuant to the fifth paragraph of Provisional Article 67 of Income Tax Law No. 193, no deduction can be made from the interest incomes generated from the deposits of our Company.

Our Company is exempt from value added tax in its loan guarantee transactions, pursuant to the provision of subparagraph (e) of Article 17 of the Value Added Tax Law No 3065.

The papers issued as part of the transactions of our Institution related to loan collateral are exempt

from stamp duties, in line with provision of table no. (2) of paragraph V/22 regulating exceptions, pursuant to article 9 of the Stamp Duty Law No. 488.

Pursuant to the provisions of paragraph 3 of Article 123 of Law No. 492 on Legal Fees, transactions (aside from judicial fees) related to the loans to be extended by financial institutions (banks, financing companies, foreign credit institutions and international institutions), as well as collaterals and repayments, including guarantees to be issued by the Kredi Garanti Fonu, are exempt from the legal fees stipulated in this Law.

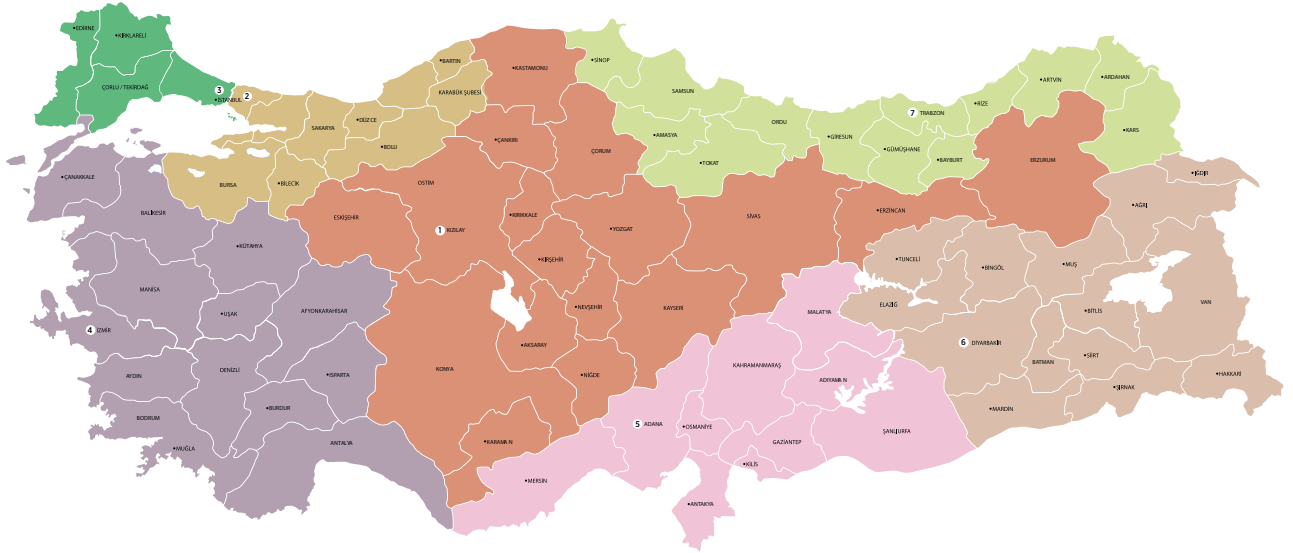
## Financial Rights Provided to the Members of the Board of Directors and the Senior Management

The total benefits, wages, gratuities, SSI employer's contributions, honorariums, allowances, travel, accommodation and representation expenses, cash and in-kind facilities, insurances and similar assurances provided to the Members of the Board of Directors and the Senior Management in the years ending on December 31, 2020 and December 31, 2021 are listed below.

01 January - 31 December 2020	01 January - 31 December 2021
TRY 5,330,884.61.-	TRY 7,109,764.84.-

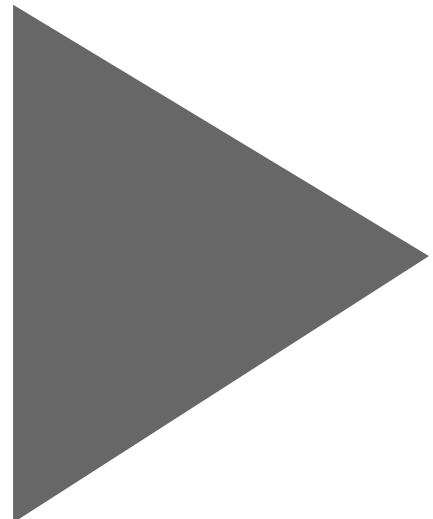
No administrative or judicial sanction has been imposed on the Company or the Members of the Board of Directors on the grounds of practices in breach of the legislation.

# D. REGIONAL AGENCIES



**A TOTAL OF  
7 REGIONAL AGENCIES**

- ▶ 1. THRACE REGIONAL AGENCY (3)
- ▶ 2. MARMARA REGIONAL AGENCY (2)
- ▶ 3. WESTERN ANATOLIA REGIONAL AGENCY (4)
- ▶ 4. CENTRAL ANATOLIA REGIONAL AGENCY (1)
- ▶ 5. EASTERN MEDITERRANEAN REGIONAL AGENCY (5)
- ▶ 6. EASTERN BLACK SEA REGIONAL AGENCY (7)
- ▶ 7. SOUTHEASTERN ANATOLIA REGIONAL AGENCY (6)





ITEM	QTY	UNIT PRICE	TOTAL PRICE
ITEM 1	100	1.50	150.00
ITEM 2	200	2.00	400.00
ITEM 3	300	3.00	900.00
ITEM 4	400	4.00	1600.00
ITEM 5	500	5.00	2500.00
ITEM 6	600	6.00	3600.00
ITEM 7	700	7.00	4900.00
ITEM 8	800	8.00	6400.00
ITEM 9	900	9.00	8100.00
ITEM 10	1000	10.00	10000.00





# 2

**KGF IN NUMBERS**

# A. DEVELOPMENTS IN THE VOLUME OF OUR GUARANTEES

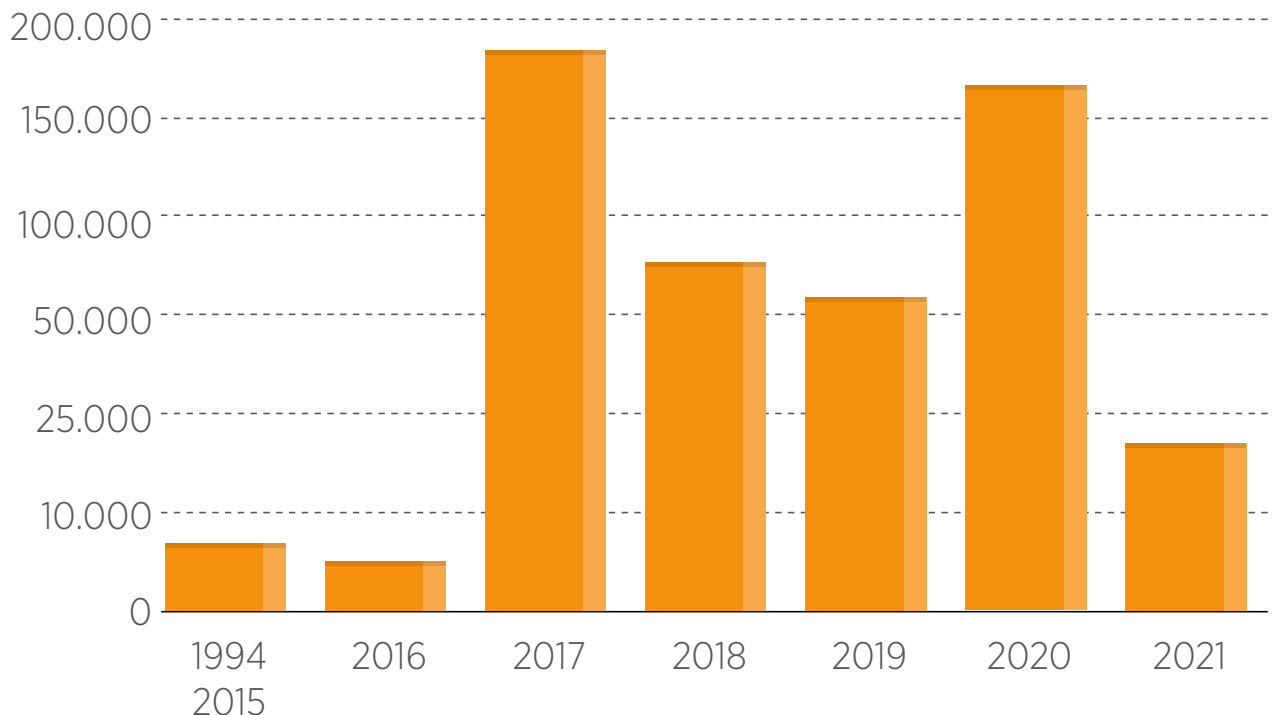
## GUARANTEES REQUESTED, APPROVED AND EXTENDED BY YEARS (Million TRY)

(Equity + Treasury, 1994-2021)

PERIOD	"Guarantees Requested (Request Received)"			"Guarantees Issued (Requests Approved)"			"Guarantees Extended (Request Filed)"		
	Number of SMEs	Loan Amount	Guarantee Amount	Number of SMEs	Loan Amount	Gua. Amount	Number of SMEs	Loan Amount	Gua. Amount
1994-2015	35.408	25.310	18.695	24.085	15.054	10.913	17.674	9.660	7.189
2016	30.220	14.387	11.389	23.365	9.580	7.375	19.506	6.682	5.128
2017	321.321	323.101	290.873	314.239	264.982	238.774	297.682	208.116	187.499
2018	125.146	114.861	100.586	123.931	108.469	95.010	119.294	85.942	75.357
2019	125.535	84.586	68.194	124.556	81.977	66.002	119.888	73.662	59.352
2020	319.085	226.827	181.846	318.098	224.567	179.997	286.773	203.404	163.030
2021	57.591	28.221	23.001	56.633	19.050	15.643	54.064	18.018	14.800
<b>1994-2021*</b>	<b>946.498</b>	<b>1.224.896</b>	<b>1.054.035</b>	<b>918.501</b>	<b>849.844</b>	<b>732.355</b>	<b>852.327</b>	<b>716.268</b>	<b>615.378</b>
<b>Individual 2021</b>	<b>7.463.078</b>	<b>44.487</b>	<b>35.779</b>	<b>7.463.078</b>	<b>44.487</b>	<b>35.779</b>	<b>6.961.454</b>	<b>41.641</b>	<b>33.496</b>
<b>TOTAL</b>	<b>8.409.576</b>	<b>1.269.382</b>	<b>1.089.814</b>	<b>8.381.579</b>	<b>894.330</b>	<b>768.134</b>	<b>7.813.781</b>	<b>757.908</b>	<b>648.874</b>

\* The 2021 year-end exchange rate has been used for Commercial Loans, and Requests Received and Approved from previous years may also be included in the Requests Issued.

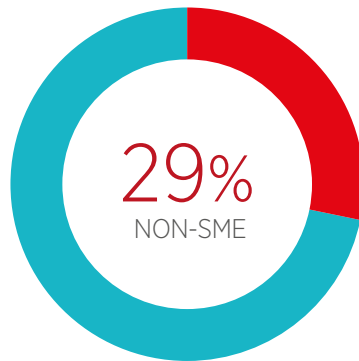
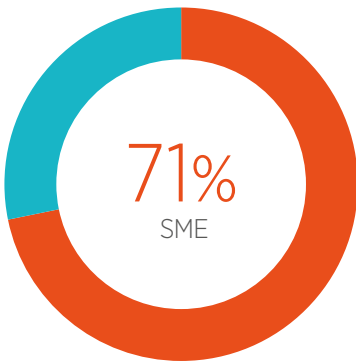
### Guarantees



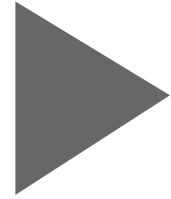
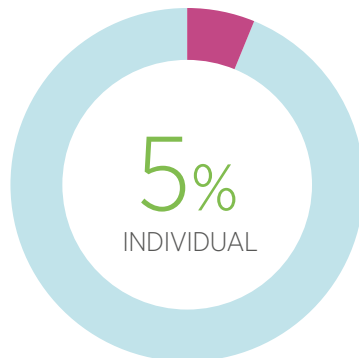
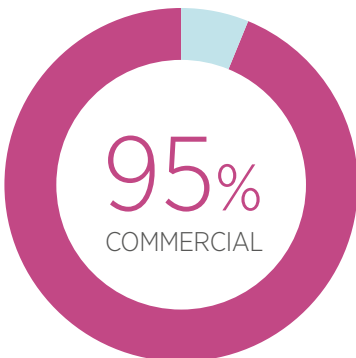
## BREAKDOWN OF GUARANTEES ISSUED BY SIZE OF ENTERPRISES (Million TRY) (Equity + Treasury, 1994–2021)

Segment	No. of Transactions	Volume of Loans Extended with Guarantee Issued	Guarantee Amount	Ratio
SME	832.994	511.269	434.295	71%
NON-SME	19.333	204.998	181.083	29%
TOTAL	852.327	716.268	615.378	100%
Individual	6.961.454	41.641	33.496	5%
TOTAL	7.813.781	757.908	648.874	100%

### COMMERCIAL



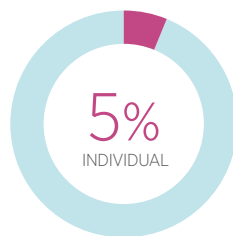
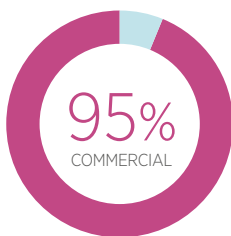
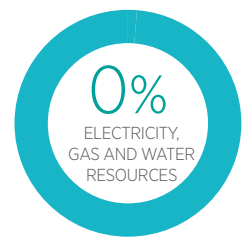
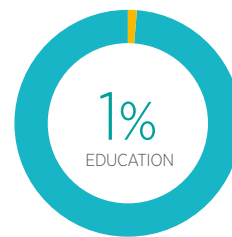
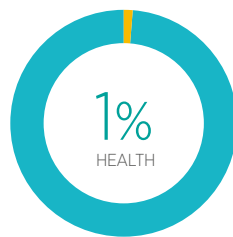
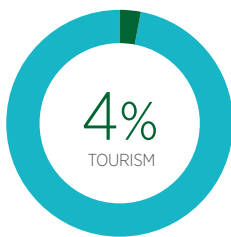
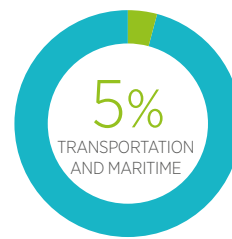
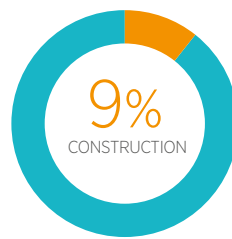
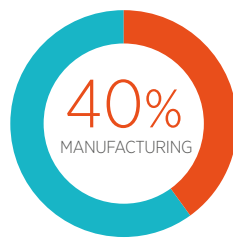
### TOTAL



## A. DEVELOPMENTS IN THE VOLUME OF OUR GUARANTEES

BREAKDOWN OF GUARANTEES ISSUED BY SECTORS (Million TRY)  
(Equity + Treasury, 1994–2021)

Sectors	Number	Guarantee Amount	Ratio
TRADE AND SERVICES	434.796	234.261	38%
MANUFACTURING	186.919	246.102	40%
CONSTRUCTION	82.363	55.941	9%
TRANSPORTATION AND MARITIME	45.922	28.629	5%
AGRICULTURE AND LIVESTOCK	43.659	12.679	2%
TOURISM	36.903	21.965	4%
HEALTH	10.375	4.942	1%
MINING AND NATURAL RESOURCES	3.082	4.757	1%
EDUCATION	6.890	3.303	1%
ELECTRICITY, GAS AND WATER RESOURCES	1.418	2.798	0%
<b>TOTAL</b>	<b>852.327</b>	<b>615.378</b>	<b>100%</b>
INDIVIDUAL	6.961.454	33.496	5%
<b>TOTAL</b>	<b>7.813.781</b>	<b>648.874</b>	<b>100%</b>



## BREAKDOWN OF GUARANTEES ISSUED BY REGIONS (Million TRY)

(Equity + Treasury, 1994–2021)

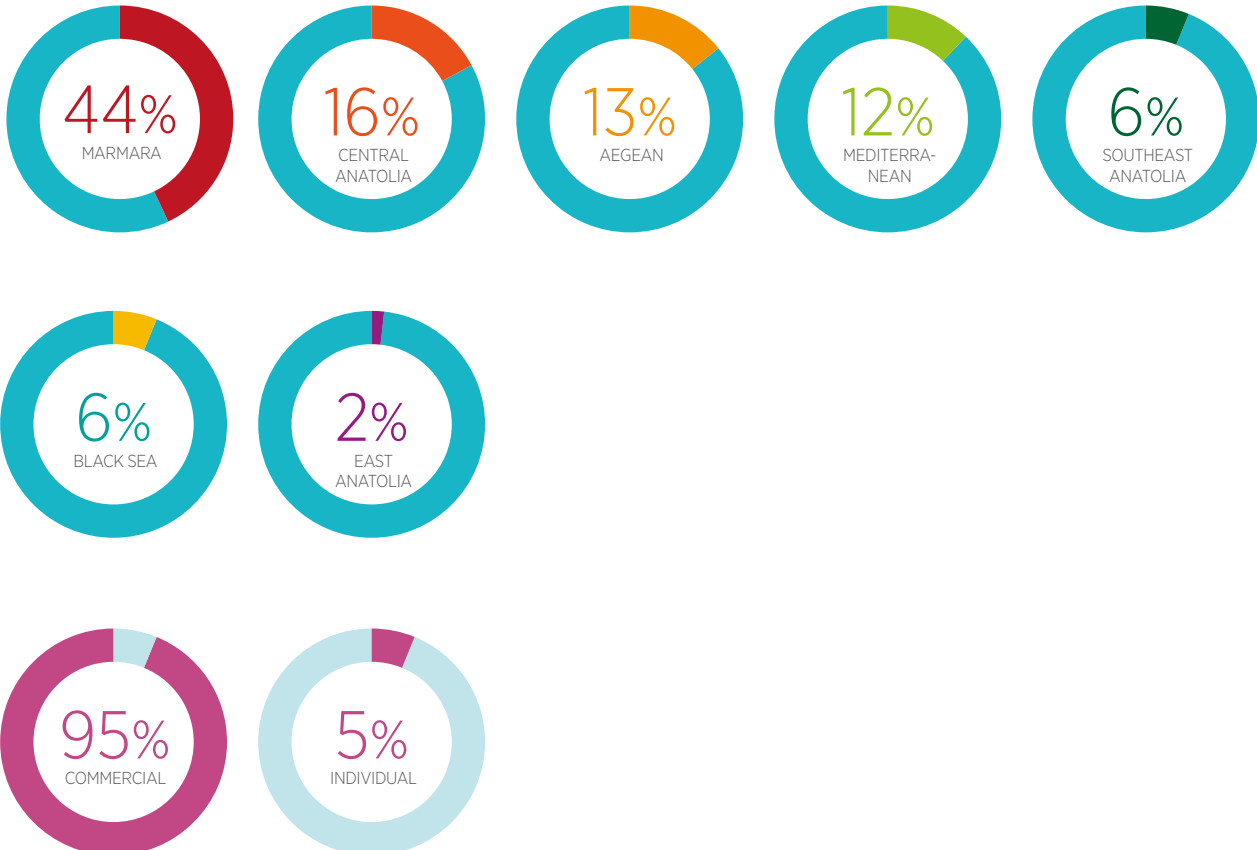
Regions	No. of Transactions	Guarantee Amount	Ratio
Marmara	315.427	270.812	44%
Central Anatolia	145.564	98.475	16%
Aegean	131.989	82.836	13%
Mediterranean	102.407	76.828	12%
Southeast Anatolia	45.641	38.947	6%
Black Sea	77.678	34.013	6%
East Anatolia	33.621	13.468	2%
COMMERCIAL LOANS TOTAL	852.327	615.378	100%
Individual(*)	6.961.454	33.496	5%
TOTAL	7.813.781	648.874	100%



In loans extended with a KGF guarantee in 2021, Marmara Region ranked first with a share of 44%, and increased its guarantee amount to TRY 270,812 million.

At a transaction level, the Marmara Region had the highest average amount of extended guarantees with TRY 859.- thousand, while the East Anatolia Region had the lowest average amount of extended guarantees with TRY 401.- thousand.

(\*) Individual Loans were specified without breakdown by region as they are not included in Commercial Loan Guarantees.



