

ZİRAAT KATILIM BANKASI ANONİM ŞİRKETİ

**CONSOLIDATED FINANCIAL STATEMENTS AND RELATED
EXPLANATIONS AND NOTES AS OF 30 JUNE 2025 WITH AUDITOR'S
REVIEW REPORT**

**(CONVENIENCE TRANSLATION OF CONSOLIDATED
FINANCIAL STATEMENTS AND RELATED DISCLOSURES
ORIGINALLY ISSUED IN TURKISH)**



AUDITOR'S REVIEW REPORT ON INTERIM FINANCIAL INFORMATION

(Convenience translation of the independent auditor's review report originally issued in Turkish, See Note I.a of Section Three)

To the General Assembly of Ziraat Katılım Bankası A.Ş.

Introduction

We have reviewed the consolidated balance sheet of Ziraat Katılım Bankası A.Ş. ("the Bank") and its consolidated subsidiaries (collectively referred to as "the Group") as at 30 June 2025 and the related consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in shareholders' equity, consolidated statement of cash flows and a summary of significant accounting policies and other explanatory notes to the consolidated financial statements for the six-month-period then ended. The Group Management is responsible for the preparation and fair presentation of interim financial information in accordance with the Banking Regulation and Supervision Agency ("BRSA") Accounting and Financial Reporting Legislation which includes "Regulation on Accounting Applications for Banks and Safeguarding of Documents" published in the Official Gazette no.26333 dated 1 November 2006, and other regulations on accounting records of Banks published by Banking Regulation and Supervision Agency and circulars and interpretations published by BRSA and Turkish Accounting Standard 34 ("TAS 34") "Interim Financial Reporting" for those matters not regulated by the aforementioned regulations. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial reporting process, and applying analytical and other review procedures. A review of interim financial information is substantially less in scope than an independent audit conducted in accordance with Standards on Auditing and the objective of which is to express an opinion on the financial statements. Consequently, a review of the interim financial information does not provide assurance that the audit firm will be aware of all significant matters which would have been identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial information does not present fairly in all material respects its interim consolidated the financial position of Ziraat Katılım Bankası A.Ş. at 30 June 2025 and the results of its consolidated financial performance and its consolidated cash flows for the six-month-period then ended in accordance with the BRSA Accounting and Financial Reporting Legislation.



Report on other regulatory requirements arising from legislation

Based on our review, nothing has come to our attention that causes us to believe that the financial information provided in the accompanying interim activity report in Section Seven, is not consistent with the reviewed consolidated financial statements and disclosures in all material respects.

Additional Paragraph for Convenience Translation:

BRSA Accounting and Financial Reporting Legislation explained in detail in Section Three differ from International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board including the application of IAS 29 - Financial Reporting in Hyperinflationary Economies as of 30 June 2025. Accordingly, the accompanying consolidated financial statements are not intended to present fairly the consolidated financial position, results of operations, changes in equity and cash flows of the Bank in accordance with IFRS.

PwC Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.

A handwritten signature in blue ink, appearing to read "Didem Demer Kaya".

Didem Demer Kaya, SMMM
Independent Auditor

Istanbul, 7 August 2025



THE CONSOLIDATED FINANCIAL REPORT OF
ZİRAAT KATILIM BANKASI A.Ş AS OF 30 JUNE 2025

The Bank's Headquarter Address: Finanskent Mahallesi, Finans Caddesi,
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The consolidated financial report for the six-month period ended prepared in accordance with the "Communiqué on the Financial Statements and Related Explanation and Notes that will be Publicly Announced" as sanctioned by the Banking Regulation and Supervision Agency, is comprised of the following sections:

- GENERAL INFORMATION ABOUT THE PARENT BANK
- CONSOLIDATED FINANCIAL STATEMENTS OF THE PARENT BANK
- EXPLANATIONS ON THE ACCOUNTING POLICIES APPLIED IN THE RELATED PERIOD
- INFORMATIONS ON THE FINANCIAL STRUCTURE AND RISK MANAGEMENT
- EXPLANATIONS AND DISCLOSURES RELATED TO THE CONSOLIDATED FINANCIAL STATEMENTS
- AUDITOR'S REVIEW REPORT
- INTERIM ACTIVITY REPORT

Subsidiaries financial statements have been consolidated in this annual consolidated financial report as follows;

	Subsidiaries	Investments in Associates	Joint Ventures
1	Ziraat Katılım Varlık Kiralama A.Ş.	Katılım Finans Kefalet A.Ş.	-
2	ZKB Varlık Kiralama A.Ş.	-	-

Although our bank is not a subsidiary, Ziraat Katılım MTN Limited, which is a 'Structured Entity,' has been included in the consolidation.

The accompanying consolidated financial statements and notes to these financial statements for the six-month period ended which are expressed, unless otherwise stated, in **thousands of Turkish Lira** have been prepared and presented based on the accounting books of the Bank in accordance with the Regulation on the Principles and Procedures Regarding Banks' Accounting and Keeping of Documents, Turkish Accounting Standards, Turkish Financial Reporting Standards, and related appendices and interpretations of these, and have been independently reviewed.

Alpaslan ÇAKAR
Chairman of the Board

Fikrettin AKSU
Vice Chairman of the BOD,
Member of the Audit
Committee

Metin ÖZDEMİR
Member of the Board,
General Manager

Mahmut Esfa EMEK
Member of the Board,
Member of the Audit Committee

Osman KARAKÜTÜK
Vice President of Treasury
Management and
International Banking

Erdem DENİZHAN
Financial Audit Processes
Department Manager

Contact information of the personnel in charge of the addressing of questions about this financial report:

Name-Surname/Position : Erdem DENİZHAN / Financial Audit Processes Department Manager

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ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 JUNE 2025

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TRY”))

SECTION ONE

GENERAL INFORMATION ABOUT THE GROUP

I. HISTORY OF THE PARENT BANK INCLUDING ITS INCORPORATION DATE, INITIAL LEGAL STATUS AND AMENDMENTS TO LEGAL STATUS

Ziraat Katılım Bankası A.Ş. (“the Bank”) is founded by permission of Banking Regulation and Supervision Agency numbered as 6046 on 10 October 2014 which was published in the Official Gazette numbered as 29146 at 15 October 2014 with a capital of TRY 675.000 that is fully paid by T.C. Treasury and its legal entity was comprised of the registration in the trade registry as of 16 February 2015. The Bank has obtained official permission by the decision of Banking Regulation and Supervision Agency numbered as 6302 at 12 May 2015 and published in the Official Gazette numbered as 29355 at 4 May 2015. The Bank has begun its operations by opening its first branch in 29 May 2015. In accordance with the decision of the Bank’s Ordinary General Assembly Meeting held on 29 April 2016, the paid-in capital of the Bank has been increased in cash by TRY 72.000 from TRY 675.000 to 747.000. In accordance with the decision of the Bank’s Ordinary General Assembly Meeting held on 13 June 2017, the paid-in capital of the Bank has been increased by the amount of cash by TRY 500.000 and by increasing the amount of internal resources by TRY 3.000 to TRY 1.250.000. In accordance with the decision of the Bank’s Extraordinary General Assembly Meeting held on 20 September 2018, the paid-in capital of the Bank has been raised to TRY 1.750.000 by increasing the amount of cash by TRY 500.000. At the Bank’s Ordinary General Assembly for 2021 held on 25 March 2022, its paid-in capital was increased by TRY 900.000 in cash to TRY 2.650.000. In accordance with the decision of the Bank’s Extraordinary General Assembly Meeting held on 31 March 2023, the paid-in capital of the Bank has been raised to TRY 7.350.000 by increasing the amount of cash by TRY 4.700.000. In accordance with the decision of the Bank’s Second Extraordinary General Assembly Meeting held on 6 December 2023, the paid-in capital of the Bank has been raised to TRY 10.350.000 by increasing the amount of cash by TRY 3.000.000.

Main operation field of the Bank is gathering funds by the accounts named as “Private Current Accounts” and “Participation Accounts” from domestic and abroad additional to its own capital and lending these funds to the economy, carrying up every kind of financing operations within the scope of legal legislation, promoting investment operations of real and corporate bodies that are making agricultural, industrial and commercial operations, participating in these operations, making up joint ventures and carrying out all these services and operations within the scope of participation banking fundamentals.

The Bank can carry out every kind of banking, economic, trade and financial operation within the limits of permissions given by the Banking Regulation and Supervision Agency within the scope of Participation Banking fundamentals.

According to decision of the BRSA dated 18 January 2019 and numbered 8210 of, with the framework Ziraat Katılım Bankası A.Ş board of director’s decisions no 6/1 dated 21 February 2019, The Bank (Transferee) and Ziraat Finansal Kiralama A.Ş. (Acquired) are merged in accordance with relevant articles of the Turkish Commercial Code No. 6102. The merger was registered on 1 March 2019 by the Istanbul Trade Registry Office.

The entirety of the shares of T.C. Ziraat Bankası A.Ş. which is the main shareholder of the bank, was owned by the Undersecretariat of Treasury of the Republic of Türkiye (“Treasury”). However, by the decision annexed to the Council of Ministers’ Decree No. 2017/9756 dated 24 January 2017, these shares were transferred to the Türkiye Wealth Fund.

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 JUNE 2025

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TRY”))

GENERAL INFORMATION ABOUT THE GROUP (Continued)

II. EXPLANATION ABOUT THE PARENT BANK’S CAPITAL STRUCTURE AND SHAREHOLDERS WHO ARE IN CHARGE OF THE MANAGEMENT AND/OR AUDITING OF THE BANK DIRECTLY OR INDIRECTLY, CHANGES IN THESE MATTERS THROUGHOUT THE YEAR (IF ANY) AND THE GROUP OF THE PARENT BANK

As of 30 June 2025, and 31 December 2024, main shareholders and capital amounts as follows:

Name of Shareholders	30 June 2025		31 December 2024	
	Paid-in Capital	%	Paid-in Capital	%
T.C. Ziraat Bankası A.Ş.	10.350.000	99,99999996	10.350.000	99,99999996
Ziraat Gayrimenkul Yatırım Ortaklığı A.Ş.	-	0,00000001	-	0,00000001
Ziraat İşletme Yönetimi ve Gayrimenkul Geliştirme A.Ş.	-	0,00000001	-	0,00000001
Ziraat Teknoloji A.Ş.	-	0,00000001	-	0,00000001
Ziraat Yatırım Menkul Değerler A.Ş.	-	0,00000001	-	0,00000001
Total	10.350.000	100,00	10.350.000	100,00

III. EXPLANATIONS ON THE CHAIRMAN AND MEMBERS OF THE BOARD OF DIRECTORS, MEMBERS OF AUDIT COMMITTEE, GENERAL MANAGERS AND ASSISTANT GENERAL MANAGERS AND THEIR SHAREHOLDINGS IN THE PARENT BANK

Name	Title
Board of Directors	
Alpaslan ÇAKAR	Chairman
Fikretin AKSU	Vice Chairman of the BOD, Member of Corporate Management Committee, Member of the Audit Committee, Associate Member of Credit Committee
Metin ÖZDEMİR	Member of the BOD, General Manager, President of Credit Committee
Mahmut Esfa EMEK	Member of the BOD, Member of Audit Committee, Associate Member of Credit Committee
Ahmet BUÇUKOĞLU	Member of the BOD, Member of Credit Committee, Member of Pricing Committee
Mehmet BAŞIBÜYÜK	Member of the BOD, Member of Corporate Management Committee, Member of Credit Committee
Murat CANGÜL	Member of the BOD, Member of Pricing Committee
Executive Vice Presidents	
Osman KARAKÜTÜK	Treasury Management and International Banking
Önder KIRMAN (*)	Credit Policies and Risk Liquidation
Ertuğrul İSPAHA (**)	Loan Allocation and Management
Seher Elif EKİCİ (***)	Product Management and Digital Banking
Mustafa Kürşad ÇETİN	Retail Banking
Suat TUCCAR (****)	Corporate Banking

(*) He was appointed as Executive Vice President of Credit Policies and Risk Liquidation as of 1 August, 2025.

(**) He was appointed as Executive Vice President of Loan Allocation and Management as of 1 August, 2025.

(***) She was appointed as Executive Vice President of Product Management and Digital Banking as of 1 August, 2025.

(****) He was appointed as Executive Vice President of Corporate Banking as of 1 August, 2025.

The Bank's Chairman and Members of the Board of Directors, Members of the Audit Committee, General Manager and Executive Vice Presidents do not own any shares of the Parent Bank.

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 JUNE 2025

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TRY”))

GENERAL INFORMATION ABOUT THE GROUP (Continued)

IV. INFORMATION ABOUT THE PERSONS AND INSTITUTIONS THAT HAVE QUALIFIED SHARES ATTRIBUTABLE TO THE PARENT BANK

Name/Trade Name	Share Amount	Shareholding Percentage	Paid Shares	Unpaid Shares
T.C. Ziraat Bankası A.Ş.	10.350.000	100,00	10.350.000	-
Total	10.350.000	100,00	10.350.000	-

V. EXPLANATIONS OF THE PARENT BANK’S SERVICES AND FIELD OF OPERATIONS

The Group's field of activity is specified in its articles of association, without prejudice to the provisions of the Banking Law and other legislation. The Bank collects funds within the framework of interest-free banking rules, and also engages in fund disbursement activities through individual and corporate finance, financial leasing, profit/loss and labor/capital Profit and loss sharing investments, document financing in return for goods, and joint investments.

The Bank sorts out participation accounts and participation accounts based on investment wakala contracts discretely from the other accounts in its account records in terms of their maturity. Participation accounts are opened in five maturity groups as maturity to one month, maturity to three months (three months included), maturity to six months (six months included), maturity to one year (one year included) and maturity to one year or more (with dividend payment of one month, three months, six months and annually). Participation accounts based on investment proxies can be opened under the entire maturity group, with a maturity of less than one month.

The Bank can freely determine the profit participation rates arising from the operation of participation accounts or the estimated profit rate for investment proxies. The rate of participation in the loss participation accounts can be applied as one hundred percent.

As of 30 June 2025, the Bank operates with a total of 217 branches, including 215 domestic branches and two foreign branches: the Sudan branch, which commenced operations on 27 August 2020, and the Somalia branch, which commenced operations on 5 September 2023 (31 December 2024: 208 domestic, 2 foreign). As of 30 June 2025, the Bank has 2.866 employees in Türkiye (31 December 2024: 2.864) and 7 employees abroad (31 December 2024: 7).

VI. DIFFERENCES BETWEEN THE COMMUNIQUE ON PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS OF BANKS AND TURKISH ACCOUNTING STANDARDS AND SHORT EXPLANATION ABOUT THE ENTITIES SUBJECT TO FULL CONSOLIDATION OR PROPORTIONAL CONSOLIDATION AND ENTITIES WHICH ARE DEDUCTED FROM EQUITY OR ENTITIES WHICH ARE NOT INCLUDED IN THESE THREE METHODS

Among the consolidation transactions carried out in accordance with the Communiqué on the Preparation of Consolidated Financial Statements of Banks and Turkish Accounting Standards, the Bank's subsidiaries, Ziraat Katılım Varlık Kiralama Şirketi A.Ş., established on 22 January 2016, and ZKB Varlık Kiralama Şirketi A.Ş., established on 8 September 2017, are financial institutions and therefore included in the scope of full consolidation. The Bank does not have any non-financial institutions.

VII. CURRENT OR LIKELY ACTUAL LEGAL BARRIERS TO IMMEDIATE TRANSFER OF EQUITY OR REPAYMENT OF DEBTS BETWEEN THE PARENT BANK AND ITS SUBSIDIARIES

None.