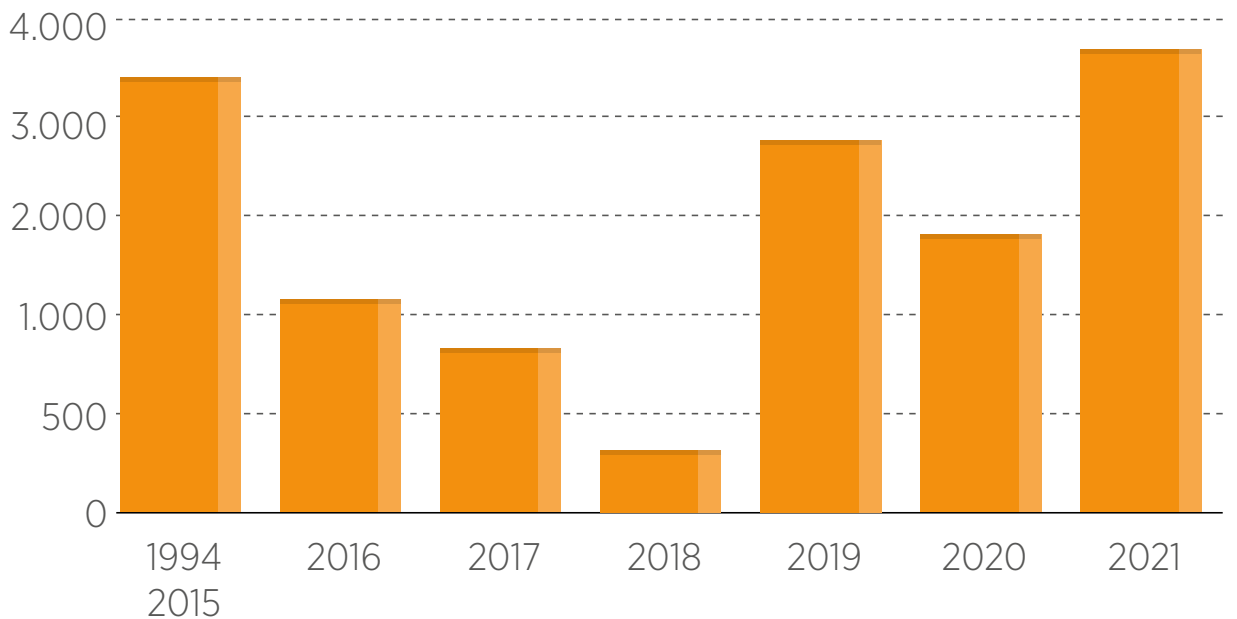
## B. BANK LOANS ISSUED TO SMEs WITH KGF EQUITY-BACKED GUARANTEES

GUARANTEES REQUESTED, APPROVED AND EXTENDED BY YEARS (Million TRY)  
(Equity 1994–2021)

PERIOD	“Guarantees Requested (Request Received)”			“Guarantees Issued (Requests Approved)”			“Guarantees Extended (Request Filed)”		
	Number of SMEs	Loan Amount	Gua. Amount	Number of SMEs	Loan Amount	Gua. Amount	Number of SMEs	Loan Amount	Gua. Amount
1994-2015	22.473	13.707	10.492	14.273	7.467	5.645	9.963	4.220	3.290
2016	6.154	4.564	3.931	4.446	2.392	2.057	3.170	1.199	1.033
2017	10.001	5.446	4.656	6.888	2.381	2.076	5.701	1.008	886
2018	1.562	1.111	1.019	1.120	568	499	802	291	269
2019	11.635	5.188	4.187	11.194	4.414	3.488	10.389	3.520	2.838
2020	8.562	3.805	3.063	7.918	3.159	2.512	6.822	2.417	1.946
2021*	9.784	5.489	4.396	9.561	5.050	4.034	9.580	4.735	3.790
1994-2021*	70.233	64.172	52.001	55.546	33.710	27.106	46.790	22.657	18.455

\* The 2021 year-end exchange rate has been used for Commercial Loans, and Requests Received and Approved from previous years may also be included in the Requests Issued.

Guarantees Extended



The Credit Guarantee Fund, undertaking significant innovations and transformations also in 2021, has reached out to a far greater number of SMEs, providing them with equity-backed guarantees issued with the support of the European Investment Fund, and becoming the prime institution in the access to SMEs to finance.

In 2021, SMEs were provided with guarantees worth TRY 3,790 million for loans obtained through the Banking System amounting to TRY 4,735 million.

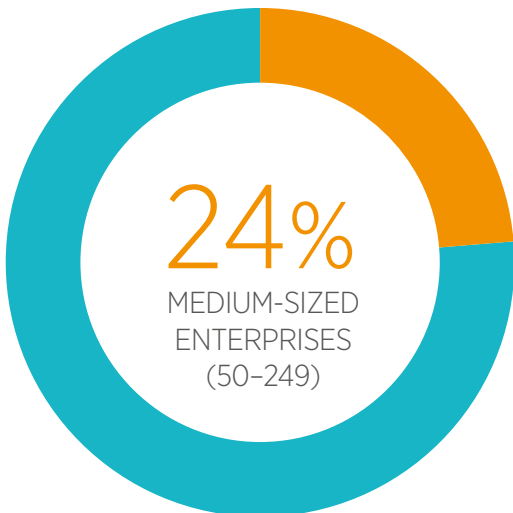
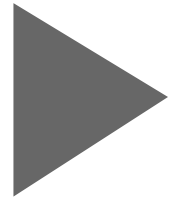
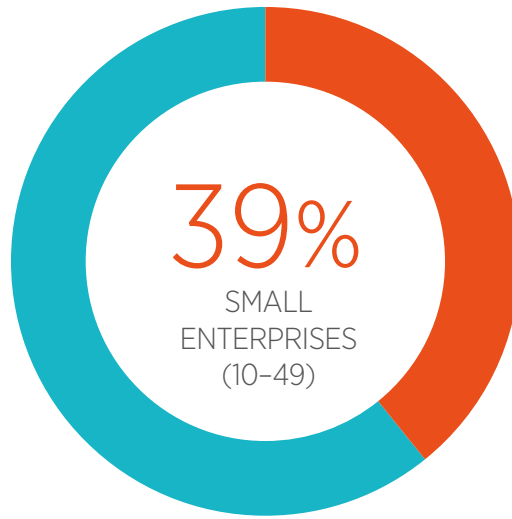
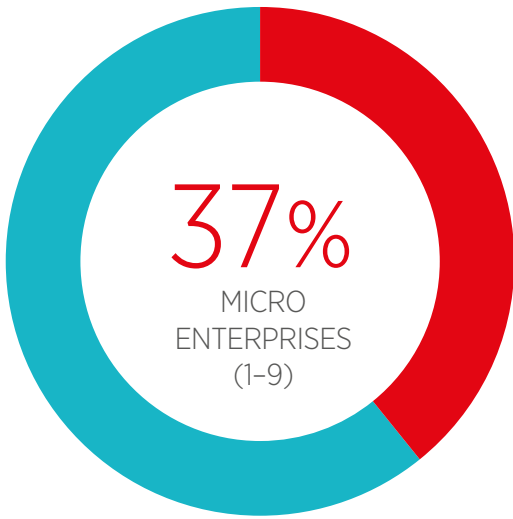
From 1994 to 2021 year-end, applications from a total of 70,233 SMEs were evaluated, and as a result, KGF provided guarantees worth TRY 18,455 million, allowing SMEs to access loans totaling TRY 22,657 million.

## SME AND NON-SME BREAKDOWN OF GUARANTEES ISSUED (Million TRY)

(Equity 1994–2021)

Size	Number of SMEs	Volume of Loans Extended with Guarantee Issued	Gua. Amount	Ratio
Micro Enterprises (1-9)	30.075	8.287	6.799	37%
Small Enterprises (10-49)	12.928	8.958	7.276	39%
Medium-Size Enterprises (50-249)	3.787	5.412	4.380	24%
<b>TOTAL</b>	<b>46.790</b>	<b>22.657</b>	<b>18.455</b>	<b>100%</b>

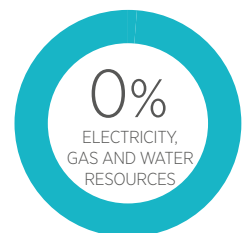
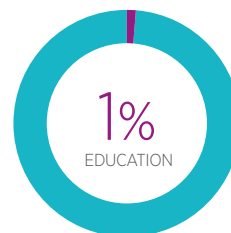
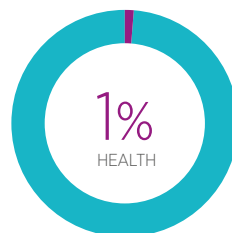
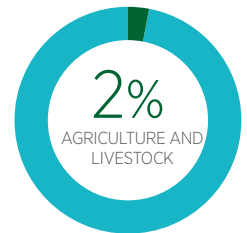
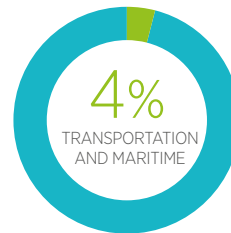
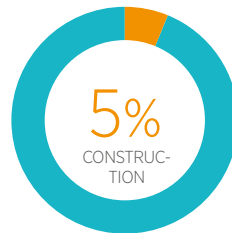
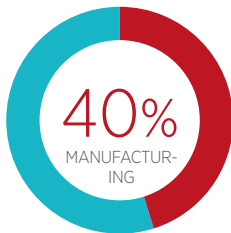
As of 2021, the share of Micro Enterprises in the total guarantees issued increased to 37%; Small Enterprises had a share of 39% with an average guarantee amount of TRY 563,000; and Medium-Sized Enterprises secured a share of 24%, with an average guarantee amount of TRY 4,380 million.



## B. BANK LOANS ISSUED TO SMEs WITH KGF EQUITY-BACKED GUARANTEES

BREAKDOWN OF GUARANTEES ISSUED BY SECTORS (Million TRY)  
(Equity 1994-2021)

Sectors	Number	Guarantee Amount	Ratio
MANUFACTURING	11.855	7.320	40%
TRADE AND SERVICES	25.669	8.225	45%
CONSTRUCTION	2.904	977	5%
TRANSPORTATION AND MARITIME	2.316	761	4%
AGRICULTURE AND LIVESTOCK	902	281	2%
TOURISM	2.265	474	3%
MINING AND NATURAL RESOURCES	197	138	1%
HEALTH	334	134	1%
EDUCATION	270	100	1%
ELECTRICITY, GAS AND WATER RESOURCES	78	43	0%
TOTAL	46.790	18.455	100%

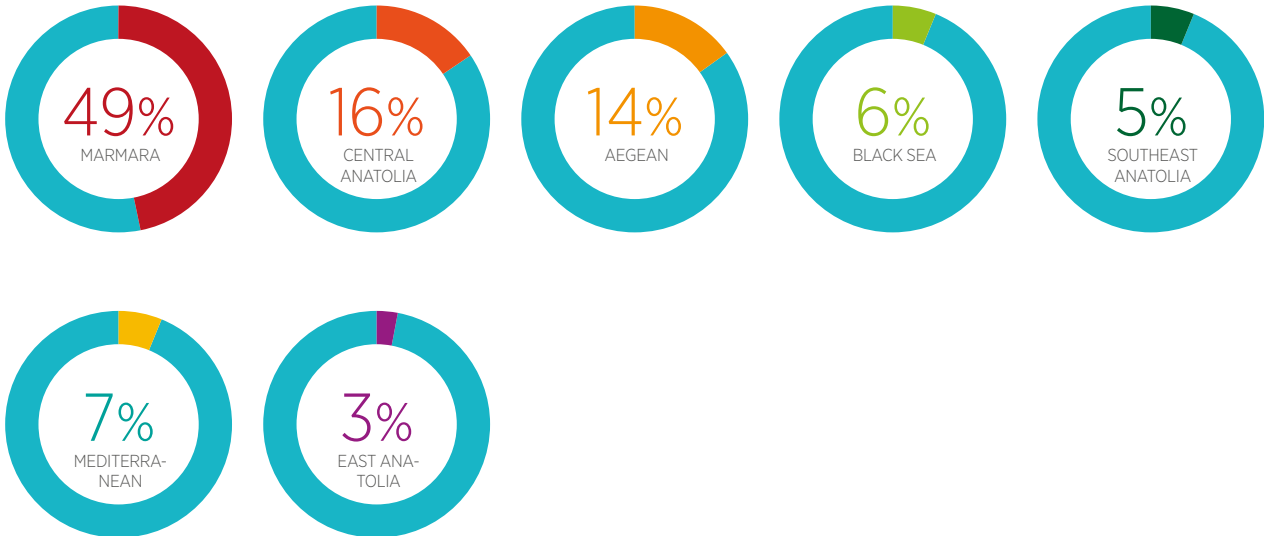
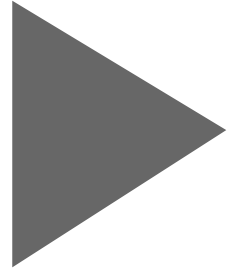




## BREAKDOWN OF GUARANTEES ISSUED BY REGIONS (Million TRY)

(Equity 1994–2021)

Regions	Number of SMEs	Guarantee Amount	Ratio
Marmara	15.596	9.120	49%
Central Anatolia	7.959	2.963	16%
Aegean	6.322	2.625	14%
Black Sea	6.573	1.054	6%
Southeast Anatolia	2.911	900	5%
Mediterranean	4.313	1.275	7%
East Anatolia	3.116	516	3%
TOTAL	46.790	18.455	100%



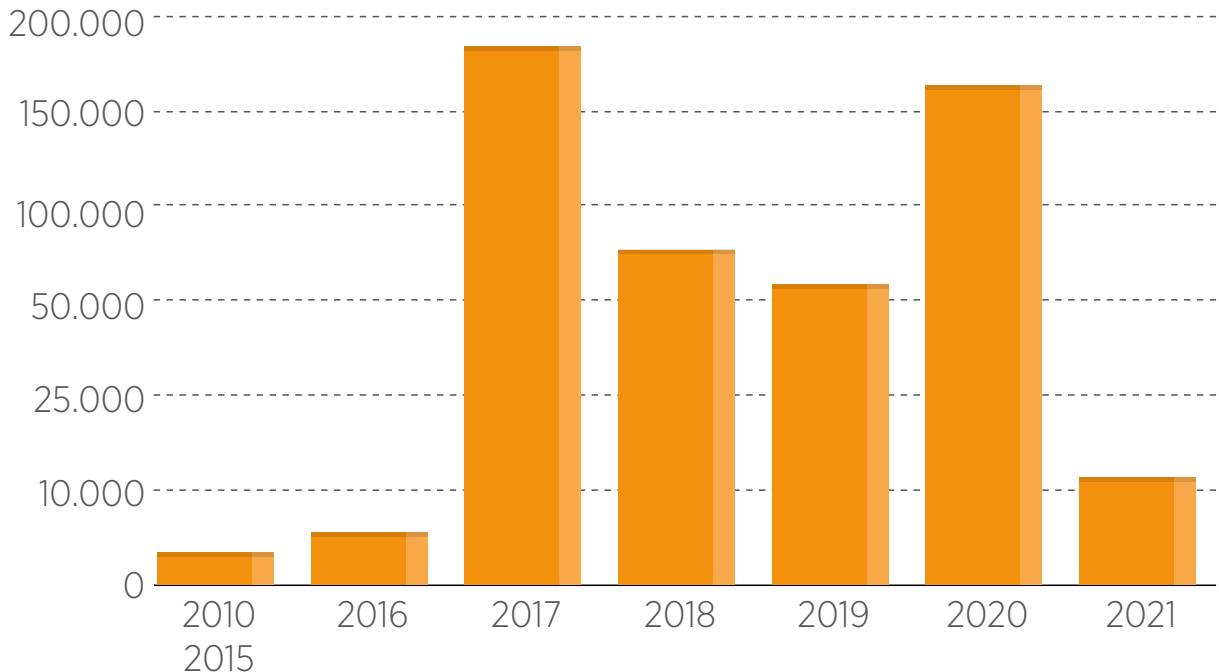
# C. BANK LOANS PROVIDED TO FIRMS WITH TREASURY-BACKED GUARANTEES

GUARANTEES REQUESTED, APPROVED AND EXTENDED BY YEARS (Million TRY)  
(Treasury 2010–2021)

PERIOD	“Guarantees Requested (Request Received)”			“Guarantees Issued (Requests Approved)”			“Guarantees Extended (Request Filed)”		
	KOBİ Sayısı	Kredi Tutarı	Kefalet Tutarı	KOBİ Sayısı	Kredi Tutarı	Kefalet Tutarı	KOBİ Sayısı	Kredi Tutarı	Kefalet Tutarı
2010-2015	12.935	11.603	8.202	9.812	7.587	5.268	7.711	5.440	3.899
2016	24.066	9.824	7.458	18.919	7.188	5.318	16.336	5.483	4.095
2017	311.320	317.655	286.217	307.351	262.601	236.698	291.981	207.107	186.613
2018	123.584	113.750	99.567	122.811	107.901	94.511	118.492	85.651	75.088
2019	113.900	79.398	64.007	113.362	77.563	62.514	109.499	70.142	56.514
2020	310.523	223.022	178.783	310.180	221.407	177.485	279.951	200.987	161.085
2021*	47.807	22.732	18.605	47.072	14.000	11.610	44.484	13.283	11.010
2010-2021*	876.265	1.160.724	1.002.034	862.955	816.134	705.249	805.537	693.611	596.924
Individual 2021	7.463.078	44.487	35.779	7.463.078	44.487	35.779	6.961.454	41.641	33.496
TOTAL	8.339.343	1.205.210	1.037.814	8.326.033	860.621	741.029	7.766.991	735.252	630.420

\* The 2021 year-end exchange rate has been used for Commercial Loans, and Requests Received and Approved from previous years may also be included in the Requests Issued.

## Guarantees Extended



The Treasury-backed guarantee system that was launched in 2010 continued to be applied in 2021, with annual Guarantees extended for Commercial Loans amounting to TRY 11,010 million.

From the launch of the practice until 2021 year-end, the requests of 876,265 SMEs were evaluated and guarantees worth TRY 596,924 million were issued for bank loans valued at TRY 693,611 million made to 805,537 SMEs.

Under all Treasury-Backed Guarantees, requests from a total of 8.3 million users were evaluated and guarantees worth TRY 630,420 million were issued for loans to the value of TRY 735,252 million made to 7.8 million users.

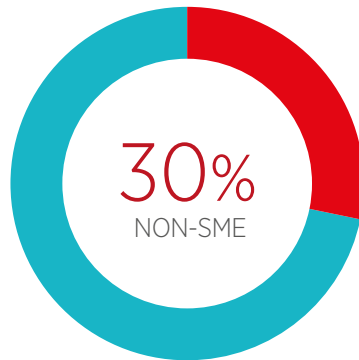
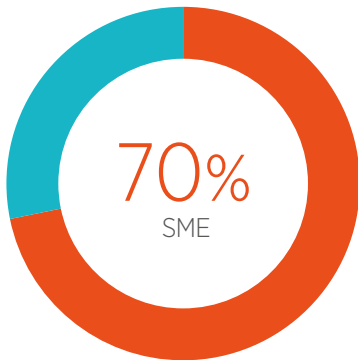
TRY 33.5 billion worth of Individual Loan guarantees were extended to 7 million individual users for loans with a value of TRY 41.6 billion under the Major Needs Support that was launched in 2020.

### SME - NON-SME BREAKDOWN OF GUARANTEES ISSUED (Million TRY)

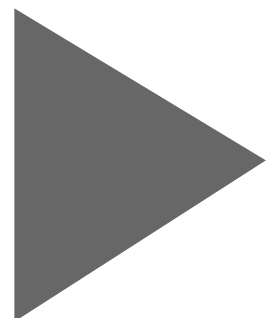
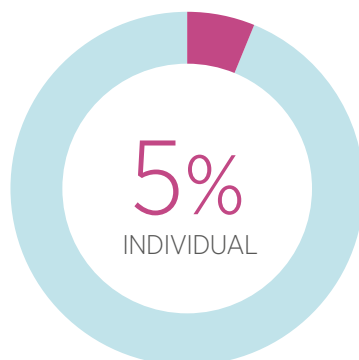
(Treasury 2010–2021)

Segment	No. of Transactions	Volume of Loans Extended with Guarantee Issued	Guarantee Amount	Ratio
SME	786.204	488.612	415.841	70%
NON-SME	19.333	204.998	181.083	30%
TOTAL	805.537	693.611	596.924	100%
Individual	6.961.454	41.641	33.496	5%
TOTAL	7.766.991	735.252	630.420	100%

#### COMMERCIAL



#### TOTAL

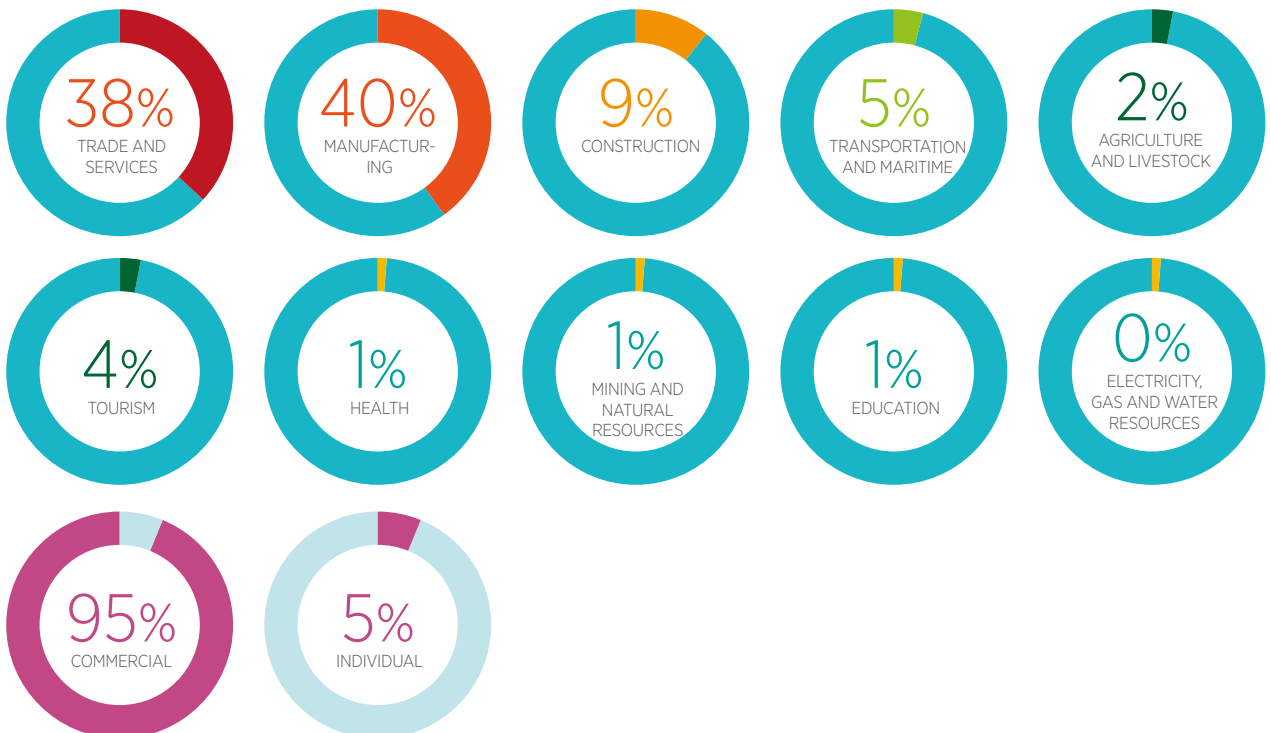


## C. BANK LOANS PROVIDED TO FIRMS WITH TREASURY-BACKED GUARANTEES

BREAKDOWN OF GUARANTEES ISSUED BY SECTORS (Million TRY)  
(Treasury 2010–2021)

Sectors	Number	Guarantee Amount	Ratio
TRADE AND SERVICES	409.127	226.037	38%
MANUFACTURING	175.064	238.781	40%
CONSTRUCTION	79.459	54.964	9%
TRANSPORTATION AND MARITIME	43.606	27.868	5%
AGRICULTURE AND LIVESTOCK	42.757	12.397	2%
TOURISM	34.638	21.491	4%
HEALTH	10.041	4.808	1%
MINING AND NATURAL RESOURCES	2.885	4.619	1%
EDUCATION	6.620	3.203	1%
ELECTRICITY, GAS AND WATER RESOURCES	1.340	2.755	0%
<b>TOTAL OF COMMERCIAL GUARANTEES</b>	<b>805.537</b>	<b>596.924</b>	<b>100%</b>
INDIVIDUAL	6.961.454	33.496	5%
<b>TOTAL</b>	<b>7.766.991</b>	<b>630.420</b>	<b>100%</b>

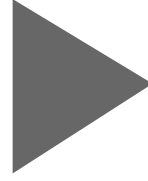
Guarantees issued to firms in the Industrial Sector, which is the driver of the economy, making important contributions to production and employment, amounted to 60%, exceeding the total amount issued to the Services and Agriculture Sectors.