SECTION TWO

CONSOLIDATED FINANCIAL STATEMENTS

- I.** Consolidated Balance Sheet (Statement of Financial Position)
- II.** Consolidated Statement of Off - Balance Sheet Commitments
- III.** Consolidated Statement of Profit or Loss
- IV.** Consolidated Statement of Profit or Loss and Other Comprehensive Income
- V.** Consolidated Statement of Changes in Shareholder's Equity
- VI.** Consolidated Statement of Cash Flows

ZİRAAT KATILIM BANKASI A.Ş.

CONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION) AS OF 30 JUNE 2025

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TRY”))

ZİRAAT KATILIM BANKASI A.Ş. CONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)							
ASSETS	Note (V-I)	Current Period (30 June 2025)			Prior Period (31 December 2024)		
		TRY	FC	Total	TRY	FC	Total
I. FINANCIAL ASSETS (NET)		82.214.063	98.842.376	181.056.439	93.356.993	66.557.406	159.914.399
1.1 Cash And Cash Equivalents		48.588.244	82.203.663	130.791.907	69.907.502	54.196.322	124.103.824
1.1.1 Cash And Balances with Central Bank	(1)	48.480.995	58.169.444	106.650.439	65.803.017	37.626.323	103.429.340
1.1.2 Banks	(2)	107.381	24.035.070	24.142.451	4.104.858	16.570.441	20.675.299
1.1.3 Money Markets Placements		-	-	-	-	-	-
1.1.4 Expected Loss Provision (-)		132	851	983	373	442	815
1.2 Financial Assets Measured At Fair Value Through Profit/Loss	(3)	-	13.415.689	13.415.689	-	9.483.947	9.483.947
1.2.1 Government Securities		-	12.978.595	12.978.595	-	9.128.399	9.128.399
1.2.2 Equity Securities		-	-	-	-	-	-
1.2.3 Other Financial Assets		-	437.094	437.094	-	355.548	355.548
1.3 Financial Assets Measured at Fair Value Through Other Comprehensive Income	(4)	33.582.429	3.221.071	36.803.500	23.414.816	2.637.721	26.052.537
1.3.1 Government Securities		33.453.448	3.221.071	36.674.519	23.325.523	2.637.721	25.963.244
1.3.2 Equity Securities		76.312	-	76.312	52.913	-	52.913
1.3.3 Other Financial Assets		52.669	-	52.669	36.380	-	36.380
1.4 Derivative Financial Assets	(5)	43.390	1.953	45.343	34.675	239.416	274.091
1.4.1 Derivative Financial Assets Measured at Fair Value Through Profit and Loss		43.390	1.953	45.343	34.675	239.416	274.091
1.4.2 Derivative Financial Assets Measured at Fair Value Through Other Comprehensive Income		-	-	-	-	-	-
II. FINANCIAL ASSETS MEASURED AT AMORTIZED COST (NET)		225.564.298	206.869.229	432.433.527	186.446.727	150.830.503	337.277.230
2.1 Loans	(6)	175.917.343	167.089.864	343.007.207	137.109.263	131.237.122	268.346.385
2.2 Lease Receivables	(6)	37.189.819	39.495.385	76.685.204	34.131.462	19.182.631	53.314.093
2.3 Other Financial Assets Measured at Amortized Cost	(7)	17.961.869	1.905.240	19.867.109	17.958.979	1.454.538	19.413.517
2.3.1 Government Securities		17.961.869	1.905.240	19.867.109	17.856.635	1.454.538	19.311.173
2.3.2 Other Financial Assets		-	-	-	102.344	-	102.344
2.4 Expected Loss Provision (-)		5.504.733	1.621.260	7.125.993	2.752.977	1.043.788	3.796.765
III. ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (NET)	(8)	3.379.794	-	3.379.794	1.651.596	-	1.651.596
3.1 Assets Held for Sale		3.379.794	-	3.379.794	1.651.596	-	1.651.596
3.2 Assets of Discontinued Operations		-	-	-	-	-	-
IV. INVESTMENTS IN ASSOCIATES SUBSIDIARIES AND JOINT VENTURES	(9)	90.000	-	90.000	67.500	-	67.500
4.1 Associates (Net)		90.000	-	90.000	67.500	-	67.500
4.1.1 Associates Consolidated Under Equity Accounting		-	-	-	-	-	-
4.1.2 Unconsolidated Associates		90.000	-	90.000	67.500	-	67.500
4.2 Subsidiaries (Net)		-	-	-	-	-	-
4.2.1 Unconsolidated Financial Investments in Subsidiaries		-	-	-	-	-	-
4.2.2 Unconsolidated Non-Financial Investments in Subsidiaries		-	-	-	-	-	-
4.3 Joint Ventures (Net)		-	-	-	-	-	-
4.3.1 Joint-Ventures Consolidated Under Equity Accounting		-	-	-	-	-	-
4.3.2 Unconsolidated Joint-Ventures		-	-	-	-	-	-
V. TANGIBLE ASSETS (NET)	(10)	3.817.202	48.083	3.865.285	3.516.909	47.651	3.564.560
VI. INTANGIBLE ASSETS (NET)	(11)	1.960.974	-	1.960.974	1.362.609	-	1.362.609
6.1 Goodwill		-	-	-	-	-	-
6.2 Other		1.960.974	-	1.960.974	1.362.609	-	1.362.609
VII. INVESTMENT PROPERTY (NET)	(12)	-	-	-	-	-	-
VIII. CURRENT TAX ASSET		-	-	-	-	-	-
IX. DEFERRED TAX ASSETS	(13)	3.276.740	-	3.276.740	2.078.602	-	2.078.602
X. OTHER ASSETS	(14)	6.331.639	407.422	6.739.061	3.905.346	336.486	4.241.832
TOTAL ASSETS		326.634.710	306.167.110	632.801.820	292.386.282	217.772.046	510.158.328

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

ZİRAAT KATILIM BANKASI A.Ş.

CONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION) AS OF 30 JUNE 2025

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TRY"))

ZİRAAT KATILIM BANKASI A.Ş. CONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)							
LIABILITIES	Note (V-II)	Current Period (30 June 2025)			Prior Period (31 December 2024)		
		TRY	FC	Total	TRY	FC	Total
I. FUNDS COLLECTED	(1)	258.715.791	208.501.616	467.217.407	207.437.775	150.214.928	357.652.703
II. FUNDS BORROWED	(2)	1.620.810	25.189.256	26.810.066	6.913.621	21.590.520	28.504.141
III. MONEY MARKETS DEBTS	(3)	6.975.001	-	6.975.001	26.163.921	-	26.163.921
IV. SECURITIES ISSUED (NET)	(4)	17.079.176	50.687.290	67.766.466	14.798.604	29.291.898	44.090.502
V. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	(5)	-	-	-	-	-	-
VI. DERIVATIVE FINANCIAL LIABILITIES	(6)	-	172.540	172.540	-	-	-
6.1 Derivative Financial Liabilities at Fair Value Through Profit or Loss		-	172.540	172.540	-	-	-
6.2 Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income		-	-	-	-	-	-
VII. LEASE PAYABLES (NET)	(7)	2.174.799	-	2.174.799	1.658.566	-	1.658.566
VIII. PROVISIONS	(8)	879.156	448.175	1.327.331	659.912	1.010.285	1.670.197
8.1 Restructuring Provisions		-	-	-	-	-	-
8.2 Reserve for Employee Benefits		512.151	-	512.151	381.344	-	381.344
8.3 Insurance Technical Provisions (Net)		-	-	-	-	-	-
8.4 Other Provisions		367.005	448.175	815.180	278.568	1.010.285	1.288.853
IX. CURRENT TAX LIABILITY	(9)	2.181.668	268	2.181.936	942.819	238	943.057
X. DEFERRED TAX LIABILITY	(10)	-	-	-	-	-	-
XI. LIABILITIES FROM PROPERTY AND EQUIPMENT HELD FOR SALE AND RELATED TO DISCONTINUED OPERATIONS (NET)	(11)	-	-	-	-	-	-
11.1 Held for Sale Purpose		-	-	-	-	-	-
11.2 Related to Discontinued Operations		-	-	-	-	-	-
XII. SUBORDINATED DEBT INSTRUMENTS	(12)	6.015.802	17.784.430	23.800.232	5.348.430	15.496.665	20.845.095
12.1 Loans		6.015.802	17.784.430	23.800.232	5.348.430	15.496.665	20.845.095
12.2 Other Debt Instruments		-	-	-	-	-	-
XIII. OTHER LIABILITIES	(13)	9.859.678	581.169	10.440.847	5.943.688	315.420	6.259.108
XIV. SHAREHOLDERS' EQUITY	(14)	23.920.488	14.707	23.935.195	22.384.579	(13.541)	22.371.038
14.1 Paid-in capital		10.350.000	-	10.350.000	10.350.000	-	10.350.000
14.2 Capital Reserves		261.513	-	261.513	261.513	-	261.513
14.2.1 Share Premium		-	-	-	-	-	-
14.2.2 Share Cancellation Profits		-	-	-	-	-	-
14.2.3 Other Capital Reserve		261.513	-	261.513	261.513	-	261.513
14.3 Accumulated Other Comprehensive Income or Loss That will not be Reclassified in Profit or Loss		(115.010)	-	(115.010)	(136.457)	-	(136.457)
14.4 Accumulated Other Comprehensive Income or Loss That will not be Reclassified in Profit or Loss		(1.396.706)	14.707	(1.381.999)	(1.685.928)	(13.541)	(1.699.469)
14.5 Profit Reserves		13.595.451	-	13.595.451	10.142.629	-	10.142.629
14.5.1 Legal Reserves		685.130	-	685.130	512.488	-	512.488
14.5.2 Status Reserves		-	-	-	-	-	-
14.5.3 Extraordinary Reserves		12.864.254	-	12.864.254	9.584.074	-	9.584.074
14.5.4 Other Profit Reserves		46.067	-	46.067	46.067	-	46.067
14.6 Profit or (Loss)		1.225.240	-	1.225.240	3.452.822	-	3.452.822
14.6.1 Prior Period Profit/Loss		-	-	-	-	-	-
14.6.2 Current Period Profit/Loss		1.225.240	-	1.225.240	3.452.822	-	3.452.822
TOTAL LIABILITIES		329.422.369	303.379.451	632.801.820	292.251.915	217.906.413	510.158.328

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

ZİRAAT KATILIM BANKASI A.Ş.

CONSOLIDATED STATEMENT OF OFF-BALANCE SHEET COMMITMENTS AS OF 30 JUNE 2025

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TRY”))

ZİRAAT KATILIM BANKASI A.Ş. CONSOLIDATED OFF-BALANCE SHEET COMMITMENTS							
	Note (V-III)	Current Period (30 June 2025)			Prior Period (31 December 2024)		
		TRY	FC	Total	TRY	FC	Total
A		94.611.956	96.875.257	191.487.213	83.053.874	87.818.807	170.872.681
I. GUARANTEES AND WARRANTIES	(I)	71.308.271	67.559.609	138.867.880	66.284.160	50.161.270	116.445.430
1.1 Letters of Guarantee		71.252.389	48.407.903	119.660.292	66.168.725	39.405.598	105.574.323
1.1.1 Guarantees Subject to State Tender Law		825.152	35.657.700	36.482.852	539.393	27.379.221	27.918.614
1.1.2 Guarantees Given for Foreign Trade Operations		62.253.739	-	62.253.739	50.985.613	-	50.985.613
1.1.3 Other Letters of Guarantee		8.173.498	12.750.203	20.923.701	14.643.719	12.026.377	26.670.096
1.2 Bank Acceptances		-	644.482	644.482	-	249.113	249.113
1.2.1 Import Letter of Acceptance		-	644.482	644.482	-	249.113	249.113
1.2.2 Other Bank Acceptances		-	-	-	-	-	-
1.3 Letters of Credit		26.748	18.479.933	18.506.681	12.992	10.495.004	10.507.996
1.3.1 Documentary Letters of Credit		26.748	18.479.933	18.506.681	12.992	10.495.004	10.507.996
1.3.2 Other Letters of Credit		-	-	-	-	-	-
1.4 Prefinancing Given as Guarantee		-	-	-	-	-	-
1.5 Endorsements		-	-	-	-	-	-
1.5.1 Endorsements to the Central Bank of the Republic of Türkiye		-	-	-	-	-	-
1.5.2 Other Endorsements		-	-	-	-	-	-
1.6 Other Guarantees		-	27.291	27.291	5.989	11.555	17.544
1.7 Other Collaterals		29.134	-	29.134	96.454	-	96.454
II. COMMITMENTS	(I)	19.241.934	5.570.196	24.812.130	16.769.714	3.345.661	20.115.375
2.1 Irrevocable Commitments		19.241.934	5.570.196	24.812.130	16.769.714	3.345.661	20.115.375
2.1.1 Forward asset purchase commitments		1.417.995	5.570.196	6.988.191	2.648.140	3.345.661	5.993.801
2.1.2 Share Capital Commitments to Associates and Subsidiaries		-	-	-	-	-	-
2.1.3 Loan Granting Commitments		-	-	-	-	-	-
2.1.4 Securities Issue Brokerage Commitments		-	-	-	-	-	-
2.1.5 Commitments for Reserve Deposit Requirements		-	-	-	-	-	-
2.1.6 Payment commitment for checks		4.461.742	-	4.461.742	3.122.449	-	3.122.449
2.1.7 Tax and Fund Liabilities from Export Commitments		760.076	-	760.076	627.241	-	627.241
2.1.8 Commitments for Credit Card Limits		7.493.370	-	7.493.370	5.664.778	-	5.664.778
2.1.9 Commitments for Credit Cards and Banking Services Promotions		4.171	-	4.171	3.016	-	3.016
2.1.10 Receivables from Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.11 Payables for Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.12 Other Irrevocable Commitments		5.104.580	-	5.104.580	4.704.090	-	4.704.090
2.2 Revocable Commitments		-	-	-	-	-	-
2.2.1 Revocable Loan Granting Commitments		-	-	-	-	-	-
2.2.2 Other Revocable Commitments		-	-	-	-	-	-
III. DERIVATIVE FINANCIAL INSTRUMENTS		4.061.751	23.745.452	27.807.203	-	34.311.876	34.311.876
3.1 Hedging Derivative Financial Instruments		-	-	-	-	-	-
3.1.1 Fair value hedge		-	-	-	-	-	-
3.1.2 Cash flow hedge		-	-	-	-	-	-
3.1.3 Foreign Net Investment Hedges		-	-	-	-	-	-
3.2 Trading Derivative Financial Instruments		4.061.751	23.745.452	27.807.203	-	34.311.876	34.311.876
3.2.1 Forward Foreign Currency Buy/Sell Transactions		-	-	-	-	-	-
3.2.1.1 Forward Foreign Currency Transactions-Buy		-	-	-	-	-	-
3.2.1.2 Forward Foreign Currency Transactions-Sell		-	-	-	-	-	-
3.2.2 Other Forward Buy/Sell Transaction		4.061.751	23.745.452	27.807.203	-	34.311.876	34.311.876
3.3 Other		-	-	-	-	-	-
B. CUSTODY AND PLEDGES RECEIVED (IV+V+VI)		779.982.774	155.183.161	935.165.935	679.228.337	104.411.567	783.639.904
IV. ITEMS HELD IN CUSTODY		33.774.249	56.002.894	89.777.143	23.751.806	37.182.601	60.934.407
4.1 Customer Fund and Portfolio Balances		-	-	-	-	-	-
4.2 Investment Securities Held in Custody		12.598.142	1.739.620	14.337.762	7.390.622	83.830	7.474.452
4.3 Checks Received for Collection		16.287.406	838.001	17.125.407	11.856.916	287.485	12.144.401
4.4 Commercial Notes Received for Collection		1.628.348	909.245	2.537.593	1.256.323	680.911	1.937.234
4.5 Other Assets Received for Collection		-	-	-	-	-	-
4.6 Assets Received for Public Offering		-	-	-	-	-	-
4.7 Other Items Under Custody		3.260.353	8.953.909	12.214.262	3.247.945	6.354.921	9.602.866
4.8 Custodians		-	43.562.119	43.562.119	-	29.775.454	29.775.454
V. PLEDGES RECEIVED		746.208.525	99.180.267	845.388.792	655.476.531	67.228.966	722.705.497
5.1 Marketable Securities		3.639.198	70.461	3.709.659	3.309.773	55.598	3.365.371
5.2 Guarantee Notes		45.254.781	674.664	45.929.445	17.268.447	193.715	17.462.162
5.3 Commodity		56.036.439	31.819.792	87.856.231	48.164.224	18.733.253	66.897.477
5.4 Warranty		-	-	-	-	-	-
5.5 Properties		607.263.370	52.167.205	659.430.575	556.374.346	39.397.310	595.771.656
5.6 Other Pledged Items		34.014.737	14.448.145	48.462.882	30.359.741	8.849.090	39.208.831
5.7 Pledged Items-Depository		-	-	-	-	-	-
VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES		-	-	-	-	-	-
TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)		874.594.730	252.058.418	1.126.653.148	762.282.211	192.230.374	954.512.585