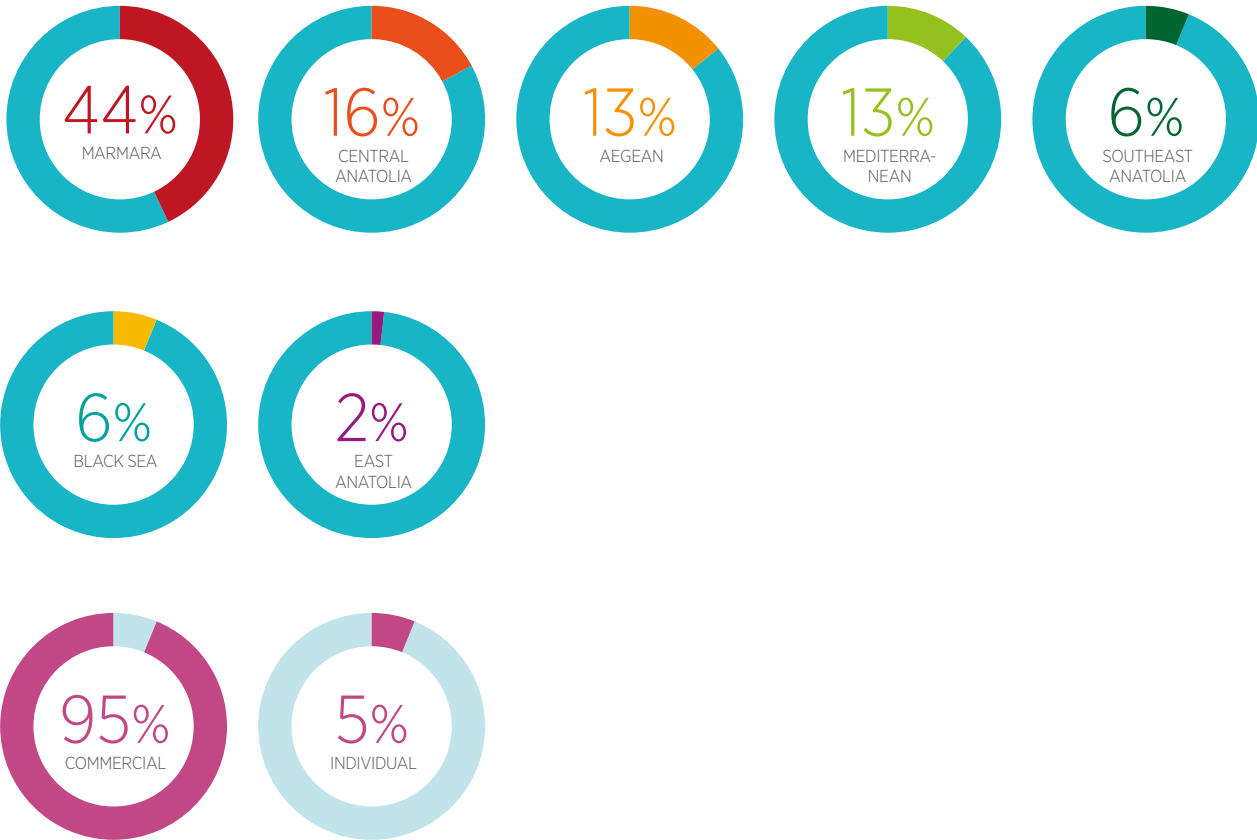
## BREAKDOWN OF GUARANTEES ISSUED BY REGIONS (Million TRY)

(Treasury 2010-2021)

Regions	No. of Transactions	Guarantee Amount	Ratio
Marmara	299.831	261.692	44%
Central Anatolia	137.605	95.511	16%
Aegean	125.667	80.210	13%
Mediterranean	98.094	75.553	13%
Southeast Anatolia	42.730	38.046	6%
Black Sea	71.105	32.959	6%
East Anatolia	30.505	12.952	2%
<b>TOTAL</b>	<b>805.537</b>	<b>596.924</b>	<b>100%</b>
Individual(*)	6.961.454	33.496	5%
<b>TOTAL</b>	<b>7.766.991</b>	<b>630.420</b>	<b>100%</b>



(\*) Individual Loans were specified without breakdown by region as they are not included in Commercial Loan Guarantees.



## D. DIRECT SUPPORTS (KOSGEB, TÜBİTAK, TTGV, MINISTRY OF INDUSTRY AND TECHNOLOGY)

With the signing of protocols with the Small and Medium Enterprises Development Organization of Turkey (KOSGEB), the Scientific and Technological Research Council of Turkey (TÜBİTAK), the Technology Development Foundation of Turkey (TTGV), and the Ministry of Industry and Technology since 2014, the scope of the guarantee scheme has been expanded, thus providing SMEs with guarantees for various types of financial support, in addition to guarantees for financing by financial institutions. KGF-issued guarantees are thus accepted as collateral in place of a bank-issued letter of guarantee, ensuring the relevant institutions and agencies continue to provide support to SMEs.

Direct supports continued also in 2021, when SMEs were allowed to benefit from public subsidies without using their credit limits with banks in their collateral transactions.



## E. NON-PERFORMING GUARANTEES

From 1994, when we first launched our operations, until 2021 year-end, we extended commercial guarantees worth TRY 615,378 million, of which TRY 18,454.6 million was KGF equity-backed and TRY 596,923.8 million was Treasury-backed. Of the total amount of commercial guarantees extended, TRY 16,094 million were non-performing, with the 2.38% ratio of non-performing guarantees at 2020 year-end increasing to 2.62% at 2021 year-end. Of the amount that turned into non-performing guarantees, 4.4% were KGF equity-backed and 95.6% were Treasury-backed commercial guarantees.

In KGF equity-backed guarantees, the ratio of non-performing guarantees was 3.81% as of 2021 year-end when compared to 5.47% as of 2020 year-end.

As for Treasury-backed commercial guarantees, non-performing guarantees amounted to TRY 15,390.1 million as of 2021 year-end. The ratio of non-performing Treasury-backed commercial guarantees amounted to 2.58% at 2021 year-end, compared to 2.31% as of 2020 year-end.

### NON-PERFORMING GUARANTEES AND RISK EXPOSURE (TRY)

Sources	01.01.1994 - 31.12.2021			31.12.2021	
	Guarantees Extended	NPG Amount	NPG Ratio%	Outstanding Non-Performing Risk (incl. with protocol)	Rate of Non-Performing Risk %
Equity	18.454.559.177	703.903.373	3,81	345.532.398	1,87
Treasury(*)	596.923.797.610	15.390.098.051	2,58	14.196.944.906	2,38
<b>TOTAL</b>	<b>615.378.356.787</b>	<b>16.094.001.424</b>	<b>2,62</b>	<b>14.542.477.304</b>	<b>2,36</b>

Note: Pursuant to the Board of Directors decisions dated 20/11/2007, 13/05/2010, 17/11/2016 and 22/12/2018, out of all the non-performing KGF equity-backed guarantees, the balance of non-performing guarantees that were written-off was TRY 67,556,416.19.

(\*) Including Commercial Guarantees.

Recoveries from non-performing guarantees are also increasing year by year. As of 2021 year-end, the principal total amounts recovered from non-performing KGF equity-backed guarantees and from non-performing Treasury-backed guarantees stand at TRY 290.8 million and TRY 1,193.2 million, respectively.

As a result of these recoveries, out of the TRY 14,542.5 million in non-performing guarantees at risk as of 2021 year-end, TRY 345.5 million consists of KGF equity-backed guarantees and TRY 14,196.9 million consists of Treasury-backed guarantees, with risk shares of 2.4% and 97.6%, respectively.







**3**

**OUR  
ACTIVITIES  
IN 2021**

## 3- OUR ACTIVITIES IN 2021

### PRODUCT MANAGEMENT AND MARKETING ACTIVITIES

► In 2021, five new Support Packages were created within the scope of Treasury Backed Guarantee Transactions and one new Support Loan Program was created within the scope of Equity Guarantee Transactions.

1. Nefes Loan with a guarantee source of TRY 5 Billion on 31.05.2021,
2. TKYB Loan Support Package with a guarantee source of TRY 2 Billion on 25.06.2021,
3. Additional Employment Support Package with a guarantee source of TRY 10 Billion on 24.09.2021,
4. Manufacturing Based Import Substitution Support Package with a guarantee source of TRY 10 Billion on 24.09.2021,
5. Cold Air Units and Frigorific Vehicles Support Package with a guarantee source of TRY 3 Billion on 24.09.2021,
6. KGF Support Loan 2 Program with a guarantee volume of TRY 2 billion as a separate package to be allocated from the equity of our Institution in November 2021

A total of five protocols were signed within the scope of the financial support system in which the entirety of, or a part of, the interest/profit share is met by KOSGEB following the issuance of a bank loan guaranteeing access to affordable loans by enterprises registered in the KOSGEB database that were able to document, through official authorities (Governorship, District Governorship), that they had been affected by natural disasters within 2021.

1. On 23.08.2021, Protocol for an Emergency Support Loan for the Artvin, Düzce and Rize Provinces,
2. On 23.08.2021, Protocol for an Emergency Support Loan for the Districts of Van Province, and the Western and Central Black Sea Region Provinces hit by Floods,
3. On 06.08.2021, Protocol for an Emergency Support Loan for Edirne,
4. On 03.09.2021, Protocol for an Emergency Support Loan for Trabzon Province, Yomra District,
5. On 06.10.2021, Protocol for an Emergency Support Loan for Forest Fires,

### DEVELOPMENTS IN TREASURY-BACKED GUARANTEE TRANSACTIONS

Within the scope of the Treasury-backed Guarantee Transactions:

An addendum was signed between the Ministry of Treasury and Finance and our Institution regarding the granting of exemption from restructuring guarantee commission fees for beneficiaries who can prove they came to harm due to the fires experienced in Antalya, Muğla, Adana, Mersin and Osmaniye, and the floods in Düzce, Artvin Rize, Bartın, Kastamonu and Sinop, based on documents obtained from the relevant Provincial Governorships and District Governorships, in their requests for additional maturity from 01.07.2021 up to 31.12.2021.

## NEW COOPERATION INITIATIVES

► For the “Formal Employment Facility for Syrian Refugees and Host Communities in Turkey” support program, under which SMEs in provinces with large Syrian populations shall be extended loans with KGF guarantees in return for committing to the employment of additional Turkish and Syrian employees. The interests of such loans shall be met by KOSGEB if the employment commitment is fulfilled, with a total funding of EUR 10 million provided by the German Ministry of Development through the German Development Bank (KfW); On 14.12.2020,

1. a Financing Agreement Protocol was signed between KGF and KfW,

2. an Implementing Agreement Protocol was signed by KGF, KfW and KOSGEB.

Studies are ongoing, and loans within the scope of the program are planned to start being made in 2022.

Negotiations are being held with international financial institutions, including the EBRD and the World Bank group, in line with the Paris Agreement, which is a party as a country and new guarantee programs with regard to the climate change and green finance are planned to be prepared.

## OTHER ACTIVITIES

► On 20.01.2021, a virtual meeting was held with the IMF delegation to discuss the policy followed by the KGF during the COVID-19 pandemic and the new guarantee packages. The questions asked by the participants were answered, and information on the Treasury-backed KGF guarantee packages (Economic Stability Shield Packages) issued during the pandemic was provided.

On 11.03.2021, a Djibouti Delegation was hosted during which the structure and activities of the Kredi Garanti Fonu (KGF) were explained, while information on the credit guarantee funds operated in the two countries was shared.

As a member of the SME Finance Forum since 2017, established by the “G20 Global Partnership for Financial Inclusion” in 2012 and managed by the IFC (International Finance Corporation) – a sister organization of the World Bank Group – our Company participated in the annual meeting of the Global SME Finance Forum, held virtually due to the pandemic on October 18–21, 2021, and in the conference held afterwards.

On 17.11.2021 we participated in the Turkey-Libya Project Development Forum as a speaker.

Participating in the TOBB Women Entrepreneurs Council meeting, and marking International Women’s Entrepreneurship Day on 19.11.2021, a presentation was made on KGF’s activities and the TurWiB Program (Turkish Women in Business) support package.

A Kyrgyzstani delegation was hosted on 26.11.2021 and a presentation was made to explain the structure and activities of the Kredi Garanti Fonu (KGF).

As a member of the AECM (European Association of Guarantee Institutions) since 2005, our Company participated in the AECM General Assembly, held virtually on November 22–24, 2021, and took part in the panels “How to achieve a speedy and full recovery” and “Financing the digitalization of SMEs”.

An Azerbaijani delegation was hosted on 16.12.2021 and a presentation was made on KGF and its activities.

On 21.12.2021, we participated in the 17th TOSYÖV (Turkish Foundation for Small and Medium Businesses) SME Summit as a speaker.

## HUMAN RESOURCES ACTIVITIES

Our workforce, which numbered 166 at the end of 2020, had declined to 157 by the end of 2021 following the departure of 15 staff members and the employment of six new staff members. 52% of the overall workforce is female and 48% is male.

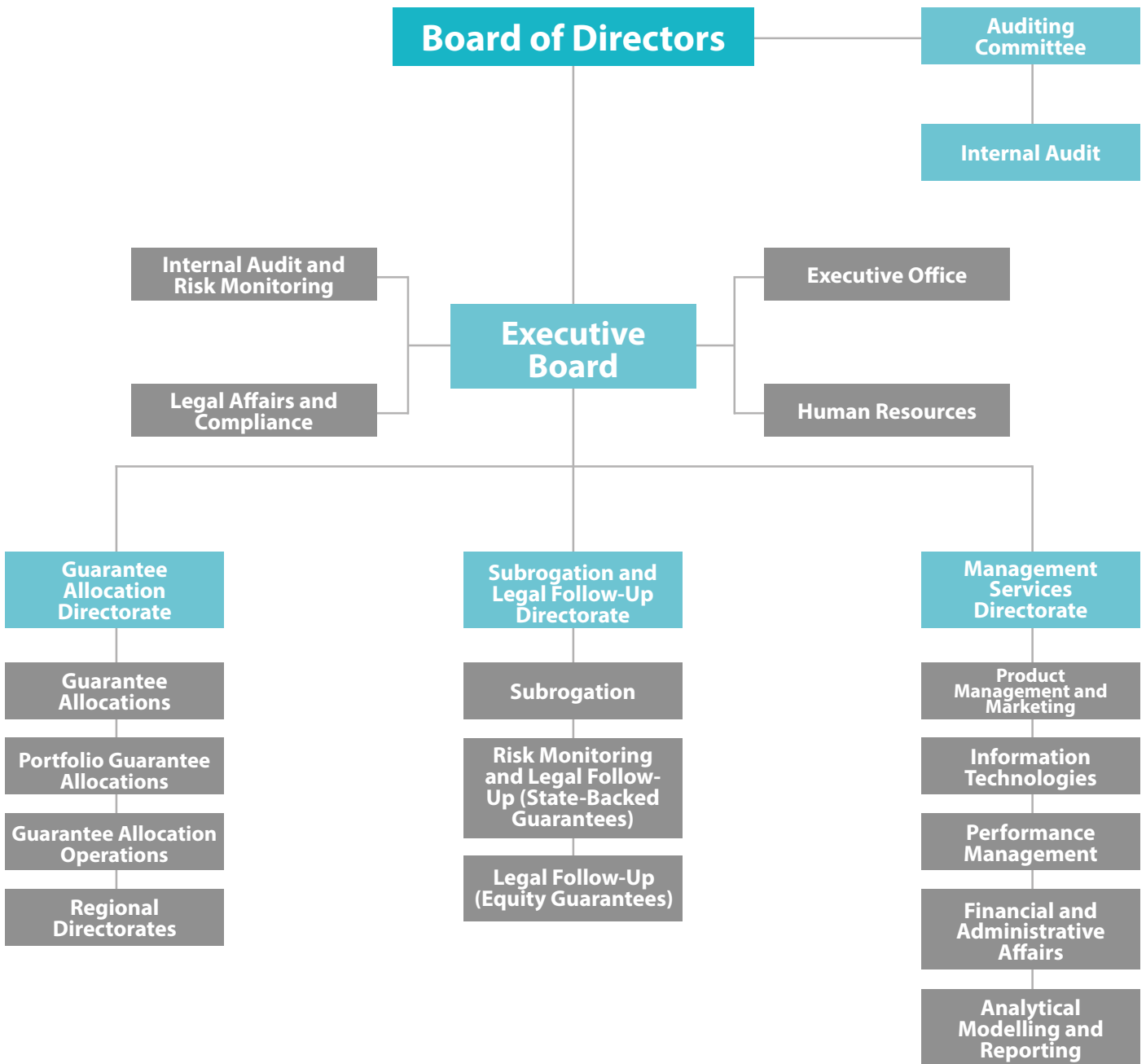
Total Number of Staff	157
Ratio of Female Staff	52%
Ratio of Senior-Medium Level Female Executives	37%
Ratio of University and/or College Graduates	86%
Average Age	41
Average Seniority	8 years

- ▶ 86% of the staff are university and/or college graduates. The KGF has a young employee profile, with an average age of (41). The average seniority is (8) years.
- ▶ KGF, acknowledging that its employees are its most valuable resource, adopts a principle of transparency in the establishment of its human resources policy.
- ▶ In this respect, career planning, wage policy, duties, processes and all other rights are secured by the Company in accordance with internal regulations, and are managed in a transparent manner.
- ▶ The Human Resources Management Division carries out its recruitment and other duties solely on the basis of performance evaluations and internal regulations, and with no discrimination on the basis of religion, language, race or gender. The primary goal is to ensure the professional development of employees, while offering them an orderly, transparent and peaceful work environment.
- ▶ In addition to the basic personal rights of KGF staff, the fringe benefits of personal accident insurance and complementary health insurance that have been offered since 2016, continued in 2021.
- ▶ Our Institution has always believed in a collective work culture and collective wisdom, and internalizes these values, acting with a “people first” approach. It has focused on measures and follow-ups related to the pandemic with priority given to the health of employees and their families in line with Occupational Health and Safety practices. From the perspective of Occupational Health and Safety, legal procedures were followed during the global pandemic, and for the benefit of both public and employee health, working-from-home and working part-time continued in 2021.
- ▶ Making changes to the organizational structure, an Executive Board office, comprising the Chairman, the Vice Chairman and the General Coordinator, has been established for the sharing of executive authority and to make the decision-making mechanism more effective. Furthermore, the title “Deputy General Manager” has been replaced with the title “Director”.

- ▶ The 2021 annual audit carried out as required by the ISO 9001:2015 Service Sector Quality Certificate, which documents our ability to maintain and improve stakeholder satisfaction in our business processes and ensures the delivery of high-quality services, has been completed successfully, and we have thus retained the right to hold the certificate.
- ▶ KGF is gaining recognition as a rising value in the sector through the responsibilities it takes on and the value added it creates. This increased recognition of KGF and the importance placed by the Company in its human resources have made it a preferred institution for employment. As a result, many job applications were received throughout the year from those seeking to join KGF.
- ▶ As part of its social responsibility projects, (3) students from TOBB ETU University continued to receive full scholarships.
- ▶ KGF continues investing in human resources in line with the changing and evolving needs and expectations of its employees and new technologies



## Organization Diagram



## INFORMATION TECHNOLOGIES AND SECURITY RELATED ACTIVITIES

- ▶ 1. Within the scope of the new software project, the Kredi Garanti Fonu business processes were optimized, and the works of the relevant software company and Kredi Garanti Fonu have been accelerated.
- ▶ 2. Software and hardware have been updated, and the number of integrated institutions has been increased to improve data transfers with state institutions.
- ▶ 3. Software development and optimization studies have been carried out and software efficiency has been increased at the heart of the Kredi Garanti Fonu systems to better meet the requirements of the relevant institutions.
- ▶ 4. Robotic Process Automation software has been put into use for external institution services that receive heavy data in order to ensure the error-free processing of data from integrated institutions, and at the same time, to reduce the workload of institution staff.
- ▶ 5. During the pandemic, the Kredi Garanti Fonu infrastructure and end-user equipment were renewed and brought up to a level the met the needs of the institution.
- ▶ 6. The equipment served by the data center virtualization environment was renovated, and both storage and server capacity were increased. The capacity of the Disaster Recovery Centre, which is used to ensure uninterrupted service in the event of a malfunction or failure in the main system, has been strengthened.

- ▶ 7. A third point other than the FKM data center has been allocated, and an additional offline backup has been started.

## INVESTMENTS OF THE COMPANY IN THE RELATED ACCOUNT PERIOD

Our Company aims to further improve the development of its system infrastructure, software (IT) and automation (RPA), and to renew the software infrastructure. Development studies for the special software project to be used in the operational processes of our Company for the monitoring of software processes, performance analysis, detection of possible errors, reporting of problems, monitoring of the impact of the improvements marked by the new software project and keeping the presentation performance at highest level possible, have been accelerated.

## AUDITS APPLICABLE TO THE COMPANY

After the Kredi Garanti Fonu Organizational change, zero findings were recorded during independent audits of Information Technologies, and all processes were found to comply with sectoral norms. The financial statements of the Company up to 31.12.2021 were audited by independent external auditors. The independent audit was conducted by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.



## INTERNAL AUDITING

- ▶ The Internal Auditing Division ensures that the activities of the Institution are carried out in accordance with the principles of reliability, impartiality, transparency and accountability, and free of any conflict of interest, in line with internal and external regulations, ethical principles, and institutional objectives and policies, and that internal audit activities are carried out to ensure that sources are managed economically, effectively and efficiently.
- ▶ Internal audits are conducted in accordance with the internal audit plan that has been developed in line with the Company's strategies and priorities, and has been approved by the Board of Directors.
- ▶ The Internal Auditing Division aims to provide independent and impartial assurance and consultancy services for the evaluation and development of the adequacy and effectiveness of the internal control, risk management and corporate governance processes, with the aim being to improve the activities of the Institution and to add value to the institution, and reports to the Board of Directors for the performance of its activities.

## OTHER ACTIVITIES

If an extraordinary General Assembly is held during the year, all relevant information should be provided, including the date of the Assembly, the decisions taken by the Assembly and the actions taken in relation to the Assembly. (n/a)



## MEDIA AND PROMOTION ACTIVITIES



### İşletmelere 20 milyar liralık destekte detaylar belli oldu

Kredi Garanti Fonu Yürütme Kurulu Başkanı Erdoğan Özgören, Cumhurbaşkanı Recep Tayyip Erdoğan'ın açıkladığı KGF aracılığıyla kullanılacak destek programlarının detaylarını açıkladı.

Kredi Garanti Fonu (KGF) Yürütme Kurulu Başkanı Erdoğan Özgören, Cumhurbaşkanı Recep Tayyip Erdoğan'ın açıkladığı 20 milyar liralık yeni bir kredi sağlayacağına ilişkin, "Bu sistem ülkemizin ekonomisine, katma değeri, ihracatını artırma üzerine dayalı büyüme modeline katkı verecek. 2 örneklilikli kredi paketi oluşturduğumuzu duyulmasını istiyorum."

Özgören AA muhabirine, Cumhurbaşkanı Erdoğan'ın açıkladığı destek programlarının detaylarını açıkladı. İhracat İstihdam Destek Paketi'nin tedbirlerine katkı vermesini amaçladığını söyleyen Özgören, "Özellikle 90'ın altında istihdam olan KOBİ lerine yeni yaratılacak her istihdam için KGF tarafından 100 bin lira krediye erişim imkanı veriyorduk." diye konuştu. Özgören, özellikle küçük işletmelerin ihracatını artırma hedefinde kararlı olduğunu ifade ederken, kredi paketinin her istihdam katkısı sağlanacağına hem de işletmelere özgül kredilere erişim imkanı vereceğini belirtti.

Kredilerin 5 kuruş bankaya tahsis edilmesini istediğini belirten Özgören, garanti kaydeden 90'ın altında istihdam yaratan KOBİ işletmelerin bu paketten yararlanabileceğini, 8 ayı içerisinde, toplam 24 ay vadeli, 12 ay sonunda da bankaya kaç yeni istihdam yarata-

cağıyla ilgili tedbirlerle hükümetin, Banka dışı yeni istihdamı edineceğini söyledi. Özgören, "Biz İŞKUR'da iş bulmayı yapıyoruz. 32 ayın sonunda da hem işçi hem işveren payları SGK primleri ve vergileri kendi kullandığıyla ödeyeceğiz. Böylece bizim hesaplamalarımıza göre yaklaşık aynı tutarı krediye erişim imkanı küçük işletmelerimiz için sağlanıyor olacağız."

#### Proje tamamlanırken 125 bin yeni istihdam hedefleniyor

Özgören, bu kapsamda ilk etapta 90 bin kişiye ihraz edilmiş özgeçmişlerini vergulayarak, proje tamamlanıp ardından da ihraz edilmiş 125 bine ulaşmasını hedeflediklerini söyledi. İhracat Dayak İhtisamli Destek Paketi'nin de 3, 4, 5 ve 6'ncü bölge ve illerinde yatırım yapmak isteyen, ihracat destekleyecek, kapasitesini artırmak için yeni yatırım ihtiyacı hissedilen işletmelere yönelik olduğunu söyleyen Özgören, bu yatırımlar için 7 puanla kadar faiz indiriminden de Sanayi ve Teknoloji Bakanlığı tarafından kararlaştırıldığını belirtti. Özgören, KOBİ lerin 38 milyar liraya kadar kullanacakları yatırım kredilerinde yüzde 90'a kadar, büyük ölçekli işletmelerin de 294 milyon liraya kadar kullanacakları yatırım kredilerinde yüzde 85'e kadar faizlet verileceğini belirtti.

#### 13 banka program kapsamında

Bu programa 13 bankanın katıldığı açıkladı Özgören. "Bunların 8 Bankası ekonomimize, katma değeri, ihracatını artırma üzerine dayalı büyüme modeline katkı verecek. 2 örneklilikli kredi paketi oluşturduğumuzu duyulmasını istiyorum."

Özgören, söz konusu destek programından, Sanayi ve Teknoloji Bakanlığı ile gerçekleştirilen Teknoloji Odaklı Sanayi Harikası Programı kapsamında 3, 4, 5 ve 6'ncü bölge ve illerinde faaliyet gösteren işletmeler için çok önemli avantaj sağlıyor. Bu kapsamdaki işletmelerimizin bankalara ulaşamaz oldukları bu kadar faydalanmalarını istiyoruz."

Özgören, söz konusu destek programından, Sanayi ve Teknoloji Bakanlığı ile gerçekleştirilen Teknoloji Odaklı Sanayi Harikası Programı kapsamında 3, 4, 5 ve 6'ncü bölge ve illerinde faaliyet gösteren işletmeler için çok önemli avantaj sağlıyor. Bu kapsamdaki işletmelerimizin bankalara ulaşamaz oldukları bu kadar faydalanmalarını istiyoruz."



## MEDIA AND PROMOTION ACTIVITIES



### Her yeni istihdama 100 bin lira kredi

İşletmelere 20 milyar liralık destekte detaylar belli oldu. Kredi Garanti Fonu aracılığıyla kullanılacak destek programları kapsamında dikkat çeken noktalardan biri 50'nin altında istihdam olan KOBİ'lerin yeni yaratacağı her istihdam için KGF kefaletiyle 100 bin lira krediye erişim imkanı sağlanması.

#### 13 BANKA PROGRAM KAPSAMINDA

Bu programa 13 bankanın katıldığı ifade edilen Özgür, "Bunlarla da 24 ayı kadar süresince düzenli dâhil olmak üzere 120 ayı kadar vadeli yatırım kredisi ve işletme kredisi imkanı sağlanıyor. Türkiye'nin de ihracata önemli atılımlara sahip bu süreç için kapsamlı kullanımlar, yeni imalat yapacak işletmelere için çok önemli avantaj sağlıyor. Bu kapsamdaki işletmelerimizin bankalara müracaat ederek bundan faydalanmalarını hatırlıyor" dedi. Özgür, söz konusu destek programından, Sanayi ve Teknoloji Bakanlığına Teknoloji Marka Sınavı Hattında Programı kapsamında 3, 4, 5 ve 6'nın üzeri katılımları yapılarak ileride de faydalanabileceğini belirtti.



Kredi Garanti Fonu aracılığıyla kullanılacak destek programları kapsamında dikkat çeken noktalardan biri 50'nin altında istihdam olan KOBİ'lerin yeni yaratacağı her istihdam için KGF kefaletiyle 100 bin lira krediye erişim imkanı sağlanması. Özgür, "Her yeni istihdama 100 bin lira krediye erişim imkanı sağlanıyor" diye konuştu. Özgür, özellikle bu süreçte hizmet sektöründeki daralmalar dikkate alındığında, kredi paketinin her istihdama katkı sağlayacağına inanarak, "Bankalar ile müşteriler arasında, kamu desteği, idari süreçlerin hızlanması ve diğer faktörlerin birleşmesiyle kredi paketinin etkin bir şekilde kullanılacağına inanıyoruz" dedi.

İzmir istihdam Dostu Yatırım Yatırım Programı kapsamında her istihdama 100 bin lira krediye erişim imkanı sağlanıyor" diye konuştu. Özgür, özellikle bu süreçte hizmet sektöründeki daralmalar dikkate alındığında, kredi paketinin her istihdama katkı sağlayacağına inanarak, "Bankalar ile müşteriler arasında, kamu desteği, idari süreçlerin hızlanması ve diğer faktörlerin birleşmesiyle kredi paketinin etkin bir şekilde kullanılacağına inanıyoruz" dedi.

### Kadın KOBİ'lere destek finansmanı

#### EKONOMİ SERVİSİ

**A**KBANK, kadın işletme sahipleri ve girişimcileri desteklemek ve onların finansmana erişimini kolaylaştırmak üzere, EBRD ve KGF ile harekete geçtiğini duyurdu. Buna göre Kadın İşletmelerine Finansman ve Danışmanlık Desteği Programı kapsamında 50 milyon dolar EBRD kaynağı ve yüzde 80 KGF teminat desteği ile sunulacak. Kadın olan KOBİ'ler 12 ayı kadar ödemesiz dönemli, uygun faiz oranlarıyla taksitli ticari kredi imkânına sahip olacak. İmalatçı ihracatçı kadın KOBİ'lere tek seferde 12 milyon TL, diğer kadın KOBİ'lere ise tek seferde en fazla 6,2 milyon TL olmak üzere müşteri başına en fazla 12 milyon TL kredi kullanılabilir. Kredilerin faydalanın KOBİ'ler 1 yıl boyunca para transferleri de ücretsiz gerçekleştirilebilecek.



Akbank KOBİ Bankacılığı Pazarlama Bölüm Başkanı Melis Özdeğirmenci, "Sürdürülebilir ekonomik kalkınma ve toplumsal gelişim için kadınların ekonomiyi daha çok ve aktif katılımının önemini biliyoruz" dedi. EBRD Finansal Kurumlarından sorumlu Türkiye Başkanvekili Arthur Poghosyan, "Bugüne kadar Türkiye'de 20 bin kadın, EBRD'nin amiral gemisi Kadın İşletmelerine Finansman ve Danışmanlık Desteği (TWIB) kapsamında krediler, danışmanlık hizmetleri, mentorluk ve eğitim fırsatlarından yararlandı.



Kadın girişimcilerin başarılı olduğunu görmek istiyoruz ve onlara partner bankalarımız aracılığıyla toplamda 600 milyon Euro'luk yeni finansman sağlayacağız" diye konuştu. Kredi Garanti Fonu (KGF) Genel Koordinatörü Özge Demir Kuzu ise, "Üretim ve istihdamın sürdürülebilirliği açısından nakit akışının, finansmana erişiminin özellikle kadın girişimciler için ne kadar önemli olduğunu farkındayız. Bu bilinçle ülkemizin dinamik gücü girişimcilerin de finansmana erişiminde bizimle çalışan görevi yerine getirmeye gayret ediyoruz" ifadelerini kullandı.



#### İSTİHDAM TAHAHÜTÜ BULUNUYOR

Kredinin 3 katına bankalar tarafından istihdamla ilgili bilgiyi veren Özgür, "Her yeni istihdama 100 bin lira krediye erişim imkanı sağlanıyor" diye konuştu. Özgür, özellikle bu süreçte hizmet sektöründeki daralmalar dikkate alındığında, kredi paketinin her istihdama katkı sağlayacağına inanarak, "Bankalar ile müşteriler arasında, kamu desteği, idari süreçlerin hızlanması ve diğer faktörlerin birleşmesiyle kredi paketinin etkin bir şekilde kullanılacağına inanıyoruz" dedi.

#### 125 BİN YENİ İSTİHDAM HEDEFLİYOR

Özgür, bu kapsamda ilk etapta 50 bin kişilik işyeri oluşturulması hedeflendiğini, sonuçta ise yeni istihdamla ilgili hedeflerin 125 bin istihdama ulaşabileceğini belirtti. Özgür, KGF'nin 18 milyon dolarlık kredi imkanıyla, yatırım kredilerinde yüzde 90'a kadar, bütçe dışı işletmelerde de 200 milyon liralık kredi imkanıyla yatırım kredilerinde yüzde 80'e kadar katkı verileceğini belirtti.



### 4. Bölgedeki yatırımcıların desteklenmesini istedikler



Amasya Ticaret Odası Başkanı Murat Kırılgaç, Merzifon Ticaret Odası Başkanı Dursun Dağdelen ve Suluova Ticaret Odası Başkanı Turgut Aksoy, Kredi Garanti Fonu (KGF) Yürütme Kurulu Başkanı Erdoğan Özezer'e ziyarette bulunarak, ihracatçı öncelikli yatırımcıların kapsayarak destek mekanizmasının 4. Bölgedeki yatırımcıların da kapsayacak şekilde genişletilmesini istedi.

Başkan Kırılgaç, "Merzifon Ticaret ve Sanayi Odası Başkanımız

Sayın Dursun Dağdelen ve Suluova Ticaret ve Sanayi Odası Başkanımız Sayın Turgut Aksoy ile Kredi Garanti Fonu (KGF) Yürütme Kurulu Başkanı Sayın Erdoğan Özezer'e ziyarette bulduk.

devamı sayfa 6'da

## OSBÜK KGF Gündemiyle Toplandı



Organize Sanayi Bölgeleri Öst Kurulu (OSBÜK) Anlık İy Geneltilim Yönetim Kurulu Toplantısı OSBÜK Başkan Memiş Küttükcü başkanlığında yapıldı. OSBÜK Yönetim Kurulu, Denetim Kurulu ve Yüksek Koordinasyon Kurulu Üyelerinin katıldığı toplantıya Kredi Garanti Fonu (KGF) Yönetim Kurulu Başkanı Erdoğan Özgen konuk oldu.

Toplantıya Elazığ TSO Yönetim Kurulu Mahasin Üyesi ve OSBÜK Yüksek Koordinasyon Kurulu Üyesi Zülfi Altıntaş'ın katılarak Elazığ'ı temsil etti.

**KGF DESTEKLERİ İŞ DÜNYASI İÇİN CAN SUYU OLMUŞTUR**

Toplantının açılışında konuşan OSBÜK Başkanı Memiş Küttükcü, or-

ganize sanayi bölgelerinin Türk sanayisine lokomotiflik etmeye devam ettiğini, KGF desteklerinin de bu süreçte çok önemli olduğunu söyledi. KGF'nin ülke ekonomisi ve üreticiler için kritik öneme sahip bir kurum olduğunu altını çizerek Küttükcü, "Bugün Türkiye tüm zor şartları rağmen üretim, istihdam sağlıyor ve ihracat yapan bir sanayi ülkesiye bula KGF desteklerinin çok önemli bir payı var."

### KGF 365 MİLYAR TL'LİK KEFALET HACMİSİNÜDÜ

Kredi Garanti Fonu (KGF) Başkanı Erdoğan Özgen ise, KGF'nin çalışmalarını hakkında bilgiler vererek, sanayicilerle bir araya gelmekten çok mutlu olduğunu söyledi. KGF'nin finansmanına erişimde önemli bir rolü sahip olduğunu anlatan Özgen, "KGF olarak bugüne kadar toplam 365 milyar TL'lik kefalet hacmi sunduk. Bunun yaklaşık kırkbeş milyar TL'si ise 663 milyar TL."

Bu süreçten yararlanacak bir rakam. Türkiye'de tüm bankacılık sektöründe yaklaşık 3.2 trilyon lira ticari krediden söz ettiğimizde KGF'nin yaklaşık 700 milyar olduğunu düşünürsek alarak bankacılık sektörüne açılmadan yüzde 6-7 payı sahip olduğumuzu görürüz" diye konuştu. KGF'nin kefaletli kredilerinden doğrudan yararlanan firma sayısını yaklaşık 498 bin olduğunu söyleyen Özgen, son 10 yıllık dönemde her iki aktif işletmeden bir tanesinin krediyi erişimini sağlandığını ifade etti. Türkiye'nin üretim, istihdam ve ihracat odaklı büyümesi için desteklerini söyledi Özgen, KGF'nin bu si-

raye hayati öneme sahip olduğunu vurguladı.

### İŞ DÜNYAMIZ ADINA ÇOK YARARLI BİR TOPLANTI OLDU

Toplantıyı değerlendiren OSBÜK Yüksek Koordinasyon Kurulu Üyesi Zülfi Altıntaş iş dünyası adına son derece yararlı bir toplantı olduğunu ifade ederek, "Ekonomimizin sürdürülebilir kalmasını ve güven ortamını tesis edilmesi adına atılan çok önemli adımların ardından yapılan OSBÜK geneltilim toplantısında iş dünyasının KGF desteklerine olan ilgisini bir kez daha dile getirdik."

Toplantı çok olumlu bir havada gerçekleşmiş ve ülkenin üretim, istihdam, yatırım ve ihracat hedefinde OSB'lerin önemli rolünde durulmuştur. İlimizde altyapı çalışmaları çok hızlı bir şekilde devam eden Teknova OSB ve Tarım Dayalı Besi İhtisas OSB'lerimizin 2022 yılında çok hızlı bir şekilde altyapılarını tamamlayarak mülteçhilleri tahsis için görüşmelerini bildirdik. Önümüzdeki yıl ilimiz adına ekonomide ve yatırımlarda çok önemli gelişmelerin olmasını temenni ediyoruz" değerlendirmesinde bulundu. (Hülsen Haber)



### Hisarcıklıoğlu, KGF Yönetimini kabul etti

Türkiye Odalar ve Borsalar Birliği (TOBB) Başkanı M. Rifat Hisarcıklıoğlu, Kredi Garanti Fonu (KGF) Yönetim Kurulu Başkanı Erdoğan Özgen ve beraberindeki yönetim kurulu üyelerini kabul etti.



## TİCARİ KREDİ BÜYÜKLÜĞÜ 668 MİLYAR TL Her iki işletmeden birine KGF kefaleti

Kredi Garanti Fonu kefaletiyle sağlanan ticari kredi büyüklüğü 668 milyar liraya yaklaştı. KGF Başkanı Erdoğan Özgen, "Türkiye'de her iki işletmeden biri KGF kefaletinden istifade ederek, uygun koşullarda kredi sağladı" dedi.



Kredi Garanti Fonu (KGF) Yönetim Kurulu Başkanı Erdoğan Özgen, Kredi Garanti Fonu (KGF) çalışmalarına ilişkin değerlendirmelerde bulundu. Covid-19 salgını döneminde Fon kullanımlarını çok etkin kullandığını işaret eden Özgen, sağlanan kefaletlerin boyutuna dikkati çekerek, "Bugüne kadar KGF öze kaynakları ve Hazine garantisiyle toplam 571,3 milyar lira kefalet sağladık, toplam oluşturulan ticari kredi hacmi de yaklaşık 667,6 milyar lira oldu. Söz konusu kefalet destekli paketlerimizden 498 bin 388 firmamız yararlandı, Türkiye'deki 1,5 milyon işletmeden 1

milyonun aktif olduğu göz önüne alındığında, her iki işletmeden biri KGF kefaletinden istifade ederek, uygun koşullarda krediye erişim sağladı" dedi.

**İSTİHDAMA DESTEK** İşletmelerin sağladıkları her yeni istihdamda 100 bin lira kredi imkanından yararlanmaları için Hazine destekli kefaletle işaret eden Özgen, "Ayrıca istihdam edilen kişi için işletmenin ödeyeceği SGK primleri de işletmelerin kullandıkları kredinin faiz ödemesinde kullanabilmeleri amacıyla İŞKUR aracılığıyla tade edilecektir" değerlendirmesi yaptı.

### KOBİ'lere faiz indirimli kredi

Emalatı Dayalı İthal İkametesi Destek Poliyesi ile KOBİ'ler için 35 milyon lira, KOBİ dışı firmalara da 250 milyon liralık kefalet desteğini sunduğunu belirten Özgen, yaklaşık 1 milyar söz konusu poliye'nin kullanıcılarına sunulduğuna açıkladı. Özgen, bu şekilde 24 ay ödemeleri, 120 ay vadeli kredilerin yanı sıra, Sanayi ve Teknoloji Bakanlığının teşvik mekanizmasından kaynaklı yaklaşık yüzde 7 faiz indirimleri de KOBİ'lerin yararlanabileceğini sözlerine ekledi.





A hand in a white shirt cuff is reaching out towards a stack of white blocks. A large teal number 4 is overlaid on the image. The background is a bright, out-of-focus window with a grid pattern. There are also teal and grey geometric shapes on the left side of the image.

**4**

**FINANCIAL  
DATA**

# EVALUATION OF FINANCIAL STANDING

In 2021, our Company achieved total net sales of TRY 101,623,593.54. While our operating profit was TRY 29,252,508.90, our net profit as of 2021 fiscal year-end amounted to TRY 199,221,133.13.

## ASSET STRUCTURE

In 2021, the size of Assets of our Company grew by 18.64% compared to the previous year, reaching TRY 1,282,375,996.84. Our Bank deposit sub-item under the Liquid Assets item, increased by TRY 227,847,318.44, reaching TRY 776,826,283.65. The income generated through KGF equity-backed guarantees in particular has had a positive impact on our deposit assets.

Under the Current Assets, our Trade Receivables reached a net of TRY 201,318,964.56 and legally required reserves have been held. Our Fixed Assets amount to TRY 20,920,610.38.

Our Company concentrates its investments in technology, strengthening its Data Processing infrastructure by purchasing new devices, equipment and software, in line with Company needs and the vision for the future.

## LIABILITY STRUCTURE

In 2021, the most important item in our liability structure was Equities. 76.44 % of our liability structure comprises Equities with a total value of TRY 980,197,306.59.

The largest share in Equities belongs to Paid-in Capital with an amount of TRY 513,134,229.53. The authorized share capital of our Company in the “Authorized Capital System” is TRY 600 million.

Current account monitoring is conducted for the Ministry of Treasury and Financing under the item Other Payables, which is a part of our liability structure. All payable tax and social security deductions were paid in full in the following month.

In accordance with the legal regulations, each year our Company makes provisions for the severance pay of employees that have completed at least one full year with the Company.

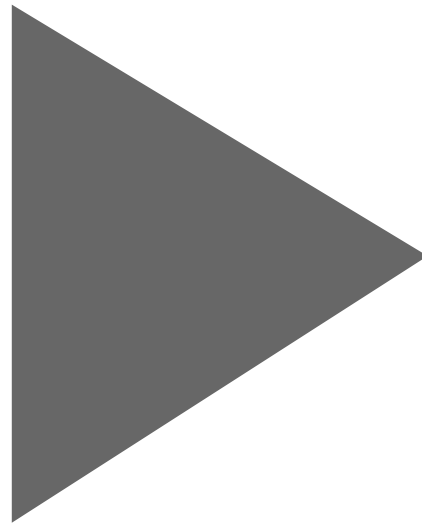
## DIVIDEND POLICY

Our Company does not pay dividends pursuant to Article 4 (1-L) of the Corporate Income Tax Law No. 5520, which lays down provisions for exemption.