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

ZİRAAT KATILIM BANKASI A.Ş.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AS OF 30 JUNE 2025

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TRY"))

ZİRAAT KATILIM BANKASI A.Ş. CONSOLIDATED STATEMENT OF PROFIT OR LOSS					
INCOME / EXPENSE ITEMS	Note	Current Period 1 January - 30 June 2025	Prior Period 1 January - 30 June 2024	Current Period 1 April - 30 June 2025	Prior Period 1 April - 30 June 2024
	(V-IV)				
I. PROFIT SHARE INCOME	(1)	63.182.409	39.260.544	33.512.836	20.888.339
1.1 Profit Share on Loans		39.659.253	24.836.690	21.380.882	12.890.554
1.2 Profit Share on Reserve Deposits		5.901.731	1.541.846	3.487.186	1.541.846
1.3 Profit Share on Banks		1.370.790	133.884	-	100.436
1.4 Profit Share on Money Market Placements		-	-	-	-
1.5 Profit Share on Marketable Securities Portfolio		7.314.359	4.978.400	3.895.305	2.435.165
1.5.1 Financial Assets Measured at Fair Value Through Profit/Loss		114.672	65.615	58.144	34.749
1.5.2 Financial Assets Measured at Fair Value Through Other Comprehensive Income		5.745.402	2.959.828	3.114.465	1.472.003
1.5.3 Financial Assets Measured at Amortised Cost		1.454.285	1.952.957	722.696	928.413
1.6 Financial Lease Income		7.982.367	7.554.175	4.321.795	3.834.832
1.7 Other Profit Share Income		953.909	215.549	427.668	85.506
II. PROFIT SHARE EXPENSE	(2)	57.997.861	39.367.496	31.092.932	21.180.240
2.1 Expense on Profit Sharing Accounts		43.894.481	34.772.811	24.517.666	18.772.145
2.2 Profit Share Expense on Funds Borrowed		3.981.495	1.506.112	1.691.984	574.464
2.3 Profit Share Expense on Money Market Borrowings		4.516.184	505.173	1.874.678	291.888
2.4 Expense on Securities Issued		5.325.916	2.441.005	2.854.209	1.464.462
2.5 Lease Profit Share Expense		278.246	118.680	153.511	77.142
2.6 Other Profit Share Expenses		1.539	23.715	884	139
III. NET PROFIT SHARE INCOME (I - II)		5.184.548	(106.952)	2.419.904	(291.901)
IV. NET FEES AND COMMISSIONS INCOME/EXPENSE		2.052.769	1.052.442	1.190.368	745.781
4.1 Fees and Commissions Received		2.626.234	1.974.145	1.500.791	1.228.841
4.1.1 Non-cash Loans		565.074	373.890	299.331	199.350
4.1.2 Other		2.061.160	1.600.255	1.201.460	1.029.491
4.2 Fees and commissions paid		573.465	921.703	310.423	483.060
4.2.1 Non-cash Loans		-	-	-	-
4.2.2 Other		573.465	921.703	310.423	483.060
V. DIVIDEND INCOME	(3)	2.142	-	2.142	-
VI. NET TRADING INCOME	(4)	2.961.598	2.230.361	1.336.943	1.079.186
6.1 Capital Market Transaction Gains / Losses		10.412	346.905	6.052	(39.605)
6.2 Gains/ Losses From Derivative Financial Instruments		2.363.415	1.060.866	1.136.467	694.759
6.3 Foreign Exchange Gains / Losses		587.771	822.590	194.424	424.032
VII. OTHER OPERATING INCOME	(5)	1.833.714	3.367.263	1.117.036	1.123.755
VIII. TOTAL OPERATING PROFIT (III+IV+V+VI+VII)		12.034.771	6.543.114	6.066.393	2.656.821
IX. EXPECTED CREDIT LOSSES EXPENSES(-)	(6)	4.213.653	2.329.663	2.520.260	780.686
X. OTHER PROVISIONS (-)	(6)	124.596	91.213	42.901	30.759
XI. PERSONNEL EXPENSES (-)		3.035.905	1.803.746	1.660.199	955.042
XII. OTHER OPERATING EXPENSES (-)	(7)	3.032.796	1.664.174	1.604.561	874.338
XIII. NET OPERATING PROFIT/LOSS (VIII-IX-X-XI-XII)		1.627.821	654.318	238.472	15.996
XIV. INCOME RESULTED FROM MERGERS		-	-	-	-
XV. INCOME/LOSS FROM EQUITY METHOD APPLIED SUBSIDIARIES		-	-	-	-
XVI. GAIN/LOSS ON NET MONETARY POSITION		-	-	-	-
XVII. PROFIT/LOSS BEFORE TAX FROM CONTINUED OPERATIONS (XII+...+XV)	(8)	1.627.821	654.318	238.472	15.996
XVIII. TAX PROVISION FOR CONTINUED OPERATIONS (±)	(9)	(402.581)	58.152	(22.947)	246.702
18.1 Current Tax Provision		(1.736.777)	-	(861.710)	-
18.2 Expense Effect of Deferred Tax (+)		(254.325)	(534.086)	(39.281)	48.258
18.3 Income Effect of Deferred Tax (-)		1.588.521	592.238	878.044	198.444
XIX. NETOPERATING PROFIT/LOSS AFTER TAXES(XVII±XVIII)	(10)	1.225.240	712.470	215.525	262.698
XX. INCOME FROM DISCONTINUED OPERATIONS		-	-	-	-
20.1 Income from Assets Held for Sale		-	-	-	-
20.2 Profit from Sales of Associates, Subsidiaries and Joint Ventures		-	-	-	-
20.3 Income from Other Discontinued Operations		-	-	-	-
XXI. EXPENSES FROM DISCONTINUED OPERATIONS (-)		-	-	-	-
21.1 Expenses on Assets Held for Sale		-	-	-	-
21.2 Loss from Sales of Associates, Subsidiaries and Joint Ventures		-	-	-	-
21.3 Expenses from Other Discontinued Operations		-	-	-	-
XXII. PROFIT/LOSS BEFORE TAXES ON DISCONTINUED OPERATIONS (XIX-XX)		-	-	-	-
XXIII. PROVISION FOR TAXES OF DISCONTINUED OPERATIONS (±)		-	-	-	-
23.1 Current Tax Charge		-	-	-	-
23.2 Expense Effect of Deferred Tax (+)		-	-	-	-
23.3 Income Effect of Deferred Tax (-)		-	-	-	-
XXIV. NET PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XXI±XXII)		-	-	-	-
XXV. NET PROFIT/LOSS (XVIII+XXIII)	(11)	1.225.240	712.470	215.525	262.698
Earnings per share income/loss (Full TRY)		0,1184	0,0688	0,0220	0,0253

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

ZİRAAT KATILIM BANKASI A.Ş.**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2025**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TRY”))

ZİRAAT KATILIM BANKASI A.Ş CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME		
	Current Period	Prior Period
	1 January -30 June 2025	1 January -30 June 2024
I. CURRENT PERIOD PROFIT/LOSS	1.225.240	712.470
II. OTHER COMPREHENSIVE INCOME	338.917	(966.554)
2.1 Other Income/Expense Items not to be Reclassified to Profit or Loss	21.447	468
2.1.1 Tangible Assets Revaluation Increase/Decrease	-	-
2.1.2 Intangible Assets Revaluation Increase/Decrease	-	-
2.1.3 Defined Benefit Plans' Actuarial Gains/Losses	-	-
2.1.4 Other Income/Expense Items not to be Recycled to Profit or Loss	21.447	468
2.1.5 Tax Related Other Comprehensive Income Items Not Reclassified Through Profit or Loss	-	-
2.2 Other Income/Expense Items to be Recycled to Profit or Loss	317.470	(967.022)
2.2.1 Foreign Currency Translation Differences	-	-
2.2.2 Income/Expenses from Valuation and/or Reclassification of Financial Assets Measured at FVOCI	453.528	(1.382.174)
2.2.3 Gains/losses from Cash Flow Hedges	-	-
2.2.4 Gains/Losses on Hedges of Net Investments in Foreign Operations	-	-
2.2.5 Other Income/Expense Items to be Recycled to Profit or Loss	-	-
2.2.6 Tax Related Other Comprehensive Income Items Reclassified Through Profit or Loss	(136.058)	415.152
III. TOTAL COMPREHENSIVE INCOME (I+II)	1.564.157	(254.084)

The accompanying explanations and notes form an integral part of these financial statements

ZİRAAT KATILIM BANKASI A.Ş.

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE PERIOD ENDED 30 JUNE 2025

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TRY"))

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY					Accumulated Other Comprehensive Income or Expense Not Reclassified through Profit or Loss			Accumulated Other Comprehensive Income or Expense Reclassified through Profit or Loss			Profit Reserves	Prior Period Profit or (Loss)	Current Period Profit or Loss	Total Equity Excluding Minority Shares	Minority Shares
	Paid-in Capital	Share Premium	Share Cancellation Profits	Other Capital Reserves	1	2	3	4	5	6					
PRIOR PERIOD															
30 June 2024															
I. Prior Period End Balance	10.350.000	-	-	261.513	-	(127.913)	(1.626)	-	(793.056)	-	6.138.132	4.004.497	-	19.831.547	19.831.547
II. Adjustments in Accordance with TAS 8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1. Effects of Corrections	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2. Effect of Changes in Accounting Policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Adjusted Beginning Balance (I+II)	10.350.000	-	-	261.513	-	(127.913)	(1.626)	-	(793.056)	-	6.138.132	4.004.497	-	19.831.547	19.831.547
IV. Total Comprehensive Income	-	-	-	-	-	-	468	-	(967.022)	-	-	-	712.470	(254.084)	(254.084)
V. Capital Increase by Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Capital Increase by Internal Sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Paid-in Capital Inflation Adjustment Difference	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Convertible Bonds to Shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Subordinated Debt Instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Increase/Decrease by Other Changes (*)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. Profit Distribution	-	-	-	-	-	-	-	-	-	-	4.004.497	(4.004.497)	-	-	-
11.1 Dividends Paid	-	-	-	-	-	-	-	-	-	-	4.004.497	(4.004.497)	-	-	-
11.2 Transfers to Reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.3 Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Period End Balance (III+IV.....+X+XI)	10.350.000	-	-	261.513	-	(127.913)	(1.158)	-	(1.760.078)	-	10.142.629	-	712.470	19.577.463	19.577.463
CURRENT PERIOD															
30 June 2025															
I. Prior Period End Balance	10.350.000	-	-	261.513	-	(135.583)	(874)	-	(1.699.469)	-	10.142.629	3.452.822	-	22.371.038	22.371.038
II. Adjustments in Accordance with TAS 8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1. Effect of Correction of Errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2. Effect of Changes in Accounting Policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Adjusted Beginning Balance (I+II)	10.350.000	-	-	261.513	-	(135.583)	(874)	-	(1.699.469)	-	10.142.629	3.452.822	-	22.371.038	22.371.038
IV. Total Comprehensive Income	-	-	-	-	-	-	21.447	-	317.470	-	-	-	1.225.240	1.564.157	1.564.157
V. Capital Increase by Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Capital Increase by Internal Sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Paid-in Capital Inflation Adjustment Difference	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Convertible Bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Subordinated Debt Instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Increase/decrease by other Changes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. Profit Distribution	-	-	-	-	-	-	-	-	-	-	3.452.822	(3.452.822)	-	-	-
11.1 Dividends Paid	-	-	-	-	-	-	-	-	-	-	3.452.822	(3.452.822)	-	-	-
11.2 Transfers to Reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.3 Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Period end Balance (III+IV.....+X+XI)	10.350.000	-	-	261.513	-	(135.583)	20.573	-	(1.381.999)	-	13.595.451	-	1.225.240	23.935.195	23.935.195

- Increases and decreases in Tangible and Intangible Assets Revaluation Reserve,
- Accumulated Gains / Losses on Remeasurements of Defined Benefit Plans,
- Other (Other Comprehensive Income of Associates and Joint Ventures Accounted for Using Equity Method that will not be Reclassified to Profit or Loss and Other Accumulated Amounts of Not Reclassified Through Profit or Loss),
- Exchange Differences on Translation,
- Accumulated gains (losses) due to revaluation and/or reclassification of financial assets at fair value through other comprehensive income,
- Other (Accumulated Gains or Losses on Cash Flow Hedges, Other Comprehensive Income of Associates and Joint Ventures Accounted for Using Equity Method that will be Reclassified to Profit or Loss and Other Accumulated Amounts of Reclassified Through Profit or Loss)

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

ZİRAAT KATILIM BANKASI A.Ş.