## CONCLUSION

Our Company completed the 2021 fiscal year successfully. The net profit for the period was TRY 199.2 million.

As a result of the evaluation of the capital and indebtedness of our Company, in line with Article 376 of Turkish Commercial Code and in the light of the information available in the financial statements, including the profitability, assets and liabilities, it has been concluded that the existing capital structure is very strong, and that the Company's debt levels are negligible and therefore do not pose any risk. The Kredi Garanti Fonu seems to have grown stronger in line with the goal of increasing its weight and influence within the existing financial landscape given its importance to our country's economy



**KREDİ GARANTİ FONU A.Ş.**  
**COMPARATIVE BALANCE SHEET FOR THE PERIOD 01.01.2021-31.12.2021 (TRY) TPL**

ASSETS		Previous Period	Current Period	LIABILITIES		Previous Period	Current Period
		31.12.2020	31.12.2021			31.12.2020	31.12.2021
<b>1</b>	<b>CURRENT ASSETS</b>			<b>3</b>	<b>SHORT TERM LIABILITIES</b>		
10	Liquid Assets	827.514.641,45	1.057.005.306,86	30	Financial Payables	718,11	66.609,29
100	Cash	0,00	0,00	309	Other Financial Payables	718,11	66.609,29
102	Banks	548.978.965,21	776.826.283,65	32	Trade Payables	3.855.295,75	3.885.104,46
104	Treasury, KOSGEB and KfW Bank Acc.	278.535.676,24	280.179.023,21	320	Sellers	1.360.039,00	423.342,05
11	Securities	0,00	0,00	326	Deposits and Collaterals Received	2.361.194,78	1.603.431,98
111	Private Sector Bonds Notes and Bills	0,00	0,00	329	Other Trade Payables	134.061,97	1.858.330,43
112	Public Sector Bonds Notes and Bills	0,00	0,00	33	Other Payables	277.831.372,22	279.462.281,92
12	Trade Receivables	233.424.702,33	201.323.964,56	335	Staff Payables	442,00	4.320,00
120	Buyers	0,00	0,00	336	Other Misc. Payables	277.830.930,22	279.457.961,92
126	Deposits and Collaterals Given	0,00	5.000,00	34	Advances Received	7.591.960,10	6.569.954,53
127	Other Trade Receivables (Protocol)	111.638.225,63	112.310.696,85	341	Fee and Commission Advances	7.591.960,10	6.569.954,53
128	Doubtful Trade Receivables	249.750.628,74	233.221.701,07	36	Tax and Other Obligatory Payables	3.176.736,42	2.569.218,65
129	Prov. for D. Trade Receivables (-)	-127.964.152,04	-144.213.433,36	360	Taxes and Funds Payable	1.758.291,73	1.264.279,01
13	Other Receivables	249.895,97	211.311,43	361	Social Security Deductions Payable	1.353.424,69	1.207.788,32
135	Receivables from Staff	747,00	7.756,02	362	Tax and Other Obligatory Payables	65.020,00	92.354,32
136	Other Misc. Receivables	249.148,97	203.555,41	369	Other Obligations Payable	0,00	4.797,00
15	Inventories	0,00	0,00	38	Income relating to Future Months and Expense Accruals	0,00	0,00
159	Advances Given for Purchase	0,00	0,00	380	Income relating to Future Months and Expenses	0,00	0,00
18	Expenses relating to Future Months	2.342.758,82	2.861.761,15	39	Other Current Liabilities	8.646,77	5.326,54
180	Expenses relating to Future Months	0,00	0,00	391	VAT Calculated	0,00	0,00
181	Income Accruals	2.342.758,82	2.861.761,15	393	Head Office and Branch Current	8.646,77	5.326,54
19	Other Current Assets	172.902,12	53.042,46		<b>TOTAL OF CURRENT ASSETS</b>	<b>292.464.729,37</b>	<b>292.558.495,39</b>
190	VAT Transferred	0,00	23.194,31	<b>4</b>	<b>LONG-TERM LIABILITIES</b>		
191	VAT Deductible	0,00	0,00	40	Financial Payables	0,00	0,00
195	Business Advances	172.902,12	29.848,15	42	Trade Payables	0,00	0,00
	<b>TOTAL OF CURRENT ASSETS</b>	<b>1.063.704.900,69</b>	<b>1.261.455.386,46</b>	43	Other Payables	0,00	0,00
<b>2</b>	<b>FIXED ASSETS</b>			47	Debt and Expense Provisions	7.449.612,39	9.620.194,86
22	Trade Receivables	0,00	0,00	47	Provisions for Severance Pay	7.449.612,39	9.620.194,86
220	Buyers	0,00	0,00	48	Income r/t Future Years and Expense Accruals	0,00	0,00
226	Deposits and Collaterals Given	0,00	0,00		<b>TOTAL OF LONG-TERM LIABILITIES</b>	<b>7.449.612,39</b>	<b>9.620.194,86</b>
23	Other Receivables	106.200,00	106.200,00	<b>5</b>	<b>EQUITIES</b>		
236	Other Misc. Receivables	106.200,00	106.200,00	50	Paid-in Capital	513.134.229,53	513.134.229,53
25	Tangible Assets	14.008.981,13	14.406.981,71	500	Capital	513.134.229,53	513.134.229,53
250	Lands and Plots	659.425,00	1.195.525,00	501	Unpaid Capital (-)	0,00	0,00
251	Land Improvements	0,00	0,00	52	Capital Reserves	5.751.343,63	5.751.349,39
252	Buildings	1.374.377,37	1.374.377,37	529	Other Capital Reserves	5.751.343,63	5.751.349,39
253	Plant, Machinery and Equipment	0,00	0,00	54	Profit Reserves	16.837.776,10	24.694.023,75
254	Vehicles	220.147,62	220.147,62	540	Legal Reserves	16.837.776,10	24.694.023,75
255	Fixtures	7.762.705,73	9.122.156,60	542	Extraordinary Reserves	0,00	0,00
256	Other Tangible Assets	0,00	0,00	548	Other Profit Reserves	0,00	0,00
257	Accumulated Depreciation (-)	-5.447.674,59	-6.945.224,88	549	Special Funds	0,00	0,00
258	Investments in Progress	9.440.000,00	9.440.000,00	57	Retained Earnings	88.127.865,43	237.396.570,79
26	Intangible Assets	2.976.325,91	6.139.918,44	570	Retained Earnings	88.127.865,43	237.396.570,79
260	Rights	38.535,60	76.843,50	58	Accumulated Losses (-)	0,00	0,00
264	Special Costs	381.335,27	351.835,27	580	Accumulated Losses (-)	0,00	0,00
267	Other Tangible Assets	14.725.216,55	22.304.441,57	59	Net Profit (Loss) for the period	0,00	0,00
268	Accumulated Depreciation (-)	-12.168.761,51	-16.593.201,90	590	Net Profit for the period	157.124.953,01	199.221.133,13
28	Expenses r/t future years and Income Accruals	94.101,73	267.510,23		<b>TOTAL OF EQUITIES</b>	<b>780.976.167,70</b>	<b>980.197.306,59</b>
280	Expenses relating to Future Years	94.101,73	267.510,23		<b>TOTAL OF LIABILITIES</b>	<b>1.080.890.509,46</b>	<b>1.282.375.996,84</b>
281	Income Accruals	0,00	0,00		<b>MEMORANDUM ITEMS</b>	<b>310.191.765.078,37</b>	<b>209.110.270.480,14</b>
	<b>TOTAL OF FIXED ASSETS</b>	<b>17.185.608,77</b>	<b>20.920.610,38</b>		Equity Guarantee Debt Exp.	4.022.241.716,00	6.225.639.230,00
	<b>TOTAL OF ASSETS</b>	<b>1.080.890.509,46</b>	<b>1.282.375.996,84</b>		Treasury Guarantee Credit Exp.	263.425.705.032,00	165.220.744.595,00
	<b>MEMORANDUM ITEMS</b>	<b>310.191.765.078,37</b>	<b>209.110.270.480,14</b>		Guarantees from Treasury	31.147.621.275,75	23.369.409.497,75
	Equity Guarantee Debt Exp.	4.022.241.716,00	6.225.639.230,00		Other Memorandum Items	11.596.197.054,62	14.294.477.157,39
	Treasury Guarantee Debt Exp.	263.425.705.032,00	165.220.744.595,00				
	Guarantees from Treasury	31.147.621.275,75	23.369.409.497,75				
	Other Memorandum Items	11.596.197.054,62	14.294.477.157,39				



**KREDİ GARANTİ FONU A.Ş. TPL**  
**COMPARATIVE DETAILED INCOME STATEMENT FOR THE PERIOD 01.01.2021 – 31.12.2021**

	<b>31.12.2020</b>	<b>31.12.2021</b>
<b>A - GROSS INCOME</b>	<b>189.964.643,38</b>	<b>103.228.375,17</b>
1. Commissions from Domestic Guarantees	188.692.306,00	101.579.869,72
*Income from Equity Guarantees	107.286.159,00	94.764.077,16
*Income from Treasury Guarantees	81.406.147,00	6.815.792,56
2. Commissions from Overseas Guarantees	0,00	0,00
3. Other Income	1.272.337,38	1.648.505,45
<b>B - SALES DEDUCTIONS (-)</b>	<b>6.669.000,13</b>	<b>1.604.781,63</b>
1. Sales Returns (-)	6.669.000,13	1.604.781,63
2. Sales Discounts (-)	0,00	0,00
3. Other Discounts (-)	0,00	0,00
<b>C - NET SALES</b>	<b>183.295.643,25</b>	<b>101.623.593,54</b>
<b>D - COST OF SALES (-)</b>	<b>0,00</b>	<b>0,00</b>
<b>GROSS SALES PROFIT OR LOSS</b>	<b>183.295.643,25</b>	<b>101.623.593,54</b>
<b>E - OPERATING COSTS (-)</b>	<b>78.786.874,22</b>	<b>72.371.084,64</b>
1. Research and Development Expenses	0,00	0,00
2. Operating Expenses of Branches (-)	0,00	0,00
3. Administrative Expenses (-)	78.786.874,22	72.371.084,64
<b>OPERATING PROFIT OR LOSS</b>	<b>104.508.769,03</b>	<b>29.252.508,90</b>
<b>F - ORDINARY INCOME OR PROFITS FROM OTHER OP.</b>	<b>97.154.143,20</b>	<b>213.228.936,79</b>
1. Dividend Income from Affiliates	0,00	0,00
2. Dividend Income from Subsidiaries	0,00	0,00
3. Interest Income	44.581.538,10	87.519.422,49
4. Commission Income	0,00	0,00
5. Provisions No Longer Required	1.988.358,38	7.168.374,21
6. Securities Sales Profit	0,00	0,00
7. Foreign Exchange Profit	50.584.246,72	118.541.140,09
8. Rediscount Interest Income	0,00	0,00
9. Other Operational Income and Profits	0,00	0,00
<b>G - COSTS AND LOSSES FROM OTHER OPERATIONS (-)</b>	<b>51.334.685,76</b>	<b>47.126.760,96</b>
1. Commission Expenses	0,00	0,00
2. Provision Expenses	32.980.508,52	23.421.110,57
3. Securities Sales Losses	0,00	0,00
4. Foreign Exchange Losses	18.354.177,24	23.705.650,39
5. Rediscount Interest Expenses	0,00	0,00
6. Other Ordinary Expense and Losses	0,00	0,00
<b>ORDINARY PROFIT OR LOSS</b>	<b>150.328.226,47</b>	<b>195.354.684,73</b>
<b>H - EXTRAORDINARY INCOME AND PROFITS</b>	<b>8.654.365,45</b>	<b>6.347.243,19</b>
1. Retained Income and Profit	4.358.722,69	3.297.429,25
2. Other Extraordinary Income and Profits	4.295.642,76	3.049.813,94
<b>I - EXTRAORDINARY COSTS AND LOSSES (-)</b>	<b>1.857.638,91</b>	<b>2.480.794,79</b>
1. Idle Capacity Expenses and Losses (-)	0,00	0,00
2. Retained Expenses and Losses (-)	0,00	0,00
3. Other Extraordinary Expenses and Losses (-)	1.857.638,91	2.480.794,79
<b>J - PROFIT OR LOSS FOR THE PERIOD</b>	<b>157.124.953,01</b>	<b>199.221.133,13</b>
<b>NET PROFIT OR LOSS FOR THE PERIOD</b>	<b>157.124.953,01</b>	<b>199.221.133,13</b>



**5**

**INDEPENDENT  
AUDIT REPORT**

## INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Kredi Garanti Fonu A.Ş.

### A) Report on the Audit of the Financial Statements

#### 1) Opinion

We have audited the financial statements of Kredi Garanti Fonu A.Ş. (the Company), which comprise the statement of financial position as at December 31, 2021, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2021, and its financial performance and its cash flows for the year then ended in accordance with the Turkish Financial Reporting Standards (TFRS).

#### 2) Basis for Opinion

We conducted our audit in accordance with Independent Auditing Standards (InAS) which are part of the Turkish Auditing Standards as issued by the Public Oversight Accounting and Auditing Standards Authority of Turkey (POA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics for Independent Auditors (Code of Ethics) as issued by the POA, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### 3) Key Audit Matters

We have determined that there are no key audit matters to communicate in our report.

#### **4) 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 TFRS, 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.

#### **5) Auditor's Responsibilities for the Audit of the Financial Statements**

In an independent audit, our responsibilities as the auditors are:

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 InAS 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.

As part of an audit in accordance with InAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

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

#### **B) Report on Other Legal and Regulatory Requirements**

- 1) In accordance with paragraph 4 of Article 402 of the TCC, no significant matter has come to our attention that causes us to believe that the Company's bookkeeping activities for the period 1 January - 31 December 2021 and financial statements are not in compliance with law and provisions of the Company's articles of association in relation to financial reporting.
- 2) In accordance with paragraph 4 of Article 402 of the TCC, the Board of Directors submitted to us the necessary explanations and provided required documents within the context of audit.

The name of the engagement partner who supervised and concluded this audit is Fatih Polat.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi  
A member firm of Ernst & Young Global Limited

Fatih Polat, SMMM  
Partner

7 March 2022  
İstanbul, Türkiye

# Kredi Garanti Fonu A.Ş.

## financial statements as of 31 December 2021 together with independent auditors' report

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**STATEMENT OF FINANCIAL POSITION AS OF 31 DECEMBER 2021**

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

		Current year audited	Prior year audited
Assets	Notes	31 December 2021	31 December 2020
<b>Current assets</b>		<b>1.146.671.580</b>	<b>932.916.875</b>
Cash and cash equivalents	4	1.059.860.365	829.852.580
Financial investments	5	-	-
Trade receivables	6	86.362.849	102.635.892
Other receivables	7	120.055	160.649
Prepaid expenses	8	267.510	94.102
Other current assets	15	60.801	173.652
<b>Non-current assets</b>		<b>31.977.729</b>	<b>30.717.016</b>
Property, plant and equipment	9	4.104.921	3.739.685
Right of use asset	11	4.262.208	8.943.366
Intangible assets	10	21.102.654	16.062.117
Other non-current assets	15	2.507.946	1.971.848
<b>Total assets</b>		<b>1.178.649.309</b>	<b>963.633.891</b>
<b>Current liabilities</b>		<b>328.710.390</b>	<b>365.904.627</b>
Short term financial liabilities	12	-	-
-Lease liabilities	12	-	-
Trade payables	6	2.348.281	1.360.757
Employee benefit obligations	13	2.310.652	2.873.348
Other payables	7	8.308.007	10.057.378
Deferred income	16	23.308.843	61.507.313
Short-term provisions:		7.091.699	6.181.237
-Short-term provisions for employee benefits	13	2.900.342	3.778.210
-Other short-term provisions	14	4.191.357	2.403.027
Other short-term liabilities	15	285.342.908	283.924.594
<b>Non-current liabilities</b>		<b>43.916.687</b>	<b>36.819.503</b>
Long term financial liabilities	12	7.403.469	9.508.711
-Lease liabilities	12	7.403.469	9.508.711
Long-term provisions		36.513.218	27.310.792
-Long-term provisions for employee benefits	13	7.011.920	4.735.328
-Other long-term provisions	14	29.501.298	22.575.464
<b>Total Liabilities</b>		<b>372.627.077</b>	<b>402.724.130</b>
<b>Shareholders' equity</b>		<b>806.022.232</b>	<b>560.909.761</b>
<b>Attributable to equity holders of parent</b>			
Paid-in share capital			
Other accumulated comprehensive income that will not be reclassified in profit or loss	17	513.134.230	513.134.230
- Remeasurement gain of defined benefit plans		2.815.562	2.249.157
Restricted reserves	17	24.694.024	16.837.776
Retained earnings/(accumulated losses)	17	20.832.350	(66.758.287)
Net profit for the year		244.546.066	95.446.885
<b>Total liabilities and shareholders' equity</b>		<b>1.178.649.309</b>	<b>963.633.891</b>



## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021

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

		Current year audited	Prior year audited
	Notes	31 December 2021	31 December 2020
<b>Revenue</b>	<b>18</b>	<b>138.173.558</b>	<b>158.816.192</b>
Cost of sales (-)	18	(65.261.320)	(76.722.465)
<b>Gross profit</b>		<b>72.912.238</b>	<b>82.093.727</b>
General administrative expenses (-)	19	(5.996.863)	(4.530.311)
Other operating income	20	13.375.792	14.711.005
Other operating expense (-)	20	(16.996.929)	(74.972.860)
<b>Operating (loss) / profit</b>		<b>63.294.238</b>	<b>17.301.561</b>
Income from investment activities	21	-	2.350.494
<b>Operating (loss)/profit before financial expenses</b>		<b>63.294.238</b>	<b>19.652.055</b>
Financial income	22	206.060.562	95.165.785
Financial expense (-)	22	(24.808.734)	(19.370.955)
<b>Net profit for the year</b>		<b>244.546.066</b>	<b>95.446.885</b>
Other comprehensive income			
Other accumulated comprehensive income that will not be reclassified in profit or loss			
-Actuarial gain	13	566.405	1.771.371
<b>Total other comprehensive income</b>		<b>566.405</b>	<b>1.771.371</b>
<b>Total comprehensive income</b>		<b>245.112.471</b>	<b>97.218.256</b>

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

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

	Paid-in share capital	Other accumulated comprehensive income that will not be reclassified in profit or loss Actuarial gain/(loss) arising from employee benefits	Restricted reserves	Retained earnings/(Accumulated losses)	Net profit/(loss) for the year	Total
Adjusted Balance at 1 January 2020	513.134.230	477.786	12.199.467	(117.827.712)	55.707.734	463.691.505
Transfers	-	-	4.638.309	51.069.425	(55.707.734)	-
Other comprehensive income	-	1.771.371	-	-	-	1.771.371
Net profit for the year	-	-	-	-	95.446.885	95.446.885
Balance at 31 December 2020	513.134.230	2.249.157	16.837.776	(66.758.287)	95.446.885	560.909.761

	Paid-in share capital	Other accumulated comprehensive income that will not be reclassified in profit or loss Actuarial gain/(loss) arising from employee benefits	Restricted reserves	Retained earnings/(Accumulated losses)	Net profit/(loss) for the year	Total
Adjusted Balance at 1 January 2021	513.134.230	2.249.157	16.837.776	(66.758.287)	95.446.885	560.909.761
Transfers	-	-	7.856.248	87.590.637	(95.446.885)	-
Other comprehensive income	-	566.405	-	-	-	566.405
Net profit for the year	-	-	-	-	244.546.066	244.546.066
Balance at 31 December 2021	513.134.230	2.815.562	24.694.024	20.832.350	244.546.066	806.022.232

**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2021**

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

		Current year audited	Prior year audited
	Notlar	1 January - 31 December 2021	1 January - 31 December 2020
<b>A. Cash flows from operating activities</b>		<b>155.229.881</b>	<b>83.403.223</b>
Net profit		244.546.066	95.446.885
Adjustments for reconciliation of net profit/ (loss)		(60.556.691)	41.350.854
Adjustment for depreciation and amortisation expense	9,10,11	9.373.353	6.183.443
Adjustments for expected credit loss provisions		32.973.276	(17.939.373)
Adjustment for provisions and written-off receivables		5.796.630	91.054.593
Adjustment for interest income	22	(110.828.265)	(44.581.538)
Adjustment for interest expense		1.041.722	1.494.673
Adjustment for gain on sale of property, plant and equipment		(536.098)	(285.100)
Adjustment for litigations provisions	14	-	-
Adjustment for unpaid vacation liability and bonus accrual	13	760.700	849.942
Adjustment for employee termination benefits	13	866.761	4.574.214
<b>Changes in working capital</b>		<b>(28.561.148)</b>	<b>(52.200.716)</b>
Change in trade receivables		15.856.457	(81.248.874)
Change in blockage bank accounts	4	(2.595.068)	(260.285.966)
Change in prepaid expenses	8	(173.408)	22.519
Changes in other receivables	7	(40.594)	76.506
Change in other current assets	15	(112.851)	(94.505)
Change in trade payables	6	987.524	806.596
Changes in short-term liabilities	15	(1.418.313)	257.321.762
Change in employee benefit obligations	13	(562.696)	935.939
Change in other payables	7	(2.303.727)	7.058.193
Change in deferred revenues	16	(38.198.472)	23.207.114
<b>Net cash flows used in operating activities</b>		<b>(198.346)</b>	<b>(1.193.800)</b>
Employment termination benefits paid	13	(198.346)	(1.193.800)
<b>B. Cash flows from investing activities</b>		<b>(9.513.084)</b>	<b>6.752.462</b>
Proceeds from sale of property, plant and equipment, intangible assets and other non-current assets		-	17.284.805
Purchases of property, plant and equipment	9	(1.895.551)	(10.821.269)
Purchases of intangible assets	10	(7.617.533)	(2.957.733)
Purchases of other-current assets		-	-
Changes in financial investments		-	3.246.659
<b>C. Cash flows from financing activities</b>		<b>86.368.937</b>	<b>37.816.847</b>
Capital increase	17	-	-
Interest received		87.519.422	43.886.859
Lease payments		(1.150.485)	(6.070.012)
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>232.085.735</b>	<b>127.972.532</b>
Cash and cash equivalents at beginning of the year	4	542.738.191	414.765.659
Cash and cash equivalents at the end of the year	4	774.823.926	542.738.191

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

### NOTE 1 - ORGANIZATION AND NATURE OF OPERATIONS

Kredi Garanti Fonu A.Ş. (the "Company") has been established in 1991 and operates in Turkey. The Company supports small and medium size entities through providing guarantees, enables them utilizing bank credits for their investments and financing activities. The Company provided its first credit guarantee on July 1994.