CONSOLIDATED STATEMENT OF CASH FLOWS AS OF 30 JUNE 2025

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TRY”))

ZİRAAT KATILIM BANKASI A.Ş. CONSOLIDATED STATEMENT OF CASH FLOWS			
	Note (VI)	Current Period 1 January -30 June 2025	Prior Period 1 January -30 June 2024
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1 Operating profit before changes in operating assets and liabilities		5.941.777	(4.062.447)
1.1.1 Profit Share Income Received		56.501.493	31.917.753
1.1.2 Profit Share Expense Paid		(54.727.670)	(33.598.846)
1.1.3 Dividend Received		2.142	-
1.1.4 Fees and Commissions Received		2.956.325	1.896.405
1.1.5 Other Income		9.118.643	2.040.491
1.1.6 Collections from Previously Written-off Loans		715.707	518.658
1.1.7 Payments to Personnel and Service Suppliers		(3.035.905)	(1.803.746)
1.1.8 Taxes Paid		(883.157)	(3.413.325)
1.1.9 Others		(4.705.801)	(1.619.837)
1.2 Changes in Operating Assets and Liabilities		(38.087.391)	(10.051.054)
1.2.1 Net (Increase) / Decrease in Financial Assets at Fair Value Through Profit or Loss		(3.942.570)	(2.660.432)
1.2.2 Net (Increase) / Decrease in Due From Banks And Other Financial Institutions		(25.113.821)	(4.058)
1.2.3 Net (Increase) / Decrease in Loans		(66.046.599)	5.259.645
1.2.4 Net (Increase) / Decrease in Other Assets		(26.752.765)	1.761.386
1.2.5 Net Increase / (Decrease) in Bank Funds		(1.970.471)	3.547
1.2.6 Net Increase / (Decrease) in Other Funds		104.558.089	(5.007.798)
1.2.7 Net Increase / Decrease in Financial Liabilities at Fair Value Through Profit or Loss		-	-
1.2.8 Net Increase / (Decrease) in Funds Borrowed		(4.916.480)	7.048
1.2.9 Net Increase / (Decrease) in Payables		-	-
1.2.10 Net Increase / (Decrease) in Other Liabilities		(13.902.774)	(9.410.392)
I. Net Cash Provided from Banking Operations		(32.145.614)	(14.113.501)
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net Cash Provided from Investing Activities		(9.373.656)	9.105.241
2.1 Cash Paid For Purchase Jointly Controlled Operations, Associates And Subsidiaries		(22.500)	(22.500)
2.2 Cash Obtained from Sale of Jointly Controlled Operations, Associates and Subsidiaries		-	-
2.3 Purchases of Tangible Assets		(880.037)	(1.421.704)
2.4 Disposals of Tangible Assets		131	380
2.5 Purchase of Financial Assets at Fair Value Through Other Comprehensive Income		(11.209.964)	(1.083.393)
2.6 Sale of Financial Assets at Fair Value Through Other Comprehensive Income		2.741.601	11.613.931
2.7 Purchase of Financial Assets Measured at Amortized Cost		(134.273)	(3.399.889)
2.8 Sale of Financial Assets Measured at Amortized Cost		131.386	3.418.416
2.9 Other		-	-
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net Cash Provided from Financing Activities		21.244.140	9.324.826
3.1 Cash Obtained from Funds Borrowed And Securities Issued		52.622.583	10.575.167
3.2 Cash Used For Repayment of Funds Borrowed And Securities Issued		(31.132.247)	(1.125.793)
3.3 Issued Equity Instruments		-	-
3.4 Dividends Paid		-	-
3.5 Payments for Finance Leases		(246.196)	(124.548)
3.6 Other		-	-
IV. Effect Of Change In Foreign Exchange Rate On Cash And Cash Equivalents	(1)	1.048.162	666.149
V. Net Increase/ (Decrease) In Cash And Cash Equivalents (I+II+III+IV)	(1)	(19.226.968)	4.982.715
VI. Cash And Cash Equivalents At The Beginning Of The Period	(1)	82.244.812	41.562.423
VII. Cash And Cash Equivalents At The End Of The Period	(1)	63.017.844	46.545.138

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF
30 JUNE 2025**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TRY”))

SECTION THREE

EXPLANATIONS ON ACCOUNTING POLICIES

I. EXPLANATIONS ON BASIS OF PRESENTATION

The consolidated financial statements are prepared within the scope of the “Regulation on Accounting Applications for Banks and Safeguarding of Documents” (“Regulation”) published in the Official Gazette no. 26333 dated 1 November 2006 and other regulations related to reporting principles on accounting records of Banks published by Banking Regulation and Supervision Agency (“BRSA”) and circulars and interpretations published by BRSA (together referred as BRSA Accounting and Reporting Legislation) and in case where a specific regulation is not made by BRSA, Turkish Accounting Standards 34 (“TAS 34”) Interim Financial Reporting Standard and Turkish Financial Reporting Standards (“TFRS”) and (referred as “Turkish Accounting and Financial Reporting Regulations” or “Reporting Standards”) put into effect by Public Oversight Accounting and Auditing Standards Authority (“POA”). Furthermore, as explained below, TAS 29 “Financial Reporting in Hyperinflationary Economies”, which is included under Turkish Financial Reporting Standards (TFRS), is not applicable to banks, as well as financial leasing, factoring, financing, savings financing, and asset management companies.

The format and content of the publicly announced consolidated financial statements and their explanations and footnotes, with the “Communiqué on the Financial Statements to Be Announced to Public by Banks” and the Announcements and Disclosures Related to These Communiqués published in the Official Gazette No. 28337 dated 28 June 2012, and the "Regulation on Public Disclosures Regarding Risk Management by Banks" published in the Official Gazette dated 23 October 2015 and numbered 29511, together with the amendments and supplementary regulations thereto. It has been prepared in accordance with The Bank maintains its accounting records in Turkish currency in accordance with the Banking Law, Turkish Commercial Code and Turkish tax legislation.

In the consolidated financial statements, except for the financial assets and liabilities shown at their fair values, all balances in the financial reports and footnotes are presented in Thousand Turkish Lira (“TRY”), unless otherwise stated on the basis of historical cost.

Preparation of financial statements requires making estimates and assumptions that affect the amounts of assets and liabilities reported or the contingent assets and liabilities disclosed as of the balance sheet date and the amounts of income and expenses reported in the relevant period. While these estimates are based on management's best judgment and knowledge, actual results may differ from these estimates. The assumptions and estimates used and the effect of the changes are explained in the related footnotes.

On 23 November 2023, POA announced that, entities reporting under the TFRS should begin implementing "TAS - 29 Financial Reporting in Hyperinflationary Economies" standard in their financial statements, from periods ending on and after 31 December 2023. Besides, regulatory and auditing bodies that are authorized in their respective areas have flexibility to determine alternative transition dates for the application of TAS - 29. Within the scope of the decision dated 12 December 2023 and numbered 10744 by the BRSA, banks, financial leasing, factoring, financing, savings financing, and asset management companies are not subject to inflation adjustments required under TAS-29 in their financial statements as of 31 December 2023. Based on the decision dated 11 January 2024 and numbered 10825, these entities are required to implement inflation accounting starting from 1 January 2025. Inflation adjustment has not been applied and TAS 29 has not been implemented in the financial statements dated 30 June 2025. However, in accordance with the BRSA's decision dated 5 December 2024 and numbered 11021, it was decided that banks and financial leasing, factoring, financing, savings financing and asset management companies will not apply inflation accounting in 2025.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF
30 JUNE 2025**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TRY”))

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

II. EXPLANATIONS ON STRATEGY OF USING FINANCIAL INSTRUMENTS AND FOREIGN CURRENCY TRANSACTIONS

The Parent Bank's main field of activity; It covers banking services such as opening loans in all kinds of cash and non-cash Turkish Lira and foreign currency, conducting transactions in domestic and international money and capital markets, collecting Turkish Lira and foreign currency current / participation accounts. As of the reporting date, most of the Bank's resources consist of funds collected, loans received and equity. The Bank uses this resource mainly as loans and lease certificates. The liquidity structure of the Bank is taken into account in such a way that all liabilities that are due to be met can be met.

Foreign currency transactions are reflected in the records based on the Bank's foreign exchange buying rates at the date of the transaction. At the end of the period, the balances of foreign currency assets and liabilities have been converted into Turkish currency by being evaluated at the end of the period with the Bank's foreign exchange buying rates, and the exchange rate differences are reflected in the records as “foreign exchange transactions profit / loss”.

The differences arising from the conversion of securities representing borrowing and monetary financial assets into Turkish Lira are included in the income statement. The Bank does not have any foreign currency differences.

In order to keep liquidity, exchange rate and credit risks within certain limits and to maximize profitability, the Parent Bank's Balance Sheet and Equity management is taken within the risk limits by the Asset and Liability Committee determined by the Board of Directors in order to maximize profitability.

III. EXPLANATIONS ON CONSOLIDATED SUBSIDIARIES

Consolidation principles applied:

The consolidated financial statements have been prepared in accordance with the procedures listed in the “Communiqués related to the Regulation on the Preparation of the Consolidated Financial Statements of Banks” published in the Official Gazette No. 26340 dated 8 November 2006 and the “Consolidated Financial Statements” (“IFRS 10”).

1. Consolidation principles for subsidiaries:

Subsidiaries (including special purpose entity) are all entities, in which the Parent Bank has power to control the financial and operating policies for the benefit of the Parent Bank, either (a) through the power to exercise more than 50% of the voting rights relating to shares in the companies owned directly and indirectly by itself; or (b) although not having the power to exercise more than 50% of the using rights, otherwise having the power to exercise control over the financial and operating policies. Control is evident when the Parent Bank owns, either directly or indirectly, the majority of the share capital of the company or owns the privileged shares or owns the right of controlling the operations of the company in accordance with the agreements made with other shareholders or owns the right of appointment or the designation of the majority of the board of directors of the company.

Subsidiaries are consolidated with full consolidation method by considering the outcomes of their activities and the size of their assets and shareholders' equity in scope of the materiality principle.

Financial statements of the related subsidiaries are included in the consolidated financial statements beginning from the date control on their activities are transferred to the Group. Where necessary, accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

According to the full consolidation method, 100% of the balance sheet, profit or loss statement and off-balance sheet items of the subsidiaries are consolidated with the balance sheet, profit or loss statement and off-balance sheet items of the Parent Bank. The book value of the investments of the Group in each subsidiary has been netted off with the portion of each subsidiary's capital that belongs to the Group. Unrealized gains and losses and balances resulting from the transactions among the subsidiaries included in consolidation have been eliminated. There are no minority rights in the consolidated net income of the subsidiary.

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 JUNE 2025

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TRY”))

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

III. EXPLANATIONS ON CONSOLIDATED SUBSIDIARIES (Continued)

The subsidiaries included in consolidation, their title, their place of incorporation, their main activities and their effective shareholding rates are as follows:

30 June 2025				
Title	Address (City / Country)	Main Activities	Group's Share Percentage (%)	Direct and Indirect Partnership Rates (%)
Ziraat Katılım Varlık Kiralama A.Ş.	Istanbul/Türkiye	Issuance of Lease Certificate	100	100
ZKB Varlık Kiralama A.Ş.	Istanbul/Türkiye	Issuance of Lease Certificate	100	100

Ziraat Katılım Varlık Kiralama A.Ş. was established on 22 January 2016, with a capital of TRY 50 fully paid by the Parent Bank, and registered in the trade registry in accordance with the permission granted by the Banking Regulation and Supervision Agency and the Capital Markets Board. It was established exclusively for the purpose of issuing lease certificates within the framework of the Capital Markets Board's Lease Certificates Communiqué (III-61.1), published in the Official Gazette dated 7 June 2013, and numbered 28760. On 19 July 2017, ZKB Varlık Kiralama Anonim Şirketi was established with a capital of TRY 50, fully paid by the Parent Bank, and its registration was completed on 8 September 2017, marking the beginning of its operations.

Although it is not a subsidiary of the Bank, Ziraat Katılım MTN Ltd., which is a 'Structured Entity' over which the Bank has 100% control, has also been included in the consolidation

2. Consolidation principles of associates and joint ventures:

As of June 30, 2025, Katılım Finans Kefalet A.Ş., a subsidiary of the Parent Bank, has not been consolidated due to its status as a non-financial institution.

IV. EXPLANATIONS ON FORWARD AND OPTION CONTRACTS AND DERIVATIVE INSTRUMENTS

The Parent Bank's derivative financial instruments consist of forward foreign currency buy/sell agreements.

Derivative financial instruments are initially recorded at their fair values. In the periods following the recording of derivative transactions; Depending on whether the fair value is positive or negative, the fair value difference of derivative financial assets is reflected to profit or loss or the fair value difference of derivative financial liabilities is reflected in the balance sheet. Differences in fair value as a result of the valuation are accounted for under profit/loss from derivative financial transactions and foreign exchange gain/loss in the commercial profit/loss item in the profit or loss statement.

The payables and receivables arising from derivative transactions are recorded in off-balance sheet accounts at their agreement amounts.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF
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(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TRY”))

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

V. EXPLANATIONS ON PROFIT SHARE INCOME AND EXPENSE

Profit share income is recognized according to the internal rate of return method, which equates to the present net value of the future cash flows of the financial asset determined in TFRS 9 and is recorded on an accrual basis.

The Parent Bank has started to calculate rediscount for its non-performing loans as of 1 January 2018. Rediscount is calculated over the net book value of non-performing receivables (Gross Book Value - Expected Loss Provision).

The Parent Bank accounts for profit share expenses on an accrual basis. Expense rediscount is calculated according to the unit value calculation method over the participation accounts and these amounts are shown in the “Funds Collected” in the balance sheet.

VI. EXPLANATIONS ON FEES AND COMMISSION INCOME AND EXPENSES

Commission income from banking, agency, intermediary services is recognized as income on the date collected. Commission income from cash loans are transferred to income accounts in accordance with TFRS 15 Revenue from Customer Contracts standard by using internal rate of return method depending on the periodicity principle. Other fee and commission expenses are recorded in the expense account as soon as they are paid.

Commissions and fees received from cash loans and relating to the future periods are recorded to the “Unearned Revenues” account under “Other Liabilities” on the balance sheet. Prepaid expense amounts are recognized as expense on an accrual basis during the service period.

VII. EXPLANATIONS ON FINANCIAL ASSETS

Financial assets are recognized or derecognized according to TFRS 9 Financial Instruments Part Three Recognition and Derecognition. 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. They are included in the balance sheet of Bank if the Bank is a legal party to these instruments.

The Bank classifies its financial assets as “Fair Value Through Profit/Loss”, “Fair Value Through Other Comprehensive Income” or “Measured at Amortized Cost”. Financial instruments comprise financial assets and liabilities and derivative instruments. This classification is based on the contractual cash flow characteristics of the financial assets and related business model used for management of the financial assets at initial recognition. Financial assets basically constitute the commercial activities and operations of the Bank. These instruments have the feature of revealing, influencing and reducing the liquidity and credit risk in the financial statements.

Classification and Measurement under TFRS 9

In accordance with TFRS 9 Financial Instruments Standard, financial assets are measured at amortized cost, fair value through other comprehensive income and fair value through profit or loss by;

"Business Model Assessment" and "Contractual Cash Properties Test" are performed to determine the classification of financial assets.

a. Financial assets at fair value through profit or loss:

Fair value through profit or loss are financial assets that are managed by business model other than the business model that aims to “hold to collect” and “hold & sell” the contractual cash flows; acquired for the purpose of generating profit from short-term fluctuations in price, or regardless of this purpose, the financial assets that are a part of a portfolio with evidence of short-time profit-taking; and the financial assets, whose terms do not give rise to cash flows that are solely payments of principal and profit share at certain date.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF
30 JUNE 2025**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TRY”))

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

VII. EXPLANATIONS ON FINANCIAL ASSETS (Continued)

a. Financial assets at fair value through profit or loss (Continued)

Financial assets classified as at fair value through profit or loss are recognized at their fair values and subsequently remeasured at fair value. Any resulting gains and losses from these remeasurements are recognized in the profit or loss accounts. In accordance with the Banking Regulation and Supervision Agency (BRSA) Uniform Chart of Accounts, the bank measures profit and loss sharing investments in loans at fair value in line with the provisions of TFRS 9. The fair value assessments of profit and loss sharing investments are based on valuation reports prepared by independent valuation experts. The valuation of profit and loss sharing investments at fair value involves various assumptions and estimates. The business plans, discount rates, and other fair value parameters used in the valuation are sensitive to market conditions, economic cycles, the sector in which the partnership operates, and other external factors, which may cause fluctuations in the values based on changes in these parameters.

Among the financial assets whose fair value difference is reflected in profit or loss, lease certificates traded in BIST are valued at the weighted average clearing prices formed in BIST at the balance sheet date, and financial assets not traded in BIST are valued with the prices of the Central Bank of Türkiye. Gains and losses resulting from the valuation are included in the profit/loss accounts.

b. Financial assets at fair value through other comprehensive income

Financial assets are classified as fair value through other comprehensive income where the business models aim to hold financial assets in order to collect the contractual cash flows and selling assets and the terms of financial asset give rise to cash flows that are solely payments of principal and profit share at certain date.

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. Profit share income calculated with internal rate of return 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 reflected 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.

Equity investments

At initial recognition, the Bank may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value of an investment in an equity instrument within the scope of TFRS 9 that is neither held for trading nor contingent consideration recognized by an acquirer in a business combination to which TFRS 3 applies. The Bank makes the election on an instrument by instrument basis.

Amounts presented in other comprehensive income shall not be subsequently transferred to profit/loss. However, the cumulative gain or loss shall be transferred to prior periods’ profit/loss. Dividends on such investments are recognised in profit/loss unless the dividend clearly represents a recovery of part of the cost of the investment. Equity instruments measured at fair value through other comprehensive income are not subject to impairment calculation.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF
30 JUNE 2025**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TRY”))

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

VII. EXPLANATIONS ON FINANCIAL ASSETS (Continued)

c. Financial assets measured at amortized cost:

A financial asset is classified as a financial asset measured at amortized cost if it is held within a business model aimed at collecting cash flows from contractual cash flows, and if the terms of the contract result in cash flows that consist solely of principal and profit share payments on the principal balance at specified dates.

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 internal rate of return method. Profit share income obtained from financial assets measured at amortized cost is accounted in P&L.

The Bank's securities portfolios, whose fair value difference is reflected in other comprehensive income and measured at amortized cost, include consumer price (“CPI”) indexed lease certificates. The valuation of the said securities during the year are made according to the internal yield method based on the real profit share rates and the index value announced by the treasury.

Loans

Loans are financial assets that are originated by the Bank by providing goods and services to the borrower. Loans are initially recognized at acquisition cost plus transaction costs presenting their fair value and thereafter measured at amortized cost using the “Internal Rate of Return Method”.

Cash loans are accounted with their original balances in the accounts specified in Uniform Chart of Accounts and Prospectus according to their type, maturity and collateral structures. FC loans are recognized with fixed price and revalued by the counter foreign exchange buying rate of the Bank. Foreign exchange indexed loans are used as TRY by the valid counter foreign exchange buying rate of the Bank at usage date. Repayments of these loans are collected as calculated TRY value by the valid counter foreign exchange selling rate of Bank at installment date.

In accordance with the Banking Regulation and Supervision Agency (BRSA) Uniform Chart of Accounts, the profit-sharing and labor-capital partnership investments under the loan accounts, for those whose valuations were first conducted as of 31 December 2020, or for those disbursed after 1 January, 2021, have been measured at cost and recognized in compliance with the 'Non-Interest Finance Accounting Standard 3: Mudârebe Finansmanı' or 'Non-Interest Finance Accounting Standard 4: Müşâreke Finansmanı,' as per BRSA’s letter E-43890421-010.07.01-1294.

The Parent Bank, in accordance with the Banking Regulation and Supervision Agency (BRSA) letter E-43890421-101.02.02-116240, has started applying IFRS 9 Financial Instruments Standard for profit-sharing and labor-capital partnership investments as of 31 December 2024. Under the application of IFRS 9, profit-sharing and labor-capital partnership investments are measured at fair value, with valuation differences directly recognized in the profit or loss accounts. The Group has not restated comparative information for prior periods regarding classification and measurement changes (including impairment) due to the insignificance of the prior period amounts. The valuation differences arising from the application of IFRS 9 to profit-sharing investments have been recognized within the dividends received as of 30 June 2025.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF
30 JUNE 2025**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TRY”))

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

VIII. EXPLANATIONS ON IMPAIRMENT OF FINANCIAL ASSETS

Explanations on Expected Loss Provisions

The Parent Bank does not allocate impairments in accordance with TFRS 9 from 1 January 2018 for its loans and receivables by taking into consideration the “Regulation on the Classification of Loans and the Procedures and Principles Regarding the Provisions to be Set Aside” (Regulation on Provisions) published in the Official Gazette dated 22 June 2016 and numbered 29750. In this context, the Group takes into consideration the general structure of the loan portfolio, the financial structure of the customers, the non-financial data and the economic conjuncture in line with the credit risk policies and prudence principle when determining its estimates.

The main principle of the expected credit loss model is to reflect the general outlook of deterioration or improvement in the credit quality of financial instruments. The amount of expected credit losses known as loss provision or provision varies according to the degree of increase in credit risk. There are two measurements according to the general approach:

- 12-Month Expected Loss Provision (Stage 1) applies to all assets unless there is a significant deterioration in credit quality.
- Lifetime Expected Loss Provision (Stage 2 and Stage 3) is applied when there is a significant increase in credit risk

Impairment

The expected credit loss model includes instruments that are recorded at amortized cost or at fair value in other comprehensive income tables (such as bank deposits, loans and securities) and, in addition, financial lease receivables, contract assets, credit commitments and financial guarantee contracts.

The guiding principle of the expected credit loss model is to reflect the increase in credit risk of financial instruments or the general view of the recovery. The amount of allowance for the loss depends on the extent of the increase in credit risk since the initial issuance of the loan.

Expected credit loss is an estimate of the expected credit losses over the life of a financial instrument also the following aspects are important for the measurement.

- Probability-weighted and neutral amount determined by taking into account possible outcomes,
- Time value of money,
- Reasonable and supportable information on past events, current conditions and forecast of future economic conditions, at the time of reporting, without excessive cost and effort.

These financial assets are divided into three categories depending on the gradual increase in credit risk observed since their initial recognition:

Provision for 12 month expected credit loss provision (Stage 1)

These are the financial assets that do not have a significant increase in credit risk at their initial recognition or after the initial recognition to financial statements. Impairment for credit risk for these assets is recorded in the amount of 12-month expected credit losses. It is valid for all assets unless there is a significant deterioration in the quality of the loan.

The expected 12-months loss values (within 12 months after the reporting date or within a shorter period if the life of a financial instrument is shorter than 12 months) are part of the estimation of loss of life expectancy.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF
30 JUNE 2025**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TRY”))

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

VIII. EXPLANATIONS ON IMPAIRMENT OF FINANCIAL ASSETS (Continued)

Significant increase in credit risk (Stage 2)

Financial assets are transferred to stage 2 if it is determined that there is a significant increase in credit risk. While the expected loss provision is calculated for 1 year for loans in stage 1, the expected loss provision for loans in stage 2 is calculated by taking into account all remaining maturity.

The main criteria taken into account in determining the significant increase in the credit risk of the financial asset and its transfer to the 2nd stage are that it is under close monitoring, that the number of delay days is 30 days or more, and the Bank's internal early warning system rating.

Default (Stage 3)

Includes financial assets that have objective evidence of impairment at the reporting date. For these assets, lifetime expected credit losses are recorded.

The Bank assesses that debt is in default in the following two cases:

- Objective Default Definition: Means the debt is overdue for more than 90 days. With the debt 90 days overdue, the default situation starts on the 91st day.
- Subjective Default Definition: It means that the bank is convinced the debt will not be paid. In the event that the debtor cannot fulfill the debts related to the loan, the debtor is considered to be in default regardless of the number of delay days.

The collective valuation of financial instruments is based on homogeneous group assets resulting from portfolio segmentation based on similar credit risk and product characteristics. This section presents an overview of the risk parameter estimation methods for the damage assessment approach that is expected on a common basis for each stage.

Credits that differ in cash flows or have different characteristics with other credits may be subject to individual valuation instead of aggregate valuation. An expected credit loss can be defined as the difference between all contractual cash flows that are outstanding under the contract and the original effective dividend and discounted cash flows.

When cash flows are estimated, the following situations are considered:

- During the expected life of the financial instrument, all contractual terms of the financial instrument,
- Cash flows expected to be obtained from collateral sales.

In the calculation of the expected credit loss, the basic parameters which are expressed as probability of default, loss in default and default amount are used.

Probability of Default

Probability of default refers to the likelihood that a loan will default at a certain time.

Default Amount

The default amount represents the expected gross receivable if a loan is defaulted.

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

VIII. EXPLANATIONS ON IMPAIRMENT OF FINANCIAL ASSETS (Continued)

Loss Given Default

Loss given default refers to the ratio of the economic net loss resulting from the default of a loan to the default amount. In other words, it refers to the ratio of net loss due to a defaulted loan to the balance at the time of default.

Future Expectations

The effect of future expectations is included in the credit risk parameters used in the calculation of expected credit losses by using scenarios related to macroeconomic factors. When including macroeconomic information, models and estimations that reflect the relationships between model risk parameters and macroeconomic variables are taken into account. While creating the relevant models, the effects of many macroeconomic variables (CPI, Trade Interest, Unemployment Rate, GDP, Sector Default Rates etc.) are analyzed, among which variables that best reflect the default probabilities of our Bank's customers are used.

The Bank uses 3 scenarios as base, bad and good for future expectations. All 3 scenarios have predetermined weights of 70% (base), 20% (bad) and 10% (good). The Bank updates the macroeconomic variables used in the assessment of significant increase in credit risk and in the calculation of expected credit loss, quarterly in March, June, September, and December, and applies them to its models. Macroeconomic variables, which are taken as a basis in the calculation of expected credit losses are reflected in the models.

The Methodology of Behavioural Maturity Calculation

The loans in Stage 1, expected loss provision is calculated until their maturity for the ones which have less than one year to due date and for 1 year which have more than one year to due date. The loans in Stage 2, expected loss provision is calculated for lifetime (until maturity date) of the loan. In this calculation, the remaining maturity information of the loan is taken as basis for each loan. While this information is used for products with real maturity information, behavioural maturity is calculated by analysing historical data for products with no maturity information. Expected loss provisions are calculated based on these maturities depending on the type of loan.

Write-off Policy

The amendment with respect to the regulation "Regulation on the Amendment of the Regulation on the Classification of Loans and the Procedures and Principles Regarding the Classification of Loans and Provisions for These" entered into force with its publication in the Official Gazette No.31533 on 6 July 2021. Pursuant to the regulation, the banks are enabled to write down and move off the balance sheet the portion of a loan which is classified as “Group V Loan” (Loans Classified as Loss) within the period deemed appropriate by the bank specific to the situation of the debtor, if it cannot reasonably be expected to be recovered. Since the reporting period, it can be written-off from the records under TFRS 9. The write-off is an accounting policy and does not result in the waiver of the right to receivable. Within the scope of the said amendment, no credit has been deducted from the records by the Bank as of the current period.

IX. EXPLANATIONS ON OFFSETTING OF FINANCIAL ASSETS AND LIABILITIES

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when the Parent Bank has legally enforceable rights to offset the recognized amounts and there is an intention to collect/pay the related financial assets and liabilities on a net basis, or to realize the asset and settle the liability simultaneously.

ZİRAAT KATILIM BANKASI A.Ş.

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

X. EXPLANATIONS ON SALES AND REPURCHASE AGREEMENTS AND LENDING OF SECURITIES

As of the balance sheet date, there are no securities lending transactions. Central Bank of the Republic of Türkiye (“CBRT”) made some changes on orders for open market transactions (“OMT”) and prepared an additional frame contract for participation banks in order to present rent certificates to open market operations of CBRT in accordance with the principles of participation banks. According to this agreement, a new type of transaction was formed which enables participation banks to resell or repurchase rent certificates on their portfolio to CBRT when they are in need of funding or in attempt to evaluate the excess liquidity. The Bank performs purchase tenders which are held by CBRT of which maturities are weekly; in return for rent certificates that are reported as assets in balance sheet in order to raise funds. As of 30 June 2025, there are no securities lending transactions (31 December 2024: None). Securities sold under agreements for repurchase agreements (“Repos”) are classified as “Fair Value Through Profit or Loss”, “Fair Value Through Other Comprehensive Income” and “Financial Asset Measured at Amortized Cost” in the portfolio of the bank, according to the purposes of the Bank, and they are subject to valuation according to the portfolio which are belong. Funds obtained in return for repo agreements are accounted in "Money Markets Borrowing" account and and participation share rediscounts for the period are calculated according to the internal rate of return method.

Securities transactions purchased under agreements to resell are accounted under "Money Market Placements" in the balance sheet and the rediscount of participation share for the period is calculated according to the internal rate of return method.

XI. EXPLANATIONS ON ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS AND RELATED LIABILITIES

The assets acquired by the Parent Bank due to its receivables are accounted for in accordance with “TFRS 5 Turkish Financial Reporting Standard for Non-current Assets Held for Sale and Discontinued Operations” in financial statement of the Parent Bank.

The assets that meet the criteria of being classified under assets held for sale are measured at the lower of their book values or fair value less costs to be incurred for sale, and depreciation for these assets is ceased and these assets are presented separately in the balance sheet. In order for an asset to be classified as an asset held for sale, the related asset (or the asset group to be disposed) shall be ready to be sold immediately under usual conditions and should have a high possibility to be sold. In order to have a high probability of sales, a plan for the sale of the asset (or group of assets to be disposed of) must have been prepared by an appropriate management team and an active program has been initiated to identify buyers and complete the plan. Various events or circumstances may extend the completion time of the sale transaction beyond one year. Assets continue to be classified as held for sale if there is sufficient evidence that the delay is due to events or conditions beyond the Bank's control and that the Bank's plan to sell the related asset (or disposal group) is in progress is done. The real estates acquired by the Bank due to its receivables are shown in the asset held for sale line in the financial statements, depending on the conclusion of the forward sales contract.

A discontinued operation is a part of a business that is classified as either to be disposed of or held for sale. Results of discontinued operations are presented separately in the income statement. The Bank has no discontinued operations.

As of 30 June 2025, the Parent Bank's non-current assets held for sale are TRY 3.379.794 (31 December 2024: TRY 1.651.596).

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XII. EXPLANATIONS ON GOODWILL AND OTHER INTANGIBLE ASSETS

As of the balance sheet date, there is no goodwill in the financial statements of the Parent Bank.

Other intangible assets are measured at cost on initial recognition and any directly attributable costs of setting the asset to work for its intended use are included in the initial measurement. Subsequently, intangible assets are carried at historical costs after the deduction of accumulated depreciation and the provision for value decreases.

Other intangible assets are amortized using the straight line method based on their useful lives. Useful lives of other intangible assets are determined with assessments such as the expected life of the asset, technical, technological or other types of aging and the maintenance costs required to obtain the economic benefit expected from the asset. There is no change in the depreciation method applied in the current period.

The Parent Bank recognizes its software costs incurred under the intangible assets - intangible rights account and the qualifying expenses are added to software’s initial costs and amortized over 3-15 years considering the useful life.

XIII. EXPLANATIONS ON TANGIBLE ASSETS

Property and equipment is measured at its cost when initially recognised and any directly attributable costs of setting the asset in working order for its intended use are included in the initial measurement.

Subsequent to recognition, tangible fixed assets are presented in financial statements at cost less any accumulated depreciation and impairment loss, if any. Tangible fixed assets are amortized by using the straight-line method over their estimated useful lives. There is no change in the depreciation method applied in the current period.

Applied depreciation rates are as follows;

Vehicles and Fixtures: 2% - 25%

Operational Lease Improvement Costs (Leasehold Improvements): Leasing Period - 5 years

Ordinary maintenance and repair expenses incurred for tangible assets items are recognized as expenses. Investment expenditures that increase the future benefit by enhancing the capacity of property and equipment are capitalized. The investment expenditures include the cost components which are used either to increase the useful life or the capacity of the asset or the quality of the product or to decrease the costs.

Gains or losses emerging from the disposal of tangible assets are recognized in the profit or loss account as difference between net revenue of a related intangible asset and its net book value.

The depreciation of an asset held for a period less than a full financial year is calculated as a proportion of the full year depreciation charge from the date of acquisition to the financial year end. Operational lease improvement costs (leasehold improvements) are depreciated over their estimated economic useful lives in equal amounts. The estimated economic useful lives cannot exceed the leasing period.

There are no mortgages, pledges or similar precautionary measures on tangible assets or commitments given for the purchase or any restrictions designated for the use of those tangible assets.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF
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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XIV. EXPLANATIONS ON LEASING TRANSACTIONS

Operational Leasing Transactions

Transactions as a lessee

At the beginning of a contract, the Bank evaluates whether the contract has a lease or does not include a lease. In the event that the contract is transferred for a certain period of time to the right to control the use of the asset defined for a price, this contract is of a rental nature or includes a lease. The Bank reflects the existence of a right of use and a lease liability to the financial statements at the effective date of the lease.

Right of use;

The Bank applies the "TFRS 16 - Leases" standard in the accounting of leasing transactions.

In accordance with the "TFRS 16 - Leases" standard, the Group calculates the "right of use" amount based on the present value of the lease payments of the fixed asset subject to lease at the beginning of the lease and includes it in "tangible fixed assets".