Pursuant to the 14 July 2009 dated and 2009/15197 numbered decision by the Council of Ministers which is about "Procedures and Principles concerning Treasury Support for Credit Guarantee Corporations" Company and Undersecretariat of Treasury have signed a Protocol on September 18, 2009. The Protocol serves to the objectives of efficiency in loan market, supporting entities with limited fund access and providing additional fund facilities for these entities by guarantees given them through use of Treasury Undersecretariat contribution, within the frame of duties and responsibilities of Company and Undersecretariat of Treasury. Within the framework of the protocol, the Company recognizes commission proceeds due to guarantees provided upon Treasury collateral, and the revenue from other uncollateralized transactions.

The shareholders of the Company consist of Türkiye Odalar ve Borsalar Birliği ("TOBB"), Küçük ve Orta Ölçekli İşletmeleri Geliştirme ve Destekleme İdaresi Başkanlığı ("KOSGEB"), Türkiye Esnaf ve Sanatkarları Konfederasyonu ("TESK"), Türkiye Küçük ve Orta Ölçekli İşletmeler, Serbest Meslek Mensupları and Yöneticiler Vakfı ("TOSYÖV"), Mesleki Eğitim ve Küçük Sanayi

Destekleme Vakfı ("MEKSA") and 29 banks in equal shares; by the shares of 28,30%, 28,29%, 0,12%, 0,01%, 0,004% of and 43,28%, respectively (Note 17).

The Company's registered address is TOBB İkiz Kuleleri C Blok, Kat: 5-6-7, Dumlupınar Bulvarı No: 252, Ankara.

As of 31 December 2021, the Company has 157 employees (31 December 2020: 166).

### NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

#### 2.1. Statement of presentation

The financial statements are prepared in accordance with Turkish Financial Reporting Standards ("TFRS") issued by Public Oversight Accounting and Auditing Standards Authority ("POA"). TFRS comprises; Turkish Accounting Standards ("TAS"), Turkish Financial Reporting Standards ("TFRS") and its amendments and interpretations.

The Company maintains their books of accounts and prepares their statutory financial statements in accordance with principles issued by POA, the Turkish Commercial Code ("TCC"), tax legislation, the Uniform Chart of Accounts issued by the Ministry of Treasury and Finance. These financial statements are prepared in Turkish Lira and based on historical cost, except for derivative instruments shown at fair value in accordance with the Turkish Financial Reporting Standards. The Company has made necessary

adjustments and reclassifications in accordance with the format defined in the illustrative financial statements and User Guide issued by POA.

In the announcement published by the Public Oversight Accounting and Auditing Standards Authority on January 20, 2022, it is stated that TAS 29 Financial Reporting in Hyperinflationary Economies does not apply to the TFRS financial statements as of December 31, 2021, since the cumulative change in the general purchasing power of the last three years according to Consumer Price Index (CPI) is 74.41%. In this respect, financial statements as of December 31, 2021 are not adjusted for inflation in accordance with TAS 29.

#### Statement of Compliance with Turkish Accounting Standards

The financial statements for the year ended 31 December 2021 have been authorized for issue by the Company management on 7 March 2022. The General Assembly has the authority to amend/modify the financial statements.

The differences between accounting principles, as described in the preceding paragraphs, and accounting principles generally accepted in countries in which these financial statements are to be distributed and International Financial Reporting Standards (“IFRS”) have not been quantified in these financial statements. Accordingly, these financial statements are not intended to present the financial position, results of operations and changes in financial position and cash flows in accordance with the accounting principles generally accepted in such countries and IFRS.

## 2.2. Functional and presentation currency

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

Functional and presentation currency of the Company is Turkish Lira (TL).

## 2.3. Netting / Offsetting

Financial assets and liabilities are presented in the balance sheet as net amount in the cases of the Company’s right and right to sanction to finalize and have the intention to receive/pay related financial asset or liability over the recognized amount or have the right to finalize the related asset and liability simultaneously.

## 2.4. Comparative information and restatement of prior period financial statements

In order to allow determination of financial position and performance, financial statements of the Company are prepared in comparison with previous period. The Company has prepared the statement of financial position as of December 31, 2021, in comparison with the statement of financial position prepared as of December 31, 2020. The statement of profit or loss, profit or loss and other comprehensive income, cash flow statement and statement of changes in equity as for the period January 1st – December 31st 2021, has been prepared in comparison with the prior period, January 1st – December 31st 2020.

## 2.5. Changes in accounting policies and estimates and errors

Significant changes in accounting policies and significant errors are corrected, retrospectively; by restating the prior period financial statements.

The effect of changes in accounting estimates affecting the current period is recognized in the current period; the effect of changes in accounting estimates affecting current and future periods is recognized in the current and future periods.

Significant accounting errors are corrected retrospectively and prior period financial statements are restated. There is no significant accounting error of the Company in the current year.

The accounting policy changes arising from the first adoption of a new TAS / TFRS are regulated in accordance with the transitional provisions of the TAS/TFRS, if any. If there is no transition provision, or if an optional significant change is made in the accounting policy, it is applied retrospectively and the prior year financial statements are restated. Except for the accounting policy changes required by TFRS 16 "Leases", there is no change in the accounting policies of the Company in 2021.

## 2.6. Going concern

The financial statements have been prepared assuming that the Company will continue as a going concern on the basis that they will be able to realize its assets and discharge its liabilities in the normal course of business.

## 2.7. The new standards, amendments and interpretations

### The new standards, amendments and interpretations

The accounting policies adopted in preparation of the financial statements as at December 31, 2021 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRIC interpretations effective as of January 1, 2021. The effects of these standards and interpretations on the Company's financial position and performance have been disclosed in the related paragraphs.

i) The new standards, amendments and interpretations which are effective as at January 1, 2021 are as follows:

### Interest Rate Benchmark Reform – Phase 2 – Amendments to TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16

In December 2020, the POA issued Interest Rate Benchmark Reform – Phase 2, Amendments to TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16 to provide temporary reliefs which address the financial reporting effects when an interbank offering rate (IBOR) is replaced with an alternative nearly risk-free rate (RFR, amending the followings. The amendments are effective for periods beginning on or after 1 January 2021. Earlier application is permitted and must be disclosed.

### Practical expedient for changes in the basis for determining the contractual cash flows as a result of IBOR reform

The amendments include a practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest. Under this practical expedient, if the interest rates applicable to financial instruments change as a result of the IBOR reform, the situation is not considered as a derecognition or contract modification; instead, this would be determined by recalculating the carrying amount of the financial instrument using the original effective interest rate to discount the revised contractual cash flows. The practical expedient is required for entities applying TFRS 4 Insurance Contracts that are using the exemption from TFRS 9 Financial Instruments (and, therefore, apply TAS 39 Financial Instruments: Classification and Measurement) and for TFRS 16 Leases, to lease modifications required by IBOR reform.

### Relief from discontinuing hedging relationships

- The amendments permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued.
- Amounts accumulated in the cash flow hedge reserve are deemed to be based on the RFR.
- For the TAS 39 assessment of retrospective hedge effectiveness, on transition to an RFR, entities may elect on a hedge-by-hedge basis, to reset the cumulative fair value changes to zero.
- The amendments provide relief for items within a designated group of items (such as those forming part of a macro cash flow hedging strategy) that are amended for modifications directly required by IBOR reform. The reliefs allow the hedging strategy to remain and not be discontinued.

- As instruments transition to RFRs, a hedging relationship may need to be modified more than once. The phase two reliefs apply each time a hedging relationship is modified as a direct result of IBOR reform.

### Separately identifiable risk components

The amendments provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component.

Amendments need additional TFRS 7 Financial Instruments disclosures such as;  
How the entity is managing the transition to RFRs, its progress and the risks to which it is exposed arising from financial instruments due to IBOR reform, quantitative information about financial instruments that have yet to transition to RFRs and If IBOR reform has given rise to changes in the entity's risk management strategy, a description of these changes.

The amendments are mandatory, with earlier application permitted. While application is retrospective, an entity is not required to restate prior periods. The amendments will not have an impact on the financial position or performance of the Company.

### Amendments to IFRS 16 - Covid-19-Related Rent Concessions and Covid-19-Related Rent Concessions beyond 30 June 2021

In June 2020, the POA issued amendments to TFRS 16 Leases to provide relief to lessees from applying TFRS 16 guidance on lease modifications to rent concessions arising a direct consequence of the Covid-19 pandemic. In April 7, 2021, POA extended the exemption to include concessions that cause a decrease in lease payments whose maturity expired on or before June 30, 2022.

A lessee will apply the amendment for annual reporting periods beginning on or after 1 April 2021. Early application of the amendments is permitted. The amendments will not have an impact on the financial position or performance of the Company.

#### ii) Standards issued but not yet effective and not early adopted

Standards, interpretations and amendments to existing standards that are issued but not yet effective up to the date of issuance of the financial statements are as follows. The Company will make the necessary changes if not indicated otherwise, which will be affecting financial statements and disclosures, when the new standards and interpretations become effective.

#### Amendments to TFRS 10 and TAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

In December 2017, POA postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. Early application of the amendments is still permitted. The Company will wait until the final amendment to assess the impacts of the changes.

#### Amendments to TFRS 3 – Reference to the Conceptual Framework

In July 2020, the POA issued amendments to TFRS 3 Business combinations. The amendments are intended to replace to a reference to a previous version of the Conceptual Framework (the 1989 Framework) with a reference to the current version issued in March 2018 (the Conceptual Framework) without significantly changing requirements of TFRS 3. At the same time, the amendments add a new paragraph

to TFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date. The amendments issued to TFRS 3 which are effective for periods beginning on or after 1 January 2022 and must be applied prospectively. Earlier application is permitted if, at the same time or earlier, an entity also applies all of the amendments contained in the Amendments to References to the Conceptual Framework in TFRS standards (March 2018).

The Company is in the process of assessing the impact of the amendments on financial position or performance of the Company.

#### Amendments to TAS 16 – Proceeds before intended use

In July 2020, the POA issued amendments to TAS 16 Property, plant and equipment. The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment (PP&E), any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and costs of producing those items, in profit or loss. The amendments issued to TAS 16 which are effective for periods beginning on or after 1 January 2022. Amendments must be applied retrospectively only to items of PP&E made available for use on or after beginning of the earliest period presented when the entity first applies the amendment.

There is no transition relief for the first time adopters.

The Company is in the process of assessing the impact of the amendments on financial position or performance of the Company.



### Amendments to TAS 37 – Onerous contracts – Costs of Fulfilling a Contract

In July 2020, the POA issued amendments to TAS 37 Provisions, Contingent Liabilities and Contingent assets. The amendments issued to TAS 37 which are effective for periods beginning on or after 1 January 2022, to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making and also apply a “directly related cost approach”. Amendments must be applied retrospectively to contracts for which an entity has not fulfilled all of its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). Earlier application is permitted and must be disclosed. The Company is in the process of assessing the impact of the amendments on financial position or performance of the Company.

### TFRS 17 - The new Standard for insurance contracts

The POA issued TFRS 17 in February 2019, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. TFRS 17 model combines a current balance sheet measurement of insurance contract liabilities with the recognition of profit over the period that services are provided. TFRS 17 will become effective for annual reporting periods beginning on or after 1 January 2023; early application is permitted. The standard is not applicable for the Company and will not have an impact on the financial position or performance of the Company.

### Amendments to TAS 1- Classification of Liabilities as Current and Non-Current Liabilities

On January 15, 2021, the POA issued amendments to TAS 1 Presentation of Financial Statements. The amendments issued to TAS 1 which are effective for periods beginning on or after 1 January 2023, clarify the criteria for the classification of a liability as either current or non-current. Amendments must be applied retrospectively in accordance with TAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. Early application is permitted. The Company is in the process of assessing the impact of the amendments on financial position or performance of the Company.

### Amendments to TAS 8 - Definition of Accounting Estimates

In August 2021, the POA issued amendments to TAS 8, in which it introduces a new definition of ‘accounting estimates’. The amendments issued to TAS 8 are effective for annual periods beginning on or after 1 January 2023. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates. The amended standard clarifies that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors. The previous definition of a change in accounting estimate specified that changes in accounting estimates may result from new information or new developments. Therefore, such changes are not corrections of errors. This aspect of the definition was retained by the POA.

Company is in the process of assessing the impact of the amendments on financial position or performance of the Company.

### Amendments to TAS 1 - Disclosure of Accounting Policies

In August 2021, the POA issued amendments to TAS 1, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments issued to TAS 1 are effective for annual periods beginning on or after 1 January 2023. In the absence of a definition of the term 'significant' in TFRS, the POA decided to replace it with 'material' in the context of disclosing accounting policy information. 'Material' is a defined term in TFRS and is widely understood by the users of financial statements, according to the POA. In assessing the materiality of accounting policy information, entities need to consider both the size of the transactions, other events or conditions and the nature of them. Examples of circumstances in which an entity is likely to consider accounting policy information to be material have been added. Overall, The Company is in the process of assessing the impact of the amendments on financial position or performance of the Company.

### Amendments to IAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

In August 2021, the POA issued amendments to TAS 12, which narrow the scope of the initial recognition exception under TAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences. The amendments issued to TAS 12 are effective for annual periods beginning on or after 1 January 2023. The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of

judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognised in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgement is important in determining whether any temporary differences exist on initial recognition of the asset and liability. The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for all deductible and taxable temporary differences associated with leases and decommissioning obligations should be recognized.

The Company is in the process of assessing the impact of the amendments on financial position or performance of the Company.

### Annual Improvements – 2018–2020 Cycle

In July 2020, the POA issued Annual Improvements to TFRS Standards 2018–2020 Cycle, amending the followings:

- TFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter: The amendment permits a subsidiary to measure cumulative translation differences using the amounts reported by the parent. The amendment is also applied to an associate or joint venture.
- TFRS 9 Financial Instruments – Fees in the “10 per cent test” for derecognition of financial liabilities: The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower

and the lender, including fees paid or received by either borrower or lender on the other's behalf.

- TAS 41 Agriculture – Taxation in fair value measurements: The amendment removes the requirement in paragraph 22 of TAS 41 that entities exclude cash flows for taxation when measuring fair value of assets within the scope of TAS 41.

Improvements are effective for annual reporting periods beginning on or after 1 January 2022. Earlier application is permitted for all. The Company is in the process of assessing the impact of the amendments / improvements on financial position or performance of the Company.

### NOTE 3 - SIGNIFICANT ACCOUNTING POLICIES

#### 3.1. Foreign currency transactions

The Company converts foreign currency transactions into TL and is based on the relevant exchange rates at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are converted into TL at the exchange rates ruling at the reporting date. The resulting exchange differences are recognized as foreign exchange gains or losses in the statement of comprehensive income.

The exchange rates ruling as of 31 December 2021 and 31 December 2020 are as follows:

	31 December 2021	31 December 2020
USD	12,9775	7,3405
EUR	14,6823	9,0079

#### 3.2. Cash and cash equivalents

Cash and cash equivalents are carried at cost in the balance sheet. Cash and cash equivalents include cash on hand, bank deposits and investments with short-term and highly liquid assets that are readily convertible to cash, with a maturity of 3 months or less from the date of purchase. The carrying of these assets is close to their fair value. As of 1 January 2018, the Company calculates the expected loss provision in accordance with TFRS 9 for bank deposits in cash and cash equivalents.

#### 3.3. Trade receivables and expected credit losses

Trade receivables consist of indemnified guarantees financed by own equity that are transferred to administrative and legal proceedings. The Company uses expected credit losses model for the measurement of expected credit losses related to trade receivables with the adoption of TFRS 9. The expected credit loss model is applied to financial assets measured at amortized cost (such as deposits in banks, financial investments measured at amortized cost and trade receivables) and to the guarantees financed by own equity.

The Company recognizes expected credit losses for deposits in banks, financial investments measured at amortized cost and provisions for indemnified guarantees financed by own equity by deducting from related assets in the balance sheet and the provision for guarantees financed by own equity is recorded under short term and long-term provisions in the liability of the balance sheet (Note 14).

The expected credit losses include information that is estimated, neutral, weighted according to probabilities, taking into account the time value of money and information about past events, current conditions and future economic conditions (Note 3.4).

### 3.4. Information on Financial Assets

The Company categorizes its financial assets as “Fair Value Through Profit/Loss”, “Fair Value Through Other Comprehensive Income” or “Measured at Amortized Cost”. Such financial assets are recognized or derecognized according to TFRS 9 Financial Instruments Part 3 Issued for classification and measurement of the financial instruments published in the Official Gazette No. 29953 dated 19 January 2017 by the Public Oversight Accounting (POA) and Auditing Standards Authority.

Financial assets are measured at fair value at initial recognition in the financial statements. During the initial recognition of financial assets other than “Financial Assets at Fair Value Through Profit or Loss”, transaction costs are added to fair value or deducted from fair value. The Company recognizes a financial asset into financial statements when it becomes a party to the contractual terms of a financial instrument. During the first recognition of a financial asset into the financial statements, business model determined by Company management and the nature of contractual cash flows of the financial asset are taken into consideration. When the business model determined by the Company’s management is changed, all affected financial assets are reclassified and this reclassification is applied prospectively. In such cases, no adjustments is made to earnings, losses or interest that were previously recorded in the financial statements.

#### a. Financial assets at Fair Value Through Profit or Loss

Financial assets at fair value through profit/loss are financial assets other than the ones that are managed with business model that aims to hold to collect contractual cash flows or business model that times to collect both the contractual cash flows and cash flows arising from the sale of the assets; and if the contractual terms of the financial asset do not lead to cash flows representing solely payments of principal and interest at certain date; that are either acquired for generating a profit from short term fluctuations in prices or are financial assets included in a portfolio aiming to short-term profit making.

Financial assets at the fair value through profit or loss are initially recognized at fair value and remeasured at their fair value after recognition. All gains and losses arising from these valuations are reflected in the income statement.

As of 31 December 2021, the Company has no financial assets at fair value through profit or loss.

#### b. Financial Assets at Fair Value Through Other Comprehensive Income

In addition to financial assets within a business model that aims to hold to collect contractual cash flows and aims to hold to sell, financial assets with contractual terms that lead to cash flows are solely payments of principal and interest at certain dates, they are classified as fair value through other comprehensive income. Financial assets at fair value through other comprehensive income are recognized by adding transaction cost to acquisition cost reflecting the fair value of the financial asset. After the recognition, financial assets at fair value through other comprehensive

income are remeasured at fair value. Interest income calculated with effective interest rate method arising from financial assets at fair value through other comprehensive income and dividend income from equity securities are recorded to income statement.

“Unrealized gains and losses” arising from the difference between the amortized cost and the fair value of financial assets at fair value through other comprehensive income are not designated in the income statement of the period until the acquisition of the asset, sale of the asset, the disposal of the asset, and impairment of the asset and they are accounted under the “Accumulated other comprehensive income or expense to be reclassified through profit or loss” under shareholders’ equity.

During initial recognition an entity can choose in a irrevocable was to record the changes of the fair value of the investment in an equity instrument that is not held for trading purposes in the other comprehensive income. In the case of this preference, the dividend from the investment is taken into the financial statements as profit or loss.

As of 31 December 2021, the Company has no financial assets at fair value through other comprehensive income.

#### c. Financial Assets Measured at Amortized Cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are classified as financial assets measured at amortized cost.

Financial assets measured at amortized cost are initially recognized at acquisition cost including the transaction costs which reflect the fair value of those instruments and subsequently recognized at amortized cost by using effective interest rate method. Interest income obtained from financial assets measured at amortized cost is accounted in income statement.

The Company does not have any financial assets measured at amortized cost instrument as of December 31, 2021.

#### d. Classification and measurement of financial instruments

According to TFRS 9 requirements, classification and measurement of financial assets will depend on the business model within which financial assets are managed and their contractual cash flow characteristics whether the cash flows represent “Solely Payments of Principal and Interest” (SPPI).

#### e. Information on Expected Loss Provision

TFRS 9 “Financial Instruments”, which is effective as of January 1, 2018 is published by the Public Oversight Accounting and Auditing Standards Authority (“POA”) in the Official Gazette numbered 29953 dated December 19, 2017. “TAS 39 Financial Instruments: Recognition and Measurement” has been replaced with TFRS 9, related to the classification and measurement of financial instruments. In this framework, as of December 31, 2018, method of provisions for impairment as set out in accordance with the related legislation is changed by applying the expected credit loss model under TFRS 9. The expected credit loss estimates are required to be unbiased, probability-weighted, considering the time value of money and including supportable information about past events, current conditions, and forecasts of future economic conditions.

*Expected Credit Loss (ECL) Calculation - Inputs and Forecasting Methodologies:*

Expected Credit Loss (ECL) is calculated as lifetime, depending on whether an asset is considered as a credit loss. Expected Credit Loss is calculated by using the Exposure at Default (EAD), Probability of Default (PD) and Loss Given Default (LGD) components.

Exposure at Default: Specifies the amount of risk at the time of indemnity of the guarantees financed by own equity. It is kept in the system by constantly calculated until the maturity of the borrower.

Probability of Default (PD): Indicates the rate of indemnity of guarantees financed by own equity due to the inability of the debtor to fulfill its obligations. The Company applies lifetime estimations in the probability of default calculation. Lifetime probability of default is calculated by using the historical data and incurred probability of default is taken to long term by using various functions.

The models used in the Probability of Default calculations are developed based on historical data on indemnified and not indemnified collaterals. The PD value to be used within the scope of TFRS 9 is calculated separately for the sector information of each debtor using the guarantees financed by own equity. The relation of risk parameters with macroeconomic conditions have been determined and which macroeconomic conditions are effective on the probability of default are identified. Within this framework, macroeconomic forecasts are taken into consideration by using different scenarios in the change of probability of default.

The ECL calculations are reviewed once a year. After the last review during the reporting period;

- There is no change in the assumptions in the estimation techniques.
- Model risk parameters and macroeconomic estimation models have been updated with recent data.

Loss Given Default: The ratio that provides the uncollectible amount of the receivable in the process after the default.

In LGD methodology, based on the retrospective specific sector knowledge, separately indemnified guarantees financed by own equity amounts and long term collection process have been taken into account and LGD rate is calculated after deducting net collections amounts from the indemnified amount and discounted with effective interest rates or approximate rate over the net amounts with an approximate value.

Expected Credit Loss is calculated over the remaining maturity using the PD, LGD and EAD components. Calculated values are discounted on a monthly basis using the original effective interest rate or an approximate value of the discount rate. In addition, in order to determine the expected credit losses, the Company conducts an individual assessment of the indemnified guarantees financed by own equity with a risk over a certain amount in accordance with the Company's policy.

### Write-off Policy

The Company's deduction of a financial asset is a transaction that is essentially indemnified and that does not have any expectation that it will be recovered and is applied in cases where these expectations are legally documented.

Partial reversal transactions include the agreement that a financial asset will be repaid in a certain amount by the debtor and the amount remaining after the payment of such amount is removed from the financial statements.

### 3.5. Property, plant and equipment

Property, plant and equipment acquired before 31 December 2004 are carried at restated cost for the effects of inflation in TL units current at 31 December 2004 less accumulated depreciation and impairment losses, and property, plant and equipment acquired after 1 January 2005 are carried at acquisition cost less accumulated depreciation and impairment losses.

#### Depreciation

Depreciation is provided on the acquired values of property, plant and equipment on a straight-line method starting from the acquirement date.

Economic useful lives of tangible and intangible assets approximately are as follows:

Type	Estimated useful lives (year)
Vehicles	5 years
Furniture and fixtures	3-15 years
Leasehold improvements	Through the lease period

#### Subsequent costs

Other subsequent expenditures are capitalized only when it increases the future economic benefits embodied in the item of property, plant and equipment. All other expenditures are recognized in the statement of comprehensive income as expense when incurred.

The gain or loss arising on the disposal of an item of property, plant and equipment is determined as the difference between the proceeds from sales and the carrying amount of the asset and is recognized in profit or loss in the related period.

### 3.6. Intangible assets

Intangible assets comprise softwares. Intangible assets are carried at restated cost for the effects of inflation in TL units current at 31 December 2004 for the intangible assets acquired before 1 January 2005, and intangible assets acquired after 1 January 2005 are carried at acquisition cost less accumulated amortisation and impairment losses. The amortization of intangible assets is recorded in the statement of comprehensive income based on straight line amortization with the economic lives varying within 3 to 5 years.

### 3.7. Impairment of non-financial assets

The Company determines whether there are any indicators for impairment at every balance sheet date. In the case of an indicator, the recoverable value of that asset is estimated. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-

tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized in comprehensive income statement.

### 3.8. Provisions, contingent liabilities and contingent assets

A provision is recognized in the financial statements when the Company has a present implicit or legal obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. If the specified criterias are not met, the Company discloses the related issues in the notes.

If the inflow of economic benefits is probable, contingent assets are disclosed in the notes to the financial statements. If the inflow of the economic benefit is virtually certain, such asset and income statement effects are recognized in the financial statements at the relevant period that income change effect occurs.

### 3.9. Employee benefits

#### Provision for employee severance indemnity

Under Turkish law and union agreements, lump sum payments are made to employees retiring or involuntarily leaving the Company. The provision for employee severance indemnity reflects the present value of the future probable obligation of the Company arising from the retirement of employees.

The calculation of severance pay reserve is based on the severance pay ceiling announced by the government.

#### Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided in the income statement.

A provision is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.



### 3.10. Related parties

a. A person or a close member of that person's family is related to a reporting entity:

If that person,

- Has control or joint control over the reporting entity;
- Has significant influence over the reporting entity; or
- Is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

b. If any of the following conditions exist, the entity is considered to be associated with the Company:

The entity and the Company are members of the same group,

- One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- Both entities are joint ventures of the same third party.
- One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. (If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity).
- The entity is controlled or jointly controlled by a person identified in (a).
- 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).

### 3.11. Financial guarantees and revenue

The Company provides financial guarantees based on sureties. Obtained income collateral commissions consist of review revenues and allocation commissions. Following the initial recognition, investigation and grant commissions for each transaction, without considering whether the guarantee is provided to the customer or not, are accounted as revenue when they are collected. Guarantee commissions are accounted on an accrual basis.

### 3.12. Financial income and expenses

Interest income and expense is recognized using the effective interest method in the income statement. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability to the carrying amount of the financial asset or liability.

The calculation of the effective interest rate includes all fees and points paid or received, transaction costs, and discounts or premiums that are an integral part of the effective interest rate. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of financial assets or liabilities.

Interest income and expense presented in statement of income includes reduced interest rate on financial assets and liabilities effective interest rate basis.

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

### 3.13. Taxation

Tax Procedural Law No. 213, Procedure Law on Collection of Public Claims No. 6183, Income Tax Law No. 193, abrogated Corporate Tax Law No. 5520 and 25th May dated and 4108 numbered Law for making amendments on Value-Added Tax Law No. 3065 became effective as they were published on Official Gazette on 2 June 1995. According to this Law “Corporations established to provide credit facilities only within the frame of financial and technical cooperation with foreign or international financial organizations; add revenues generated from these operations to their guarantee responsibility funds; and retain these funds in order to invest banks and corporations” are exempted from Corporate Tax Law pursuant to 1st clause of the 4th article of Corporate Tax Law. (4th article of the law numbered 6009-revised).

Credit guarantee services by corporations mentioned in 17/4-e article of Value-Added Tax Law, (24) numbered clause of Article 7 of abrogated Corporate Income Tax Law No. 5422, and (I) clause of article 4 of the new Corporate Income Tax Law no. 5520, are exempted from value-added tax.

The papers which are drawn up for credit guarantee operations of the Corporations mentioned in the 29th article of 4842 numbered Law for making Amendments on Certain Laws, 24th paragraph of Article 7 of the Corporate Income Tax Law, and 22 numbered paragraph of Stamp Tax Law No. 488 which is added to section number 2 Table V- Papers for Corporations, are exempted from stamp duty.

### 3.14. Statement of cash flows

In the statement of cash flows, cash flow statements of the period are classified as operating, investing and financing activities.

Cash flows from operating activities represent cash flows from the Company’s operations.

Cash flows related to investment activities indicate the Company’s cash flows used in investment activities (fixed investments and financial investments).

Cash flows related to financing activities represent the resources used by the Company’s financing activities and the repayments of these resources.

### 3.15. Subsequent events

Developments after the date of statement of financial position cover all events between the date of statement of financial position and the date when the financial statement is disclosed for publication, even its occur after explanation of announcement related with profit or other selected financial information.

The Company adjusts the amounts recognized in the financial statements, in the case of occurrence of events after the date of statement of financial position that require correction in accordance with this new situation. The issues that occur after the date of the statement of financial position and do not require correction are explained in the financial statement notes if these issues can affect the economic decisions of financial statement users.

### 3.16. Significant accounting estimates and assumptions

The preparation of the financial statements requires the determination of the assets and liabilities reported as of the balance sheet date, the disclosure of contingent assets and liabilities and the use of estimates and assumptions that may affect the amounts of income and expenses reported during the accounting period. Although these estimates and assumptions are based on the Company management's best knowledge of current events and transactions, actual results may differ from the assumptions.

The expected credit losses are estimated to be unbiased, weighted according to probabilities, and include information that can be supported about past events, current conditions, and supportable information with respect to estimations about future economic conditions. Explanations on the relevant estimation and inputs are stated in Note 3.4.

The ongoing COVID-19 pandemic, which has recently emerged in China, has spread to various countries in the world, causing potentially fatal respiratory infections, negatively affects both regional and global economic conditions, as well as it causes disruptions in operations, especially countries that are exposed to the epidemic. As a result of the spread of COVID-19 around the world, several measures have been taken in our country as well as in the world in order to prevent the spread of the virus and measures are still being taken. In addition to these measures, economic measures are also taken to minimize the economic impact of the virus outbreak on individuals and businesses in our country and worldwide. As of December 31, 2021, Company Management believes that the effects of current situation is not material to the Financial statements.

**NOTE 4 - CASH AND CASH EQUIVALENTS**

As of 31 December 2021 and 31 December 2020; the details of cash and cash equivalents are as follows:

	31 December 2021	31 December 2020
Cash	-	-
Banks		829.857.400
-Demand deposits	719.602	1.851.078
-Demand deposits of Treasury Transactions	280.179.023	278.535.676
-Time deposits	778.968.443	549.470.646
-Time deposits of Treasury Transactions	-	-
Provisions for expected credit loss	(6.703)	(4.820)
<b>Total</b>	<b>1.059.860.365</b>	<b>829.852.580</b>

As of 31 December 2021, original maturities of TRY, EUR and USD denominated time deposits are less than 3 months and the average interest rates are 19,73%, 0,98% and 1,23% respectively. (31 December 2020: 17,52%, 2,00% and 3,53%)

As of 31 December 2021, there is 2.002.358 TL blockage on deposit balances (31 December 2020: TL 6.240.774).

As of 31 December 2021 and 31 December 2020, the Company's cash and cash equivalents are shown by subtracting interest accruals and blocked bank deposits from cash and cash equivalents and adding expected credit loss provisions.

	31 December 2021	31 December 2020
Cash and cash equivalents	1.059.860.365	829.852.580
Provisions for expected credit loss	6.703	4.820
Blocked deposit balances of treasury transactions (-)	(280.179.023)	(278.535.676)
Blocked deposit balances (-)	(2.002.358)	(6.240.774)
Accrued Interest (-)	(2.861.761)	(2.342.759)
<b>Cash and cash equivalents presented in the table of cash flow</b>	<b>774.823.926</b>	<b>542.738.191</b>

## NOTE 5 - FINANCIAL INVESTMENTS

As of 31 December 2021 and 31 December 2020, there are no financial investments measured at amortized cost.

## NOTE 6 - TRADE RECEIVABLES AND PAYABLES

### a) a) Trade receivables

As of 31 December 2021 and 31 December 2020 the details of trade receivables arising from collaterals are as follows:

	31 December 2021	31 December 2020
Indemnified guarantees financed by own equity	345.544.599	361.401.056
Provision for indemnified guarantees financed by own equity	(259.181.750)	(258.765.164)
<b>Total</b>	<b>86.362.849</b>	<b>102.635.892</b>

The movement of provision for doubtful receivables for 2021 and 2020 is as follows

	2021	2020
1 January	258.765.164	174.845.367
Reversal of provision (Note 20)	(5.380.044)	(7.134.796)
Provision within the year (Note 20)	5.796.630	91.054.593
<b>31 December</b>	<b>259.181.750</b>	<b>258.765.164</b>

### b) b) Trade payables

As of 31 December 2021 and 31 December 2020; trade payables of the Company are as follows:

	31 December 2021	31 December 2020
Trade payables	2.348.281	1.360.757
<b>Total</b>	<b>2.348.281</b>	<b>1.360.757</b>

**NOTE 7 - OTHER RECEIVABLES AND PAYABLES**

## a) a) Other receivables

	31 December 2021	31 December 2020
Treasury transactions receivables	-	45.592
Deposits and guarantees given	5.000	-
Other receivables	115.055	115.057
<b>Total</b>	<b>120.055</b>	<b>160.649</b>

## b) Other payables

	31 December 2021	31 December 2020
Received deposits and collaterals (*)	1.603.432	2.361.195
Wage and commission advances	6.569.955	7.591.960
Retainer expenses	129.293	95.573
Debts to branches	5.327	8.650
<b>Total</b>	<b>8.308.007</b>	<b>10.057.378</b>

(\*) "Received deposits and collaterals" arise from amounts received in cash from the companies that are guaranteed due to the bailment provided under the equity and assignments on payments made by third parties to guarantors.

**NOTE 8 - PREPAID EXPENSES**

	31 December 2021	31 December 2020
Expenses for the following months	267.510	94.102
<b>Total</b>	<b>267.510</b>	<b>94.102</b>

**NOTE 9 - PROPERTY PLANT AND EQUIPMENT**

## a) Current year

Cost	1 January 2021	Addition/Disposal(-)	31 December 2021
Vehicles	220.148	-	220.148
Equipment	7.762.706	1.359.451	9.122.157
Leasehold improvements	381.335	(29.500)	351.835
<b>Total</b>	<b>8.364.189</b>	<b>1.359.451</b>	<b>9.694.140</b>
Accumulated Depreciation	1 January 2021	Addition/Disposal(-)	31 December 2021
Vehicles	(220.148)	-	(220.148)
Equipment	(4.248.244)	(918.526)	(5.166.770)
Leasehold improvements	(156.112)	(46.189)	(202.301)
<b>Total</b>	<b>(4.624.504)</b>	<b>(964.715)</b>	<b>(5.589.219)</b>
<b>Carrying amount</b>	<b>3.739.685</b>		<b>4.104.921</b>

As of 31 December 2021, all depreciation expenses are recognized in “Cost of Sales” account in the income statement.

As of 31 December 2021, there are no mortgages on property, plant and equipment.

## b) Prior year:

Cost	1 January 2020	Addition/Disposal(-)	31 December 2020
Vehicles	1.246.719	(1.026.571)	220.148
Equipment	8.109.425	(346.719)	7.762.706
Leasehold improvements	370.965	29.500	381.335
<b>Total</b>	<b>9.727.109</b>	<b>(1.362.920)</b>	<b>8.364.189</b>
Accumulated Depreciation	1 January 2020	Addition/Disposal(-)	31 December 2020
Vehicles	(1.176.516)	956.368	(220.148)
Equipment	(3.864.267)	(383.977)	(4.248.244)
Leasehold improvements	(212.816)	56.704	(156.112)
<b>Total</b>	<b>(5.253.599)</b>	<b>629.095</b>	<b>(4.624.504)</b>
<b>Carrying amount</b>	<b>4.473.510</b>		<b>3.739.685</b>

As of 31 December 2020, all depreciation expenses are recognized in “Cost of Sales” account in the income statement.

As of 31 December 2020, there are no mortgages on property, plant and equipment.

**NOTE 10 - INTANGIBLE ASSETS**

## a) Current period

Costs	1 January 2021	Addition/Disposal(-)	31 December 2021
Rights	38.536	38.308	76.844
Computer softwares	14.699.493	7.579.224	22.278.717
Construction in progress (*)	9.440.000	-	9.440.000
<b>Total</b>	<b>24.178.029</b>	<b>7.617.533</b>	<b>31.795.561</b>

Accumulated depreciation	1 January 2021	Addition/Disposal(-)	31 December 2021
Rights	(16.458)	(15.692)	(32.150)
Computer softwares	(8.099.454)	(2.561.303)	(10.660.757)
<b>Total</b>	<b>(8.115.912)</b>	<b>(2.576.995)</b>	<b>(10.692.907)</b>
<b>Carrying amount</b>	<b>16.062.117</b>		<b>21.102.654</b>

(\*) Includes software and system installments that are not completed.

As of 31 December 2021, all redemptions are recognized in “Cost of Sales” account on the income statement.

## b) Prior period

Costs	1 January 2020	Addition/Disposal(-)	31 December 2020
Rights	36.481	2.055	38.536
Computer softwares	14.458.200	241.292	14.699.492
Construction in progress (*)	11.254.563	(1.814.563)	9.440.000
<b>Total</b>	<b>25.749.244</b>	<b>(1.571.216)</b>	<b>24.178.028</b>

Accumulated depreciation	1 January 2020	Addition/Disposal(-)	31 December 2020
Rights	(10.762)	(5.696)	(16.458)
Computer softwares	(6.614.591)	(1.394.862)	(8.009.453)
<b>Toplam</b>	<b>(6.625.353)</b>	<b>(1.490.558)</b>	<b>(8.115.911)</b>
<b>Carrying amount</b>	<b>19.123.891</b>		<b>16.062.117</b>

(\*) Includes software and system installments that are not completed.

As of 31 December 2020, all redemptions are recognized in “Cost of Sales” account on the income statement.



**NOTE 11 - RIGHT OF USE ASSET**

Costs	1 January 2021	Addition/Disposal(-)	31 December 2021
Buildings	9.596.698	1.150.485	10.747.183
Vehicles	2.038.350	-	2.038.350
<b>Total</b>	<b>11.635.048</b>	<b>1.150.485</b>	<b>12.785.533</b>

Accumulated depreciation	1 January 2021	Addition/Disposal(-)	31 December 2021
Buildings	(1.786.299)	(4.216.218)	(6.002.517)
Vehicles	(905.384)	(1.615.424)	(2.520.808)
<b>Total</b>	<b>(2.691.683)</b>	<b>(5.831.642)</b>	<b>(8.523.325)</b>
<b>Carrying amount</b>	<b>8.943.366</b>		<b>4.262.208</b>

Costs	1 January 2020	Addition/Disposal(-)	31 December 2020
Buildings	3.526.688	6.070.011	9.596.699
Vehicles	2.038.350	-	2.038.350
<b>Total</b>	<b>5.565.038</b>	<b>6.070.011</b>	<b>11.635.049</b>

Accumulated depreciation	1 January 2020	Addition/Disposal(-)	31 December 2020
Buildings	(1.254.038)	(532.261)	(1.786.299)
Vehicles	(905.384)	-	(905.384)
<b>Total</b>	<b>(2.159.422)</b>	<b>(532.261)</b>	<b>(2.691.683)</b>
<b>Carrying amount</b>	<b>3.405.616</b>	<b>5.537.750</b>	<b>8.943.366</b>

**NOTE 12 - LEASE LIABILITIES**

## a) Long-term lease liabilities

The company does not have any short term lease liabilities as of December 31, 2021.

## b) Long-term lease liabilities

	Maturity	Interest Rate	31 December 2021
Buildings	2023-2026	18,50%	4.927.107
Vehicles	2024-2026	15,44%	2.476.262
<b>Total</b>			<b>7.403.369</b>

	Maturity	Interest Rate	31 December 2020
Buildings	2023	13,50%	8.302.341
Vehicles	2021	13,50%	1.206.370
<b>Total</b>			<b>9.508.711</b>

**NOTE 13 - EMPLOYEE BENEFITS**

## a) Short-Term Employee Benefits

	31 December 2021	31 December 2020
Social security payables	1.207.788	1.353.425
Taxes and funds payables	1.098.544	1.519.481
Payables to personnel	4.320	442
<b>Total</b>	<b>2.310.652</b>	<b>2.873.348</b>

## b) Short-Term Provisions for Employee Benefits

	31 December 2021	31 December 2020
Bonus accruals	-	1.638.568
Provision for unused vacation	2.900.342	2.139.642
<b>Total</b>	<b>2.900.342</b>	<b>3.778.210</b>

*Allowance for Vacation*

According to the current labor law in Turkey, the Company, in case of termination of the employment contract for any reason, is liable to pay the reserve for unused vacation to employees or to the right holders over the wages at the date of termination of the contract.

For the years ended 31 December 2021 and 31 December 2020, movements the allowance for vacation is as follows:

	2021	2020
1 January	2.139.642	1.503.426
(Used) / charged, net	760.700	636.216
<b>31 December</b>	<b>2.900.342</b>	<b>2.139.642</b>

For the years ended 31 December 2021 and 31 December 2020, movements of the allowance for premium are as follows:

	2021	2020
1 January	1.638.568	1.503.426
Accrued/(paid), net	(1.638.568)	213.726
<b>31 December</b>	<b>-</b>	<b>1.638.568</b>

## c) Long-term provisions for employee benefits

	31 December 2021	31 December 2020
Provision for termination indemnities	7.011.920	4.735.328
<b>Total</b>	<b>7.011.920</b>	<b>4.735.328</b>

The provision for employment termination benefits represents the present value of the future probable obligation of the Company arising from the retirement of the employees calculated in accordance with the Turkish Labor Law. Provision for employment termination benefits is calculated on an accrual basis and reflected to the financial statements. The provision for employment termination benefits is based on the severance pay ceiling that is set by the government. As of 31 December 2021 and 31 December 2020, the maximum amount of severance pay is respectively TL 10.848,69 and TL 7.117,17.

The movement of the current period severance pay liability is explained below:

	2021	2020
1 January	4.735.328	2.803.843
Interest expense	1.041.772	322.441
Service cost	866.761	1.031.473
Compensations paid during the year (-)	(198.346)	(1.193.800)
Actuarial (gain)/ loss	566.405	1.771.371
<b>31 December</b>	<b>7.011.920</b>	<b>4.735.328</b>

TFRS, requires the development of the Company's actuarial valuation methods in determining the provision for employee termination benefits. As of 31 December 2021 and 2020, the principal actuarial assumptions used in the calculation of severance pay liability in the attached financial statements are as follows:

	31 December 2021	31 December 2020
Net discount rate	3,92%	3,74%
Expected retirement rate used in calculation	98,17%	99,59%

**NOTE 14 - OTHER PROVISIONS**

## a) Short-term provisions

	31 December 2021	31 December 2020
Litigation provisions	726.082	726.082
Expected credit loss provisions for guarantees financed by own equity	3.465.275	1.676.945
<b>Total</b>	<b>4.191.357</b>	<b>2.403.027</b>

## b) Long-term provisions

	31 December 2021	31 December 2020
Expected credit loss provisions for guarantees financed by own equity	29.501.298	22.575.464
<b>Total</b>	<b>29.501.298</b>	<b>22.575.464</b>

The movement table of expected credit/losses calculated for the collaterals, given within the scope of equity is as follows:

	2021	2020
1 January	24.252.409	42.193.535
Expected credit loss provided/(reversed) within the year (Note 20)	8.714.164	(17.941.126)
<b>31 December</b>	<b>32.966.573</b>	<b>24.252.409</b>

**NOTE 15 - OTHER ASSETS AND LIABILITIES**

## a) Other current assets

	31 December 2021	31 December 2020
Vat carried forward	23.194	-
Job advances	29.848	172.902
Receivables from employees	7.759	750
<b>Total</b>	<b>60.801</b>	<b>173.652</b>

## b) Other non-current assets

	31 December 2021	31 December 2020
Buildings	1.312.421	1.312.423
Land	1.195.525	659.425
<b>Total</b>	<b>2.507.946</b>	<b>1.971.848</b>

Land and buildings consist of assets acquired by the Company due to non-performing portfolio of receivables, which are not in their use and can not be evaluated under TFRS 5.