The cost of the right-of-use asset includes the following:

- a) The initial measurement amount of the lease obligation,
- b) The amount obtained by deducting all the rental incentives received from all lease payments made at or before the beginning of the lease,
- c) All initial direct costs incurred by the Bank.

When applying the cost method, the existence the right of use:

- a) Measures by deducting accumulated depreciation and accumulated impairment losses and
- b) The restatement of the lease obligation at the restated cost.

The Bank applies principle of amortization in TAS 16 Property, Plant and Equipment while depreciating the right of use.

Lease Liabilities:

At the date of the effective leasing of the lease, the Bank measures its leasing liability at the present value of the lease payments not paid at the time. Lease payments are discounted using the imputed profit share rate in the lease if they can be easily determined. If this rate cannot be easily determined, the Bank uses the Bank's alternative borrowing rate. Lease payments that are included in the measurement of the lease liability at the date the lease is commenced consist of the unpaid payments to be made for the right of use during the lease term of the underlying asset and the date on which the lease has actually begun:

After the effective date of the lease, the Bank measures the leasing liability as follows:

- a) Increases the book value to reflect the rate of profit in the lease obligation,
- b) Reduces the book value to reflect the rent payments made and
- c) Re-assess the book value to reflect re-evaluations and reconstructions, or to reflect the lease payments that are fixed on the revised basis.

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XIV. EXPLANATIONS ON LEASING TRANSACTIONS (Continued)

The profit for the lease obligation for each period in the lease term is the amount calculated by applying a fixed periodic rate of profit to the remaining balance of the lease obligation. The Participation Bank takes part as a lessor in leasing transactions. The Participation Bank indicates the assets subject to leasing as a receivable equal to the net lease investment amount in the balance sheet. The total of the lease payments is gross in the leasing receivables account including the dividends and principal amounts. The profit share, which is the difference between the total of the lease payments and the cost of the related fixed assets, is included in the unearned finance lease income account. As the lease payments are realized, the rent amount is deducted from the lease receivables account; the profit share is reflected in the statement of profit or loss by deducting from the unearned profit share income account.

XV. EXPLANATIONS ON PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Provisions other than the specific and general provisions set for loans and other receivables and provisory liabilities are accounted in accordance with TAS 37 “Provisions, Contingent Liabilities, and Contingent Assets Standard”.

The Parent Bank provides provision in case of an existing liability (legal or implicit) as a result of an incident that took place in the past, there is possibility of disposal of assets that bring economic benefit, and the liability is measurable. When a reliable estimate of the amount of obligation cannot be made, it is considered that a “contingent” liability exists, and it is disclosed in the related notes to the financial statements.

For transactions that can affect financial structure, provisions are provided by using the existing data if they are accurate, otherwise by using the estimates.

As of the balance sheet date, there are no probable contingent liabilities resulting from past events whose amount can be reliably measured.

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the entity. Contingent assets are not recognized in financial statements since this may result in the recognition of income that may never be realized. Contingent assets are disclosed where an inflow of economic benefits is probable. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the financial statements in which the change occurs.

XVI. EXPLANATIONS ON OBLIGATIONS RELATED TO EMPLOYEE RIGHTS

a. Employment termination and vacation benefits

Liabilities related to severance pay and right to leave calculated according to the regulations of the TAS 19 “Accounting Standard of Employee Benefits” and the Group’s liabilities related to future severance pay and right to leave calculated and reflected to the financial statements on the net present value.

According to the related regulation, the Group is obliged to pay termination benefits depending on the arise of the legal conditions for employees who retire, die, quit for their military service obligations, who have been dismissed as defined in the related regulation or (for the female employees) who have voluntarily quit within one year after the date of their marriage. According to the related legislation, depending on the status and position of the employee in the Bank and social security institution, Employment Termination Benefit Provision calculation is based on the final salary at the date of retirement or leave (to the extent that the payments and/or salary amount does not exceed the Employment Termination Benefit Provision ceiling). Employment Termination Benefit is calculated based on actuarial assumptions.

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XVI. EXPLANATIONS ON OBLIGATIONS RELATED TO EMPLOYEE RIGHTS (Continued)

The Group benefits from independent actuaries on determination of obligation and makes assumptions on discount rate, employee turnover rate, and future raise in salaries. As of 30 June 2025, the Bank’s employee termination benefit is TRY 361.185 (31 December 2024: TRY 286.680).

Communiqué on “Turkish Accounting Standard (“TAS 19”) about Benefits for Employee (No:9)” published in Official Gazette by Public Oversight Accounting and Auditing Standards Authority (“POA”) on 12 March 2013 numbered 28585, was entered into force for the account periods starting after 31 December 2012 on accounting treatment of actuarial profit and loss resulting from changes in actuarial assumptions or differences between actual and actuarial assumptions. Actuarial loss amounting to TRY 135.583 was classified under shareholders’ equity in the financials (31 December 2024: TRY 135.583 loss).

Unused vacation liability is calculated based on number of unused vacation days which is calculated by subtracting used vacation days of all personnel from legally deserved vacation days. As of 30 June 2025 unused vacation liability of the Bank is TRY 150.802 (31 December 2024: TRY 94.500)

The Group is not employing its personnel by means of limited-period contracts.

b. T.C. Ziraat Bankası and T. Halk Bankası Employee Pension Fund Foundations (TZHEMSAN) Liability

The Foundation for the Retirement and Assistance Fund of the Republic of Türkiye Ziraat Bankası and T. Halk Bankası, of which some Bank employees are members, was established by Anadolubank A.Ş. as a foundation called Anadolu Bankası A.Ş. Employees' Retirement and Assistance Fund in accordance with the provisions of Article 73 and subsequent articles of the Turkish Civil Code, and the name of the foundation was changed to Türkiye Emlak Bankası A.Ş. Employees' Retirement and Assistance Fund Foundation as of 8 January 1988. However, due to the transfer of Türkiye Emlak Bankası to TC Ziraat Bankası A.Ş. and/or Türkiye Halk Bankası A.Ş. with Law No. 4684, the name of the foundation was changed to TC Ziraat Bankası and T. Halk Bankası Employees' Retirement and Assistance Fund Foundation as of 16 August 20022, and it was established in accordance with the temporary article 20 of the Social Security Law No. 506.

As of 16 August 2002, the personnel who started working for Ziraat and Halk Bankası in TC Ziraat Bankası A.Ş. and Türkiye Halk Bankası A.Ş. were made members of the Fund. As of 1 February 2016, the personnel of Ziraat Katılım Bankası A.Ş. and as of 1 April 2022, the personnel of Türkiye Emlak Katılım Bankası A.Ş. have been members of the Fund and benefit from the services of the Fund with the amendments to the foundation deed. Since Türkiye Halk Bankası A.Ş. established its own Fund in 2004, it has been registering the newly hired personnel in its own Fund since this date.

As of 15 February 2024, Ziraat Katılım Bankası A.Ş. and Türkiye Emlak Katılım Bankası A.Ş. have also joined the Türkiye Cumhuriyeti Ziraat Bankası and Türkiye Halk Bankası Employees Pension and Aid Fund (TZHEMSAN) as founding members, alongside Türkiye Cumhuriyeti Ziraat Bankası A.Ş. and Türkiye Halk Bankası A.Ş. Bank employees represent 11% of the active members of the Fund

It was ruled that the Bank funds established within the scope of the Social Security Law would be transferred to the SSK within three years following the publication of the Law, with the Temporary Article 23 of the Banking Law No. 5411, and the procedures and principles regarding the transfer were determined with the Council of Ministers Decision No. 2006/11345 dated 30 November 2006.

On 17 April 2008, the relevant articles of the Social Security Law No. 5754 (“New Law”) regulating the principles regarding the transfer were accepted by the General Assembly of the Turkish Grand National Assembly and entered into force upon publication in the Official Gazette dated 8 May, 2008 and numbered 26870.

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XVI. EXPLANATIONS ON OBLIGATIONS RELATED TO EMPLOYEE RIGHTS (Continued)

According to the new law bank pension funds participants and salaried members or the rightful owners would be transferred to Social Security Institution and would be subject to its legislation within three years beginning from the date of publication without any required transaction. Three years transfer period would be extended by two years at most with the decision of Council of Ministers. In accordance with the related legislation, as of the transfer date, the cash value of the liabilities will be calculated by considering the income and expenses of the transferred funds by the insurance branches and by using the actuarial interest rate of 9,80%. Moreover, the unfulfilled other social rights and payments existed in the settlement deeds of the subjected pension funds of the transferred participants, members or the rightful owners will be continued to be fulfilled by the employer entities of the funds and its participants.

Based on the Council of Ministers’ decree numbered 2011/1559 and issued in the Official Gazette numbered 27900, dated 9 April 2011, and 20th provisional article of law numbered 506, the deadline for transferring banks, insurance and reinsurance companies, chambers of commerce, chambers of industry, exchange markets and the participants of the funds that were founded for the personnel constituting these entities and the ones having salary or income and the right holders of them to Social Security Institution has been extended for two years.

Besides, the phrase of “two years” in Clause (2), Article 1 of the temporary 20th provision of the law numbered 5510 is revised as “four years” with the law numbered 6283 amending on the Social Insurance and General Health Insurance Law, published in the Official Gazette numbered 28227, dated 8 March 2012.

Based on the Council of Ministers’ decree numbered 2014/6042 and issued in the Official Gazette numbered 28987 dated 30 April 2014, the participants of the funds that were founded for the personnel constituting these entities and the ones having salary or income and the right holders of them to Social Security Institution has been extended for one year.

Lastly, 51st article of Law No.6645 dated 23 April 2015, published on Official Gazette and the first paragraph of the transient 20th article of Law No.5510 related to the transfer of Bank and Insurance Funds to Social Security Institution; “Council of Ministers is the authority to determine the date of transfer of banks, insurance and reinsurance companies, boards of trade, chambers of industry and stock markets or the participants of funds established for their constitute union personnel and the ones that were endowed salary or income and their beneficiaries within the scope of transient 20th article of Law No.506. As from the transfer date, the participants are considered as insured within the scope of clause (a), first paragraph and 4th article of this Law. Based on the decision of the Council of Ministers dated 24 February 2014; May 2015 was determined as the transfer period. As a result of the last amendment made in the first paragraph of the provisional article 20 of the Law No. 5510 and the Occupational Health and Safety Law No. 6645 published in the Official Gazette dated 23 April 2015 and numbered 29335; The Council of Ministers has been authorized to determine the transfer date and the President has been authorized to determine the transfer date in the repeated Official Gazette numbered 30473 on 9 July 2018.

The technical balance sheet report as of 30 June 2025 which is prepared in accordance with the new law and the rate determined as 9,80%, concluded no technical deficit arises in the above-mentioned fund. Since the Bank has no legal right to hold the present value of any economic benefits available in the form of refunds from Pension Fund or reductions in future contributions to Pension Fund, no asset is recognized in the Bank’s financial statements.

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XVII. EXPLANATIONS ON TAXATION

a. Current tax

The corporate tax rate of 20% was designated in Corporate Tax Law No. 5520 which was taken into effect on 1 January 2006 after being published in the Official Gazette dated 21 June 2006 numbered 26205 for corporate earnings.

However;

Pursuant to Article 25 of Law No. 7394 published in the Official Gazette dated 15 April 2022 and numbered 31810; Corporate tax rate has been determined as 25% for banks, companies within the scope of Law No. 6361, electronic payment and money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies is determined as 25%, and this rate will be effective as of 1 July 2022. It came into force to start with the declarations that must be submitted and to be applied to corporate earnings for accounting periods starting from 1 January 2022.

In accordance with Article 21 of Law No. 7456 published in the Official Gazette dated 15 July 2023, and numbered 32249, starting from 1 October 2023, for the declarations that need to be submitted, the corporate income tax rate applicable to the gains obtained in the fiscal year 2023 and subsequent fiscal periods for banks and other institutions mentioned in the law has been increased from 25% to 30%. As of 31 December 2023, the corporate income tax rate applied in the financial statements is 30%.

The corporate tax rate is applied to the tax base to be found as a result of the addition of non-deductible expenses to the commercial earnings of the companies, the exemption (such as participation income exemption) and deductions in the tax laws. No further tax is paid if the profit is not distributed.

Dividends paid to institutions earning income through a business or permanent representative in Türkiye, as well as to resident institutions in Türkiye, are exempt from withholding tax. With the Presidential Decree No. 32760 published in the Official Gazette on 22 December 2024, certain withholding tax rates stipulated in Articles 15 and 30 of the Corporate Tax Law No. 5520 have been revised. In this context, the withholding tax rate on dividend payments, excluding those made to institutions earning income through a business or permanent representative in Türkiye and to resident institutions in Türkiye, has been increased from 10% to 15%, as per the aforementioned decree. The application of withholding tax rates on dividend distributions to non-resident institutions and individuals is also subject to the provisions of the relevant Double Taxation Avoidance Agreements. Adding profit to capital is not considered a dividend distribution and is not subject to withholding tax.

Corporations calculate advance tax quarterly on their financial profits at the corporate tax rate valid for that year and declare and pay until the 17th day of the second month following that period. Advance tax paid by corporations for the current period is offset against the annual corporation tax calculated on the annual corporate income in the following year. Despite the offset, if there is temporary prepaid tax remaining, this balance can be used to offset any other financial liabilities to the government.

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XVII. EXPLANATIONS ON TAXATION (Continued)

a. Current tax (Continued)

According to 5.1.e. article of Corporation Tax Law which is important tax exemption that is applied by banks, corporations’ 50% of revenues that occur from selling of their real estates, are in assets, that belong to the corporations at least two years (730 days), 75% of revenues that occur from selling their founding bonds that are belong to the corporations as long as time of participation stocks, redeemed shares and option to call are exempted from corporation tax. On the other hand, the exemption application for real estates held in the Bank's assets for at least two years was abolished with the 19th article of the Law No. 7456 published in the Official Gazette dated 15 July 2023 and numbered 32249, and in the 22nd article of the law “... The 50% rate in subparagraph (e) of the first paragraph of Article 5 is applied as 25% for the immovable sales earnings to be made after the effective date of this article.” and it has been announced that the exception rate will be 50% for sales made before 15 July 2023 and 25% for sales made after. With Article 19 of Law No. 7456, an amendment was made to paragraph (e) of the first clause of Article 5 of the Corporation Tax Law, ending the practice of exempting gains obtained by corporations from the sale of real estate from corporate tax. On the other hand, Article 22 of the same Law added a provisional Article 16 to the Corporation Tax Law, stipulating that the provisions related to the real estate sale gain exemption will continue to apply for real estate included in the assets of corporations before 15 July 2023, but the exemption rate will be 25%. The exemption for real estate sale gains was abolished for properties included in the assets of corporations after 15 July 2023.

This exemption applies to the period the sale is made and the part of return on sales that benefits from the exemption is held in a special fund in the liabilities account until the end of the fifth year started from the following year sale is made. However, the sales payment must be collected until the end of the second calendar year following the year in which the sale is made. Taxes which are not realized in time due to the exemption that hits uncollected sales payment are considered tax loss.

Taxes which do not accrue on time because the applying exemption for the transfer of the exempted part of revenue to the other accounts with other ways out of capitalizing in five years or withdrawn from company or transferring from limited taxpayer corporations to the headquarters, are considered as tax loss. This is also applicable in the condition of liquidation of business (Except transfers and divisions that make according to this code).

Gains from the sale of participation shares, as well as founder shares, usufruct shares, and preemptive rights that institutions have held in their assets for at least two full years, were exempt from corporate tax at a rate of 75%. This exemption applied on the condition that 75% of these gains were kept in a special fund account under liabilities until the end of the fifth year following the year of sale, and collected by the end of the second calendar year. However, with the Presidential Decree published in the Official Gazette dated 27 November, 2024, and numbered 32735, it has been determined that the exemption rate will be applied as 50%.