## c) Other short-term liabilities

	31 December 2021	31 December 2020
Funds (*)	5.751.349	5.751.340
Payables from guarantee transactions containing Treasury (**)	153.595.203	184.101.495
KOSGEB&KfW Funds Account(***)	125.825.824	93.698.882
Debt for counter guarantees	-	134.066
Tax payables	170.532	238.811
<b>Total</b>	<b>285.342.908</b>	<b>283.924.594</b>

(\*) The Company has signed an agreement to regulate the principles of operating and use of a fund by KGF. The Fund will be formed by agencies in order to develop collaterals for all kinds of loans will be provided to various institutions and small and medium size entities operating in Turkey. Under extraordinary circumstances which makes proper use of fund contributions impossible or significantly endanger the implementation of KGF applications and fulfillment of obligations by related parties, relevant organizations might prevent to continue the use of funds and might completely liquidate the accounts of funds. These fund agreements could be terminated and fund accounts could be liquidated with the mutual understanding reached by parties. Those funds are composed of the European Investment Fund, GTZ Fund, Republic of Turkey Ministry of Treasury and Finance, Bakü Tiflis Ceyhan Company ("BTC") and KOSGEB. 0.03% commission rate was applied in Kobi Değer 1 Project and 2% commission rate in Kobi Değer 1 and EDK Projects.

(\*\*) Due to the protocol between the Republic of Turkey Ministry of Treasury and Finance and Kredi Garanti Fonu A.Ş., the guaranteeing loans provided by the treasury guarantee has been started in February 2010. As to the protocol, 10% of the guarantee commissions received with a rate of 1% from the guarantee risks provided by the treasury guarantee has been accounted as revenue and 90% of the amount is followed under other liabilities as Payables from guarantees from the Treasury support. After the changes published in the official gazette on March 10, 2017 numbered 2017/9969, the protocol signed with the Republic of Turkey Ministry of Treasury on 15 March 2017, the commission rate for the first year has been fully given to KGF A.Ş. and the commission collections made with 0.03% for one time were all recorded as the institution income and the commission collections were revoked in accordance with the aforementioned protocol. It was determined by the "Decision on Treasury Support Provided to Credit Guarantee Institutions" numbered 2016/9538 and "Decision Amending the Decision Regarding Treasury Support to be Provided to Credit Guarantee Institutions" adopted by the Council of Ministers. According to the provisions, the validity dates of the Commission are as follows on the basis of the beneficiary groups. 1% commission rate is implemented in KBL Footwear Sector Project, 1.5% commission rate in KBL 2 Project and 2% commission rate in KBL Project.

Date	Beneficiary Group	First Year Commission Rate%
05.03.2019-02.11.2019 Treasury Rates*	All Beneficiaries	0,03 - 2
02.11.2019-30.03.2020 Treasury Rates **	All Beneficiaries	1 - 1.5 - 2
30.03.2020- Continued Treasury Rates***	All Beneficiaries	0,03 - 0,5 - 0,75 - 1

(\*\*\*) It consists of the funds granted by KOSGEB, one of the shareholders of KGF; The German Development Bank (KfW) of the German Ministry of Development, for the use of our Institution, in case the interest / profit share is fully or partially covered by KOSGEB after the loan is provided by the bank under the conditions in accordance with the protocols and the guarantee falls to the doubtful receivables; Financing Agreement between KGF and KfW, which is designed to provide SMEs in provinces with a high concentration of Syrian refugees, in return for their commitment to employ additional Turkish and Syrian employees, and to cover the interest of these loans by KOSGEB, as well as KGF, KfW and KOSGEB. 0.3% commission is implemented in Eximbank Loan Support Package and Eximbank Stock Financing Support Projects, Opeç Credit Support, Check Payment Support, TKYB, Credit Support, Tourism Support, 0.5% in Micro Enterprises Support Packages, Business Continuing Support, TOBB Nefes 2020,TKYB Loan Support (maturity over 5 years), 0.75% in Basic Consumer Loan Support Packages and 1% in the Industry and Technology Ministry's Credit Support Package.

**NOTE 16 - DEFERRED INCOME**

As of 31 December 2021 and 31 December 2020 deferred income and realization periods are as follows:

	31 December 2021	31 December 2020
1 month	8.720.218	2.260.362
1-3 months	6.638.342	4.614.306
3-6 months	7.092.132	14.555.348
6-12 months	858.151	40.077.297
<b>Total</b>	<b>23.308.843</b>	<b>61.507.313</b>

Deferred income consists of collateral commissions received from customers on an annual basis and income is generated on the basis of related periods.

**NOTE 17 - EQUITY****a) Paid-in share capital**

As of 31 December 2021 and 31 December 2020, the shareholding structure of the Company is as follows:

31 December 2021	Share (%)	Group A	Group B	Group C	Group D	Total
TOBB	28%	145.196.895	-	-	-	145.196.895
KOSGEB	28%	-	145.155.059	-	-	145.155.059
29 BANKS	43%	-	-	222.102.876	-	222.102.876
TESK	0%	-	-	-	619.358	619.358
TOSYOY	0%	-	-	-	40.016	40.016
MEKSA	0%	-	-	-	20.026	20.026
<b>Nominal Capital</b>	<b>100%</b>	<b>145.196.895</b>	<b>145.155.059</b>	<b>222.102.876</b>	<b>679.400</b>	<b>513.134.230</b>

31 December 2020	Share (%)	Group A	Group B	Group C	Group D	Total
TOBB	28%	145.196.895	-	-	-	145.196.895
KOSGEB	28%	-	145.155.059	-	-	145.155.059
29 BANKS	43%	-	-	222.102.876	-	222.102.876
TESK	0%	-	-	-	619.358	619.358
TOSYOY	0%	-	-	-	40.016	40.016
MEKSA	0%	-	-	-	20.026	20.026
<b>Nominal Capital</b>	<b>100%</b>	<b>145.196.895</b>	<b>145.155.059</b>	<b>222.102.876</b>	<b>679.400</b>	<b>513.134.230</b>

The main capital of the Company is TL 513.134.230. This capital is divided into 51.313.422.953 in the name of the holder written shares each with a nominal value of 1 Kr. (one Kr).

The Company's affairs and management are managed by a board of directors consisting of ten members, three of whom are members of each of Group A, Group B and Group C shareholders and the general manager. However, in the event of funding for the Company from Republic of Turkey Prime Ministry Undersecretariat of Treasury one of the three representatives of Group B and Group

C shares will be determined among the candidates proposed by the Undersecretariat of Treasury until the closing and liquidation of Treasury support accounts. The term of office of the members of the Board of Directors is three years for the shareholders of Group A and Group B, and two years for the shareholders of Group C. Members who completed their terms can be re-elected. The Board of Directors elects a person to be nominated by Group A shareholders as the chairman of the board of directors.

Shareholding structure details of the Company are as follows:

Shareholders	Capital (TL)	Ratio (%)	Group
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 SINAI 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
<b>Total</b>	<b>513.134.230</b>	<b>100</b>	

## b) Legal reserves

	31 December 2021	31 December 2020
Legal reserves	24.694.024	16.837.776
<b>Total</b>	<b>24.694.024</b>	<b>16.837.776</b>

Under the Turkish Commercial Code article 519, legal reserves consist of first legal reserve and second legal reserve. First legal reserve, appropriated at the rate of 5%, until the total reserve is equal to 20% of issued and fully paid-in share capital. Second legal reserve, appropriated at the rate of 10% of distributions in excess of 5% of issued and fully paid-in share capital, but Holding companies are not subject to such transaction. According to the Turkish Commercial Code, legal reserves can only be used to compensate accumulated losses and cannot be used for other purposes unless they exceed 50% of paid-in capital.

## c) Retained earnings/(Accumulated loss)

	31 December 2021	31 December 2020
Retained earnings/(Accumulated loss)	20.832.350	(66.758.287)
<b>Total</b>	<b>20.832.350</b>	<b>(66.758.287)</b>

**NOTE 18 - SALES AND COST OF SALES**

## a) Sales

	1 Jan. - 31 Dec. 2021	Jan. - 31 Dec. 2020
Income from collateral transactions	139.778.340	165.485.192
Sales returns (-)	(1.604.782)	(6.669.000)
<b>Total</b>	<b>138.173.558</b>	<b>158.816.192</b>

## b) Cost of sales

	1 Jan. - 31 Dec. 2021	Jan. - 31 Dec. 2020
Personnel expenses	45.549.890	42.714.600
Depreciation and amortization expense	9.373.353	3.463.055
Information technology expenses	199.445	24.337.587
Litigation expenses	546.671	467.898
Travel, transportation and vehicle lease expenses	3.955.582	213.920
Rent expenses	1.801.527	3.793.923
Taxes, duties, fees and membership expenses	404.199	1.631.981
Other	3.430.653	99.501
<b>Total</b>	<b>65.261.320</b>	<b>76.722.465</b>



**NOTE 19 - GENERAL ADMINISTRATION EXPENSES**

	1 Jan. - 31 Dec. 2021	Jan. - 31 Dec. 2020
General administration expenses (*)	5.996.863	4.530.311
<b>Total</b>	<b>5.996.863</b>	<b>4.530.311</b>

(\*) Consisting of allowances, representation and accommodation expenses, per diem and travel expenses.

**NOTE 20 - OTHER OPERATING INCOME/EXPENSES INCOME/EXPENSE**

## a) Other operating income

	1 Jan. - 31 Dec. 2021	Jan. - 31 Dec. 2020
Reversal of provisions	5.380.044	7.134.796
-Collection of indemnified guarantees financed by own equity (Note 6)	5.380.044	7.134.796
-Reversal of provisions for guarantees financed by own equity (Note 14)	-	-
-Reversal of litigation provision	-	-
Social security incentive income	1.648.505	1.272.337
Collections from written of receivables	3.297.429	4.358.723
Income related to costs incurred for indemnified collaterals	-	-
Other	3.049.814	1.945.149
<b>Total</b>	<b>13.375.792</b>	<b>14.711.005</b>

## b) Other operating expenses

	1 Jan. - 31 Dec. 2021	Jan. - 31 Dec. 2020
Provision for expected credit losses	14.516.133	73.115.220
- Indemnified guarantees financed by own equity (Note 6)	5.796.630	91.054.593
- Guarantees financed by own equity (Note 12)	8.714.164	(17.941.126)
-Other	5.339	1.753
Other expenses	2.480.796	1.857.640
<b>Total</b>	<b>16.996.929</b>	<b>74.972.860</b>

	2021	2020
Audit fee regarding the audit period	170.000	114.000
<b>Total</b>	<b>170.000</b>	<b>114.000</b>

**NOTE 21 - INCOME AND EXPENSES FROM INVESTMENT ACTIVITIES**

	1 Jan. - 31 Dec. 2021	Jan. - 31 Dec. 2020
Gain on sale of property, plant and equipment	-	2.350.494
<b>Total</b>	<b>-</b>	<b>2.350.494</b>

**NOTE 22 - FINANCIAL INCOME AND EXPENSES**

## a) Financing income

	1 Jan. - 31 Dec. 2021	Jan. - 31 Dec. 2020
Interest income from banks	87.519.422	44.581.538
Foreign exchange gain	118.541.140	50.584.247
<b>Total</b>	<b>206.060.562</b>	<b>95.165.785</b>

## b) Financing expenses

	1 Jan. - 31 Dec. 2021	Jan. - 31 Dec. 2020
Foreign exchange loss	23.705.650	18.354.177
Interest expense (Note 12 and Note 13)	1.103.084	1.016.778
<b>Total</b>	<b>24.808.734</b>	<b>19.370.955</b>

**NOTE 23 - EARNINGS PER SHARE**

	1 Jan. - 31 Dec. 2021	Jan. - 31 Dec. 2020
Net profit/ (loss)	244.546.066	95.446.885
Each one TL 0,01 par value stock	51.313.423.000	51.313.423.000
<b>Earnings per share</b>	<b>0,00477</b>	<b>0,00186</b>

**NOTE 24 - RELATED PARTY DISCLOSURES**

	1 Jan. - 31 Dec. 2021	Jan. - 31 Dec. 2020
Receivables from related parties		
Cash and cash equivalents (*)	779.688.045	829.857.400
Interest income from related parties - shareholders	87.000.420	43.600.725
Benefits and rights provided to executives	7.109.765	5.330.885

(\*) Consist of cash, cash equivalents, bond and fund, mandatorily hold due to foundation of the Company, in banks which are shareholders of the Company explained in Note 17.

As of December 31, 2021, the Company has a commission received from related parties, amounting to TL 101.579.870 (31 December 2020: TL 188.692.306).

**NOTE 25 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS****Capital risk management**

In capital management, the Company strives to ensure the continuity of its operations while at the same time aiming to increase the profit by utilizing the balance of debt and equity in the most efficient manner. The capital structure of the Company consists of cash and cash equivalents, equity components which includes the issued capital, capital reserves and profit reserves for its net debt to equity ratio analysis.

Risks associated with each capital class together with the capital cost of the Company are assessed by the Company's executives.

The Company follows equity by using the rate of the liabilities / equity. This ratio is calculated by dividing net liability by total equity. Net debt is calculated by excluding the cash and cash equivalents from total debt amount (financial liabilities include trade and other payables and other short term and long-term other liabilities like as indicated in financial statement). However, the Company has no financial liabilities.

	31 December 2021	31 December 2020
Total liabilities	(372.627.077)	(402.724.130)
Less: Cash and cash equivalents (Note 4)	1.059.860.365	829.852.580
Net cash	687.233.288	427.128.450
Total equity	806.022.232	560.909.761

## Credit risk

As of 31 December 2021 and 31 December 2020, the maximum credit risk exposure of the Company is as follows:

Balance sheet	31 December 2021	31 December 2020
Trade receivables	86.362.849	102.635.892
Cash and cash equivalents	1.059.860.365	829.852.580
Financial investments measured at amortized cost	-	-
<b>Off balance sheet</b>		
Guarantees financed by own equity (Note 26)	6.225.639.230	4.022.241.716
<b>Total</b>	<b>6.225.639.230</b>	<b>4.022.241.716</b>

As of 31 December 2021, the total amount of collaterals taken from mortgages and pledge of commercial enterprise received by the Company for the guarantees financed by own equity is TL 3.450.721.497 (31 December 2020: TL 4.067.307.145). As of 31 December 2021, treasury risk balance that is monitored in off-balance sheet and sourced by bailment operations amounting to TL 165.220.744.595 (31 December 2020: TL 263.425.705.032).

## Liquidity risk

Liquidity risk is the risk that the Company have difficulty in fulfilling its obligations arising from its financial liabilities. The liquidity approach of the Company is to meet its liabilities without any loss in terms of both ordinary and difficult conditions on its due date. However, The Company has no financial debt.

The amounts shown in the table below refer to contractual undiscounted cash outflows as of 31 December 2021:

Non derivative financial liabilities	Carrying amount	Gross outflow under contract	Less than 6 months	6 -12 months	1-2 Year
Trade payables	2.348.281	2.348.281	2.348.281	-	-
<b>Total</b>	<b>2.348.281</b>	<b>2.348.281</b>	<b>2.348.281</b>	<b>-</b>	<b>-</b>

As of 31 December 2020;

Non derivative financial liabilities	Carrying amount	Gross outflow under contract	Less than 6 months	6 -12 months	1-2 Year
Trade payables	1.360.757	1.360.757	1.360.757	-	-
<b>Total</b>	<b>1.360.757</b>	<b>1.360.757</b>	<b>1.360.757</b>	<b>-</b>	<b>-</b>

“Funds” presented in other liabilities has not been included in the above liquidity risk table. The Company does not have any derivative financial instruments as of 31 December 2021 and 31 December 2020.

## Market risk

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

## Currency risk

Foreign exchange risks arising from foreign currency denominated assets, liabilities and off-balance sheet items arise from the effects of exchange rate movements.

The following table summarizes the foreign currency position risk of TL denominated assets and liabilities held by the Company as of 31 December 2021 and 2020:

December 31, 2021	USD	EUR	Total
Cash and cash equivalents	80.078.648	147.163.037	227.241.685
Total assets	80.078.648	147.163.037	227.241.685
Total liabilities	-	-	-
Net foreign currency position	80.078.648	147.163.037	227.241.685

December 31, 2020	USD	EUR	Total
Cash and cash equivalents	47.466.244	125.676.093	173.142.337
Total assets	47.466.244	125.676.093	173.142.337
Total liabilities	-	-	-
Net foreign currency position	47.466.244	125.676.093	173.142.337

## Foreign currency risk exposure:

The effect of 10% depreciation of TL against the following currencies in the statement of comprehensive income and profit/loss for the years ended 31 December 2021 and 31 December 2020 is shown in the table below:

	31 December 2021		31 December 2020	
	Profit&Loss	Total comprehensive income	Profit&Loss	Total comprehensive income
USD	8.007.865	8.007.865	4.746.624	4.746.624
EURO	14.716.304	14.716.304	12.567.709	12.567.709
<b>Total</b>	<b>22.724.169</b>	<b>22.724.169</b>	<b>17.314.333</b>	<b>17.314.333</b>

## Interest rate risk

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

As of 31 December 2021 and 2020, the Company has no financial assets and liabilities with variable interest rates and the financial instruments with fixed interest components are as follows:

Financial instruments with fixed interest rates	31 December 2021	31 December 2020
<i>Banks - time deposits</i>	778.968.443	549.470.646
Financial assets measured at amortized cost (Note 5)	-	-

As of 31 December 2021 and 31 December 2020, the weighted average interest rates applied to financial instruments are as follows:

	31 December 2021	31 December 2020
<i>Financial assets</i>		
Banks - time deposits (TL)	19,73%	17,52%
Banks - time deposits (USD)	1,23%	3,53%
Banks - time deposits (EUR)	0,98%	2,00%
Financial investments measured at amortized cost - bonds (TL)	-	-

## Fair value of financial instruments

The fair value of an asset is the amount at which that asset could be bought or sold in a current transaction between willing parties.

The following table shows the comparison of fair values and book values of financial assets and liabilities.

	31 Dec. 2021		31 Dec. 2020	
	Fair value	Fair value	Fair value	Rayiç değer
Indemnified guarantees financed by own equity	86.362.849	86.362.849	102.635.892	102.635.892
Cash and cash equivalents	1.059.860.365	1.059.860.365	829.852.580	829.852.580
Financial investments measured at amortized cost	-	-	-	-
<b>Financial liabilities</b>				
<b>Trade payables</b>	<b>2.348.281</b>	<b>2.348.281</b>	<b>1.360.757</b>	<b>1.360.757</b>

The following methods and assumptions were used to estimate the fair value of each financial instrument where fair value could be determined.

Due to their short-term nature, the carrying values of cash and cash equivalents were considered to approximate their fair values. The carrying values of trade receivables were projected to reflect the fair value together with their allowances.

The carrying values of trade and financial liabilities were considered to approximate their respective carrying values due to their short-term nature.

In accordance with TAS 13 Fair Value Measurement, except for financial investment measured at amortized cost, these informations are third level of informations.

## NOTE 26 - CONTINGENT LIABILITIES

	1 Jan. - 31 Dec. 2021	Jan. - 31 Dec. 2020
Guarantees financed by own equity	6.225.639.230	4.022.241.716
<b>Total</b>	<b>6.225.639.230</b>	<b>4.022.241.716</b>

As of 31 December 2021, the Company also has treasury secured collaterals that is monitored in off-balance sheet and are derecognized amounting to TL 179.417.689.501 (31 December 2020: TL 275.002.596.256).

## NOTE 27 - SUBSEQUENT EVENTS

None.







# 6

**FUTURE OF  
THE COMPANY,  
EXPECTATIONS,  
KEY NEW  
PRODUCTS  
AND SERVICES  
PLANNED**



## SIGNIFICANT STUDIES PLANNED FOR 2022

In order to ensure the maximum contribution to the economy of our country, the development of new products and models specific to the Business, Investment, Manufacturing sector and Exporters are planned for the new period to support SMEs/non-SMEs.

The KGF, an important instrument through which financing can be obtained, allowing financial sources to concentrate on the desired sector or sectors, will continue to contribute greatly to the achievement of our country's economic objectives if the process of taking an effective and active role is maintained.

Guaranteed Term Fund Transfer (GFT) loans addressing the diversified needs of the real sector by creating a digital alternative to conventional instruments used in trade finance, as well as contributing to the reduction of informality in the economy, are aimed to be supported with guarantees.

The following economic packages are to be put into use for Treasury-backed Guarantee Transactions:

- ▶ The Investment Support Package targets the financing of the investment and investment-related operating expenses of SMEs and non-SMEs, and is mainly for businesses operating in the manufacturing sector and exporter businesses planning to invest.
- ▶ The Export Support Package targets the increase of both export volumes and the number of exporter companies by providing support to SMEs operating in the export or foreign exchange-earning sectors, and those that are currently non-exporters yet have export potential.
- ▶ The Business Expenditures Support Package targets the provision of regular financing to SMEs, reducing financing cost by making loans available as expenditures allowing SMEs to better manage their cash flows by monitoring their business expenses.

Work on the Central Invoice Recording System has been started with the aim being to unify the loans provided by creditors against invoices and documents, and to record such transactions to avoid duplication. Efforts will continue in the development of initiatives to facilitate cooperation with credit guarantee funds operating abroad, and on new products and projects.

Work on cooperation projects will continue.

KGF will continue offering solutions to the cyclical needs that emerge in our country, in line with its mission and understanding of proactive management.

## EARLY DETECTION AND MANAGEMENT OF RISKS

The risk policy of our Company is underpinned by written procedures; risk measurements conducted by business units; the coordination and exchange of information among the Board of Directors, senior managers and the Audit Committee; the periodic evaluation of the results of risk management activities; and the supervision of risk management activities by Internal Audit Division.

## THE COMPANY'S FUTURE RISKS

The main financial instruments of the Company are cash and short-term deposits. Aside from these, the Company holds such financial instruments as trade receivables and liabilities resulting from its transactions. The financial instruments of the Company are short term, and their fair values approach their registered values.

The main risks of the Company's financial instruments include interest rate risk, foreign currency risk and credit risk. The Company takes into account the market value risk of all its financial instruments.

## OTHER CONSIDERATIONS

(1) Explanation of specific incidents that have occurred in the Company after the end of activity year, and that could affect the rights of shareholders, creditors and other related persons and entities. (n/a)

(2) This section may also include additional information that may be deemed necessary by the managing body, provided that the provisions of the Regulation are not breached. (n/a)





# 7

## **CONTACT DETAILS**



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