Moreover, according to 5.1.f. article of Corporation Tax Law; corporations which have been fallen to legal proceedings because of owe to the bank or Savings Deposit Insurance Funds, and their warranters’ real estates, participation stocks, founding bonds, redeemed shares, options to call of mortgagors’ revenues that used for against debts or transferring to SDIF, 50% of the profits arising from the sale of the said assets obtained by the banks in this way, and 75% of the profits arising from the sale of others are exempted from corporation tax.

Under the Turkish Corporate Tax Law, losses can be carried forward to offset against future taxable income for up to five years. Losses cannot be carried back to offset profits from prior periods.

Tax returns are required to be filled and delivered to the related tax office until the end of the fourth month following the balance sheet date and the accrued tax is paid until the end of the same month. Tax returns are open for 5 years from the beginning of the year following the balance sheet date and during this period the tax authorities have the right to audit tax returns, and the related accounting records on which they are based and may issue re-assessments based on their findings.

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XVII. EXPLANATIONS ON TAXATION (Continued)

a. Current tax (Continued)

As of the end of the 2021 calendar year, the conditions sought for inflation adjustment in the calculation of corporate tax have been fulfilled, within the framework of the repeated provision of Article 298/A of the Tax Procedure Law. However, with the Law No. 7352 on the Amendment of the Tax Procedure Law and the Corporate Tax Law, published in the Official Gazette dated 29 January 2022 and numbered 31734, the temporary article 33 was added to the Tax Procedure Law No. 213, including the provisional tax periods. Financial statements will not be subject to inflation adjustment for the 2021 (Constitutional Court dated 30/11/2023 and E.: 2023/105; K.: 2023/208, the phrase ‘2021’ in this regulation was cancelled) and 2022 accounting periods (for those designated as a special accounting period, as of the accounting periods ending in 2022 and 2023) and the provisional tax periods for the 2023 accounting period, regardless of whether the conditions for the repetitive inflation adjustment within the scope of Article 298 are met. It has been enacted that the financial statements dated 31 December 2023 will be subject to inflation adjustment regardless of whether the conditions for the inflation adjustment are met, and the profit/loss differences arising from the inflation adjustment to be made will be shown in the previous years' profit/loss account. According to the 17th article of the Law No. 7491 on Amendments to Certain Laws and Decree Laws published in the Official Gazette No. 32413 dated 28 December 2023, banks are companies within the scope of the Financial Leasing, Factoring, Financing and Savings Finance Companies Law No. 6361 dated 21 November 2012. Profit/loss differences arising from the inflation adjustment to be made by payment and electronic money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies in the 2024 and 2025 accounting periods, including the provisional tax periods. It is regulated that the resulting profits or losses will not be taken into account in determining the corporate tax base. The President is authorized to extend the periods determined within the scope of this paragraph by one accounting period, including provisional tax periods. According to Communiqué No. 582 on Tax Procedure Law, published in the Official Gazette dated 15 February 2025 and numbered 32814, it has been decided that inflation adjustment shall not be applied at the end of the first, second, and third provisional tax periods of the 2025 fiscal year, even if the conditions for inflation adjustment are met.

On 16 July 2024, Türkiye began adopting the OECD’s Global Minimum Tax on Corporations regulations (Pillar 2) through a Legislative Proposal presented to the Grand National Assembly of Türkiye (TBMM). These regulations were enacted by Law No. 7524, published in the Official Gazette No. 32620 on 2 August 2024. The Turkish implementation is largely in alignment with the OECD’s Model Rules for Pillar 2, showing similarities in areas such as scope, exemptions, consolidation, tax calculations, and filing deadlines. However, secondary regulations regarding calculation details and implementation methods have not yet been published, and specific issues such as Türkiye’s unique circumstances and current incentives are expected to be clarified through the Ministry's secondary legislation. These changes have not had a significant impact on the Bank's financial position or performance.

Additionally, Article 36 of Law No. 7524 introduced a new Article 32/C titled 'Domestic Minimum Corporate Tax' into the Corporate Tax Law. According to this regulation concerning the application of the domestic minimum corporate tax, the corporate tax calculated under Articles 32 and 32/A will not be less than 10% of the corporate profit before any deductions or exemptions. This regulation came into effect on its publication date, applying to corporate profits for the 2025 taxation period. The General Communiqué on Corporate Tax No. 23 was published in the Official Gazette No. 32676 on 28 September 2024, addressing this matter.

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XVII. EXPLANATIONS ON TAXATION (Continued)

b. Deferred tax

The Parent Bank calculates deferred tax for the temporary differences between the applied accounting policies and valuation principles and the tax base value determined in accordance with the tax legislation, in accordance with TAS 12 “Income Taxes Standard”, taking into account the additional regulation introduced with the Law No. 7316 dated 22 April 2021. With the Law No. 7394 on the Amendments of Treasury-Owned Immovable Property Valuation and the Value Added Tax Law, which was published in the Official Gazette dated 15 April 2022 and numbered 31810, and the Law on Amendments to Some Laws and Decree-Laws, with Article 26 of the Law No. 5520 With the paragraph added to the temporary article 13 of the Corporate Tax Law, the Corporate Tax rate was rearranged for the corporate earnings of the 2022 taxation period and it was stated that the tax rate would be applied as 25% for the banks. In accordance with Article 21 of Law No. 7456 published in the Official Gazette No. 32249 dated 15 July 2023, starting from the declarations that must be submitted as of 1 October 2023; The corporate tax rate to be applied to the profits of corporations in 2023 and the following taxation periods has been increased from 25% to 30% for banks and other institutions mentioned in the law.

Deferred tax liability or asset is determined by calculating the tax effects of temporary differences between the amounts of assets and liabilities shown in the financial statements and the amounts taken into account in the legal tax base calculation, according to the balance sheet method, taking into account the legal tax rates. In calculating deferred tax, the Bank estimates the time when temporary differences will be taxable/deductible and uses legal tax rates valid as of the balance sheet date in accordance with the applicable tax legislation. Since deferred tax assets or liabilities within the scope of TAS 12 are calculated by using the tax rates (and tax laws) that are in effect or almost certain to come into force as of the end of the reporting period (balance sheet date), and the tax rates expected to be applied in the periods when the assets are converted into income or the debts are paid, As of 31 December 2023, the Bank has deferred tax calculations were made based on rates varying 30% on assets and liabilities. While deferred tax liabilities are calculated for all taxable temporary differences, deferred tax assets consisting of deductible temporary differences are calculated provided that it is highly probable to benefit from these differences by generating taxable profits in the future. Deferred tax liabilities or assets are not calculated for temporary timing differences that arise from the initial recognition of assets or liabilities other than goodwill or business combinations and that do not affect both commercial and financial profit or loss.

The carrying value of the deferred tax asset is reviewed as of each balance sheet date. The registered value of the deferred tax asset is reduced to the extent that it is not possible to obtain a financial profit sufficient to enable the benefit of part or all of the deferred tax asset to be obtained.

Deferred tax is calculated based on the tax rates valid in the period in which assets are created or liabilities are fulfilled and recorded as expense or income in the income statement. However, deferred tax is directly associated with the equity account group if it relates to assets directly associated with equity in the same or a different period.

Calculated deferred tax assets and deferred tax liabilities are netted in the consolidated financial statements.

Deferred tax effects related to transactions directly accounted for in equity are also shown in equity.

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XVII. EXPLANATIONS ON TAXATION (Continued)

b. Deferred tax (Continued)

As of 1 January, 2018, deferred tax assets have started to be calculated based on expected loss provisions that constitute temporary differences within the framework of TFRS 9 provisions. There is no deferred tax calculation for free provisions.

According to the provisional Article 33 of the Tax Procedure Law, the tax effects arising from the inflation adjustment of corporate tax are included in the calculation of deferred tax as of 30 June 2025, in the financial statements dated 30 June 2025.

XVIII. EXPLANATIONS ON ADDITIONAL DISCLOSURES ON BORROWINGS

The Group recognizes its debt instruments in accordance with TFRS 9 "Financial Instruments" and values all financial liabilities using the internal rate of return method in the periods following the recognition. The Bank has no borrowings that require hedging techniques for accounting and revaluation of debt instruments and liabilities representing the borrowings. There are no debt securities issued by the Bank. The Bank has issued borrowings as sukuk issuances, this through its subsidiary Ziraat Katılım Varlık Kiralama A.Ş., ZKB Varlık Kiralama A.Ş. and Ziraat Katılım MTN Limited, which is not a subsidiary but over which the Bank has control, these sukuk issuances are provided to the qualified investors without being released through an IPO and the bank takes place during this operation as a fund user.

The Bank received loans from T.C. Ziraat Bankası A.Ş. in the amount of TRY 300.000 on 29 March 2019; in the amount of TRY 500.000 on 16 April 2021; in the amount of TRY 500.000 on 17 November 2021; in the amount of USD 100.000 Thousand on 5 April 2024; in the amount of USD 300.000 Thousand on 17 December 2024 from Ziraat Katılım MTN in the form of contribution capital.

The bank received from the TWF Market Stability and Equilibrium Sub-Fund on 9 March 2022, with the approval of the BRSA, a loan in the amount of EUR 57.039 Thousand; and from TC Ziraat Bankası A.Ş. on 30 December 2024, a loan in the amount of TRY 4.000.000 under the additional tier 1 capital as an profit share-free and non-repayable subordinated loan.

In accordance with the decision of the Capital Markets Board dated 25 October 2023, and numbered 63/1380, the issuance document for a lease certificate with a nominal value of USD 500.000 Thousand to be issued abroad and with a maturity of three years was approved by the Capital Markets Board on 3 November 2023. The maturity date for this issuance has been determined as 12 November 2026. Accordingly, the sale of the lease certificate was completed on 6 November 2023, and the issuance amount has been recorded in our accounts.

XIX. EXPLANATIONS ON SHARE CERTIFICATES ISSUED

There are no issued shares by the Parent Bank as of balance sheet date (31 December 2024: None).

XX. EXPLANATIONS ON ACCEPTANCES

Commitments regarding bill guarantees and acceptances of the Group are presented in the “Off-Balance Sheet” commitments.

XXI. EXPLANATIONS ON GOVERNMENT INCENTIVES

There are no government incentives utilized by the Group as of the balance sheet date (31 December 2024: None).

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 JUNE 2025

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XXII. EXPLANATION ON CASH AND CASH EQUIVALENTS

Cash and cash equivalents are cash on hand, demand deposits and other highly liquid short-term investments with maturities of 3 months or less following the date of acquisition, which is readily convertible to a known amount of cash and does not bear the risk of significant amount of value change. The book values of these assets represents their fair values.

For the purposes of the cash flow statement, “Cash” includes cash, effectives, gold, cash in transit, purchased cheques and demand deposits including balances with the Central Bank; and “Cash equivalents” include interbank money market placements and time deposits at banks with original maturity periods of less than three months.

XXIII. EXPLANATION ON SEGMENT REPORTING

Information about operating segments which are determined in line with TFRS 8 “Turkish Accounting Standard about Operating Segments” together with organizational and internal reporting structure of the Group, are disclosed in Note XII. of Section Four.

XXIV. EXPLANATIONS ON OTHER MATTERS

None.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 JUNE 2025

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SECTION FOUR

EXPLANATIONS RELATED TO THE FINANCIAL POSITION AND RISK MANAGEMENT

I. EXPLANATIONS ON THE CONSOLIDATED SHAREHOLDERS’ EQUITY

Equity amount and capital adequacy standard ratio, within the framework of “Regulation on Banks' Equity” and “Regulation on Measurement and Evaluation of Capital Adequacy of Banks” and in addition to these, the following regulations of the BRSA;

In accordance with the Decision of the Banking Regulation and Supervision Agency dated 19 December 2024 and numbered 11038, the Central Bank's foreign exchange buying rate of 28 June 2024 was used while calculating the valued amounts in foreign currency in calculating the amount subject to credit risk.

As of 1 January 2024, in case the net valuation differences of the securities held by banks in the portfolio of “Securities at Fair Value Reflected in Other Comprehensive Income” within the framework of the regulation dated 12 December 2023, and numbered 10747 are negative, these differences are allowed not to be taken into account in the equity amount.

The current period equity amount calculated as of 30 June 2025, taking into account the latest regulations, is TRY 46.821.633 (31 December 2024: TRY 42.843.530), and the capital adequacy standard ratio is 16,25% (31 December 2024: 20,41%). The Bank's capital adequacy standard ratio is above the minimum ratio determined by the relevant legislation.

Information Related To The Components of Shareholders’ Equity:

COMMON EQUITY TIER 1 CAPITAL	Current Period 30 June 2025	Prior Period 31 December 2024
Paid-in capital following all debts in terms of claim in liquidation of the Bank	10.350.000	10.350.000
Share issue premiums	-	-
Reserves	13.595.451	10.142.629
Gains recognized in equity as per TAS	917.065	412.468
Profit	1.225.240	3.452.822
Current Period Profit	1.225.240	3.452.822
Prior Period Profit	-	-
Shares acquired free of charge from subsidiaries, affiliates and jointly controlled partnerships and cannot be recognized within profit for the period	-	-
Common Equity Tier 1 Capital Before Deductions	26.087.756	24.357.919
Deductions from Common Equity Tier 1 Capital		
Common Equity as per the 1st clause of Provisional Article 9 of the Regulation on the Equity of Banks	-	-
Portion of the current and prior periods’ losses which cannot be covered through reserves and losses reflected in equity in accordance with TAS	-	-
Improvement costs for operating leasing	1.275.384	1.367.288
Goodwill (net of related tax liability)	-	-
Other intangibles other than mortgage-servicing rights (net of related tax liability)	1.960.974	1.362.609
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	-
Differences are not recognized at the fair value of assets and liabilities subject to hedge of cash flow risk	-	-
Communiqué Related to Principles of the amount credit risk calculated with the Internal Ratings Based Approach, total expected loss amount exceeds the total provision	-	-
Gains arising from securitization transactions	-	-
Unrealized gains and losses due to changes in own credit risk on fair valued liabilities	-	-
Defined-benefit pension fund net assets	-	-
Direct and indirect investments of the Bank in its own Common Equity		
Shares obtained contrary to the 4th clause of the 56th Article of the Law	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-	-
Portion of mortgage servicing rights exceeding 10% of the Common Equity	-	-
Portion of deferred tax assets based on temporary differences exceeding 10% of the Common Equity	-	-
Amount exceeding 15% of the common equity as per the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks	-	-

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EXPLANATIONS RELATED TO THE FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

I. EXPLANATIONS ON THE CONSOLIDATED SHAREHOLDERS’ EQUITY (Continued)

	Current Period 30 June 2025	Prior Period 31 December 2024
Excess amount arising from the net long positions of investments in common equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital	-	-
Excess amount arising from mortgage servicing rights	-	-
Excess amount arising from deferred tax assets based on temporary differences	-	-
Other items to be defined by the BRSA	-	-
Deductions to be made from common equity due to insufficient Additional Tier I Capital or Tier II Capital	-	-
Total Deductions From Common Equity Tier I Capital	3.236.358	2.729.897
Total Common Equity Tier I Capital	22.851.398	21.628.022
ADDITIONAL TIER I CAPITAL		
Preferred Stock not Included in Common Equity and the Related Share Premiums	-	-
Debt instruments and premiums approved by BRSA	5.620.929	5.267.788
Debt instruments and premiums approved by BRSA(Temporary Article 4)	-	-
Additional Tier I Capital before Deductions	-	-
Deductions from Additional Tier I Capital	-	-
Direct and indirect investments of the Bank in its own Additional Tier I Capital	-	-
Investments of Bank to Banks that invest in Bank’s additional equity and components of equity issued by financial institutions with compatible with Article 7.	-	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital	-	-
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital	-	-
Other items to be defined by the BRSA	-	-
Transition from the Core Capital to Continue to deduce Components	-	-
Goodwill and other intangible assets and related deferred tax liabilities which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks’ Own Funds (-)	-	-
Net deferred tax asset/liability which is not deducted from Common Equity Tier 1 capital for the purposes of the sub-paragraph of the Provisional Article 2 of the Regulation on Banks’ Own Funds (-)	-	-
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-	-
Total Deductions From Additional Tier I Capital	-	-
Total Additional Tier I Capital	5.620.929	5.267.788
Total Tier I Capital (Tier I Capital=Common Equity+Additional Tier I Capital)	28.472.327	26.895.810
TIER II CAPITAL		
Debt instruments and share issue premiums deemed suitable by the BRSA	16.943.768	15.176.901
Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)	-	-
Provisions (Article 8 of the Regulation on the Equity of Banks)	1.420.304	787.295
Tier II Capital Before Deductions	18.364.072	15.964.196
Deductions From Tier II Capital	-	-
Direct and indirect investments of the Bank on its own Tier II Capital (-)	-	-
Investments of Bank to Banks that invest on Bank’s Tier 2 and components of equity issued by financial institutions with the conditions declared in Article 8.	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-	-
Portion of the total of net long positions of investments made in Additional Tier I Capital item of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-	-
Other items to be defined by the BRSA (-)	-	-
Total Deductions from Tier II Capital	-	-
Total Tier II Capital	18.364.072	15.964.196
Total Capital (The sum of Tier I Capital and Tier II Capital)	46.836.399	42.860.006

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EXPLANATIONS RELATED TO THE FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

I. EXPLANATIONS ON THE CONSOLIDATED SHAREHOLDERS’ EQUITY (Continued)

	Current Period 30 June 2025	Prior Period 31 December 2024
Total of Original Capital and Supplementary Capital (Total Capital)	46.836.399	42.860.006
Deductions from Capital Loans granted contrary to the 50th and 51th Article of the Law	-	-
Net Book Values of Movables and Immovables Exceeding the Limit Defined in the Article 57, Clause 1 of the Banking Law and the Assets Acquired against Overdue Receivables and Held for Sale but Retained more than Five Years	-	-
Other items to be defined by the BRSA	14.766	16.476
In transition from Total Core Capital and Supplementary Capital (the capital) to Continue to Download Components		
The Sum of net long positions of investments (the portion which exceeds the 10% of Banks Common Equity) in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks’ Own Funds	-	-
The Sum of net long positions of investments in the Additional Tier 1 capital and Tier 2 capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks’ Own Funds	-	-
The Sum of net long positions of investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity, mortgage servicing rights, deferred tax assets arising from temporary differences which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks’ Own Funds	-	-
TOTAL CAPITAL		
Total Capital (The sum of Tier I Capital and Tier II Capital)	46.821.633	42.843.530
Total risk weighted amounts	288.109.083	209.885.672
Capital Adequacy Ratios		
Core Capital Adequacy Ratio (%)	7,93	10,31
Tier I Capital Adequacy Ratio (%)	9,88	12,82
Capital Adequacy Ratio (%)	16,25	20,41
BUFFERS		
Total additional Common Equity Tier 1 Capital requirement ratio (a+b+c)	2,50	2,50
a) Capital conservation buffer requirement (%)	2,50	2,50
b) Bank specific counter-cyclical buffer requirement (%)	0,00	0,00
c) Systemic significant bank buffer ratio (%)	0,00	0,00
The ratio of Additional Common Equity Tier 1 capital which will be calculated by the first paragraph of the Article 4 of Regulation on Capital Conservation and Countercyclical Capital buffers to Risk Weighted Assets (%)	3,43	5,80
Amounts below the Excess Limits as per the Deduction Principles		
Portion of the total of net long positions of investments in equity items of Unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	-	-
Portion of the total of investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	-	-
Amount arising from mortgage-servicing rights	-	-
Amount arising from deferred tax assets based on temporary differences	-	-
Limits related to provisions considered in Tier II calculation		
General provisions for standard based receivables (before tenthousandtwentyfive limitation)	1.420.304	787.295
Up to 1,25% of total risk-weighted amount of general reserves for receivables where the standard approach used	1.420.304	787.295
Excess amount of total provision amount to credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	-
Excess amount of total provision amount to 0,6% of risk weighted receivables of credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	-
Debt instruments subjected to Article 4 (to be implemented between 1 January 2018 and 1 January 2022)	-	-
Upper limit for Additional Tier I Capital subjected to temporary Article 4	-	-
Amounts Excess the Limits of Additional Tier I Capital subjected to temporary Article 4	-	-
Upper limit for Additional Tier II Capital subjected to temporary Article 4	-	-
Amounts Excess the Limits of Additional Tier II Capital subjected to temporary Article 4	-	-

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EXPLANATIONS RELATED TO THE FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

I. EXPLANATIONS ON THE CONSOLIDATED SHAREHOLDERS’ EQUITY (Continued)

Information of the borrowing instruments to be included in equity calculation:

Issuer	T.C. Ziraat Bankası A.Ş.
Unique identifier (CUSIP, ISIN etc.)	-
Governing Law(s) of the instrument	Implementing Regulation on Equities of Banks in the Official Gazette dated 5 September 2013
Regulatory treatment	
From 1/1/2015, 10% reduction by being subject to the application	No
Eligible at unconsolidated / consolidated	Unconsolidated/Consolidated
Instrument type (types to be specified by each jurisdiction)	Subordinated Murabaha Loan as Secondary Capital
Amount recognized in regulatory capital (As of the latest reporting date-Million TRY)	300
Par value of instrument (Million TRY)	300
Accounting classification	Liabilities/Subordinated loan
Original date of issuance	29 March 2019
Perpetual or dated	Dated
Original maturity date	10 (ten) years
Issuer call subject to prior supervisory approval	Yes
Optional call date, contingent call dates and redemption amount	Option date 5 years, (no conditional refund)
Subsequent call dates, if applicable	-
Coupons/dividends (*)	
Fixed or floating dividend/coupon	Fixed
Coupon rate and any related index	16,25%
Existence of a dividend stopper	-
Fully discretionary, partially discretionary or mandatory	-
Existence of step up or other incentive to redeem	-
Noncumulative or cumulative	-
Convertible or non-convertible	
If convertible, conversion trigger (s)	-
If convertible, fully or partially	-
If convertible, conversion rate	-
If convertible, mandatory or optional conversion	-
If convertible, specify instrument type convertible into	-
If convertible, specify issuer of instrument it converts into	-
Write-down feature	
If write-down, write-down trigger(s)	-
If write-down, full or partial	-
If write-down, permanent or temporary	-
If temporary write-down, description of write-up mechanism	-
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	It gives the owner the right to be credited before the borrowing instruments to be included in the additional capital calculation, after the depositors and all other creditors.
In compliance with article number 7 and 8 of “Own fund regulation”	In Compliance with Article number 8
Details of incompliance with article number 7 and 8 of “Own fund regulation”	-

(*) Profit share for participation banks.

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EXPLANATIONS RELATED TO THE FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

I. EXPLANATIONS ON THE CONSOLIDATED SHAREHOLDERS’ EQUITY (Continued)

Information of the borrowing instruments to be included in equity calculation (Continued):

Issuer	T.C. Ziraat Bankası A.Ş.
Unique identifier (CUSIP, ISIN etc.)	-
Governing Law(s) of the instrument	Implementing Regulation on Equities of Banks in the Official Gazette dated 5 September 2013
Regulatory treatment	
From 1/1/2015, 10% reduction by being subject to the application	No
Eligible at unconsolidated / consolidated	Unconsolidated/Consolidated
Instrument type (types to be specified by each jurisdiction)	Subordinated Murabaha Loan as Secondary Capital
Amount recognized in regulatory capital (As of the latest reporting date-Million TRY)	500
Par value of instrument (Million TRY)	500
Accounting classification	Liabilities/Subordinated Loan
Original date of issuance	16 April 2021
Perpetual or dated	Dated
Original maturity date	10 (ten) years
Issuer call subject to prior supervisory approval	Yes
Optional call date, contingent call dates and redemption amount	Option date 5 years, (No conditional refund)
Subsequent call dates, if applicable	-
Coupons/dividends (*)	
Fixed or floating dividend/coupon	Fixed
Coupon rate and any related index	18,00%
Existence of a dividend stopper	-
Fully discretionary, partially discretionary or mandatory	-
Existence of step up or other incentive to redeem	-
Noncumulative or cumulative	-
Convertible or non-convertible	
If convertible, conversion trigger (s)	-
If convertible, fully or partially	-
If convertible, conversion rate	-
If convertible, mandatory or optional conversion	-
If convertible, specify instrument type convertible into	-
If convertible, specify issuer of instrument it converts into	-
Write-down feature	
If write-down, write-down trigger(s)	-
If write-down, full or partial	-
If write-down, permanent or temporary	-
If temporary write-down, description of write-up mechanism	-
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	It gives the owner the right to be credited before the borrowing instruments to be included in the additional capital calculation, after the depositors and all other creditors.
In compliance with article number 7 and 8 of “Own fund regulation”	In Compliance with Article number 8
Details of incompliances with article number 7 and 8 of “Own fund regulation”	-

(*) Profit share for participation banks.

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EXPLANATIONS RELATED TO THE FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

I. EXPLANATIONS ON THE CONSOLIDATED SHAREHOLDERS’ EQUITY (Continued)

Information of the borrowing instruments to be included in equity calculation (Continued):

Issuer	T.C. Ziraat Bankası A.Ş.
Unique identifier (CUSIP, ISIN etc.)	-
Governing Law(s) of the instrument	Implementing Regulation on Equities of Banks in the Official Gazette dated 5 September 2013
Regulatory treatment	
From 1/1/2015, 10% reduction by being subject to the application	No
Eligible at unconsolidated / consolidated	Unconsolidated/Consolidated
Instrument type (types to be specified by each jurisdiction)	Subordinated Murabaha Loan as Secondary Capital
Amount recognized in regulatory capital (As of the latest reporting date-Million TRY)	500
Par value of instrument (Million TRY)	500
Accounting classification	Liabilities/Subordinated Loan
Original date of issuance	17 November 2021
Perpetual or dated	Dated
Original maturity date	10 (ten) years
Issuer call subject to prior supervisory approval	Yes
Optional call date, contingent call dates and redemption amount	Option date 5 years, (No conditional refund)
Subsequent call dates, if applicable	-
Coupons/dividends (*)	
Fixed or floating dividend/coupon	Fixed
Coupon rate and any related index	17,75%
Existence of a dividend stopper	-
Fully discretionary, partially discretionary or mandatory	-
Existence of step up or other incentive to redeem	-
Noncumulative or cumulative	-
Convertible or non-convertible	
If convertible, conversion trigger (s)	-
If convertible, fully or partially	-
If convertible, conversion rate	-
If convertible, mandatory or optional conversion	-
If convertible, specify instrument type convertible into	-
If convertible, specify issuer of instrument it converts into	-
Write-down feature	
If write-down, write-down trigger(s)	-
If write-down, full or partial	-
If write-down, permanent or temporary	-
If temporary write-down, description of write-up mechanism	-
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	It gives the owner the right to be credited before the borrowing instruments to be included in the additional capital calculation, after the depositors and all other creditors.
In compliance with article number 7 and 8 of “Own fund regulation”	In Compliance with Article number 8
Details of incompliances with article number 7 and 8 of “Own fund regulation”	-

(*) Profit share for participation banks

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 JUNE 2025

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TRY”))

EXPLANATIONS RELATED TO THE FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

I. EXPLANATIONS ON THE CONSOLIDATED SHAREHOLDERS’ EQUITY (Continued)

Information of the borrowing instruments to be included in equity calculation (Continued):

Issuer	TWF Market Stability and Equilibrium Sub-Fund
Unique identifier (CUSIP, ISIN etc.)	-
Governing Law(s) of the instrument	Implementing Regulation on Equities of Banks in the Official Gazette dated 5 September 2013
Regulatory treatment	
From 1/1/2015, 10% reduction by being subject to the application	No
Eligible at unconsolidated / consolidated	Unconsolidated/Consolidated
Instrument type (types to be specified by each jurisdiction)	Additional capital
Amount recognized in regulatory capital (As of the latest reporting date-Million TRY)	1.621
Par value of instrument (Million TRY)	2.637
Accounting classification	Liabilities/Subordinated Loan
Original date of issuance	9 March 2022
Perpetual or dated	Undated
Original maturity date	9 March 2022
Issuer call subject to prior supervisory approval	Yes
Optional call date, contingent call dates and redemption amount (**)	Option date 5 years, (Subject to BRSA permission)
Subsequent call dates, if applicable	-
Coupons/dividends (*)	
Fixed or floating dividend/coupon	None
Coupon rate and any related index	None
Existence of a dividend stopper	-
Fully discretionary, partially discretionary or mandatory	-
Existence of step up or other incentive to redeem	None
Noncumulative or cumulative	-
Convertible or non-convertible	
If convertible, conversion trigger (s)	-
If convertible, fully or partially	-
If convertible, conversion rate	-
If convertible, mandatory or optional conversion	-
If convertible, specify instrument type convertible into	-
If convertible, specify issuer of instrument it converts into	-
Write-down feature	
If write-down, write-down trigger(s)	In case the Core Capital adequacy ratio or consolidated Core Capital adequacy ratio falls below 5,125 percent
If write-down, full or partial	Yes
If write-down, permanent or temporary	Temporary
If temporary write-down, description of write-up mechanism	It is possible to increase the value after temporary reduction.
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	i. After payments within the scope of priority liabilities, ii. Equal among themselves and with all other equal-level Liabilities without order of preference, and iii. Before all payments within the scope of low-level liabilities.
In compliance with article number 7 and 8 of “Own fund regulation”	In Compliance with Article number 7
Details of incompliances with article number 7 and 8 of “Own fund regulation”	In Compliance with Article number 7

(*) Profit share for participation banks.

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EXPLANATIONS RELATED TO THE FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

I. EXPLANATIONS ON THE CONSOLIDATED SHAREHOLDERS’ EQUITY (Continued)

Information of the borrowing instruments to be included in equity calculation (Continued):

Issuer	T.C. Ziraat Bankası A.Ş.
Unique identifier (CUSIP, ISIN etc.)	-
Governing Law(s) of the instrument	Implementing Regulation on Equities of Banks in the Official Gazette dated 5 September 2013
Regulatory treatment	
From 1/1/2015, 10% reduction by being subject to the application	No
Eligible at unconsolidated / consolidated	Unconsolidated/Consolidated
Instrument type (types to be specified by each jurisdiction)	Additional capital
Amount recognized in regulatory capital (As of the latest reporting date-Million TRY)	3.941
Par value of instrument (Million TRY)	3.941
Accounting classification	Liabilities/Subordinated Loan
Original date of issuance	5 April 2024
Perpetual or dated	Undated
Original maturity date	5 April 2024
Issuer call subject to prior supervisory approval	Yes
Optional call date, contingent call dates and redemption amount	Option date 5 years, (Subject to BRSA permission)
Subsequent call dates, if applicable	-
Coupons/dividends (*)	
Fixed or floating dividend/coupon	None
Coupon rate and any related index	8,5%
Existence of a dividend stopper	-
Fully discretionary, partially discretionary or mandatory	-
Existence of step up or other incentive to redeem	None
Noncumulative or cumulative	-
Convertible or non-convertible	
If convertible, conversion trigger (s)	-
If convertible, fully or partially	-
If convertible, conversion rate	-
If convertible, mandatory or optional conversion	-
If convertible, specify instrument type convertible into	-
If convertible, specify issuer of instrument it converts into	-
Write-down feature	
If write-down, write-down trigger(s)	-
If write-down, full or partial	-
If write-down, permanent or temporary	-
If temporary write-down, description of write-up mechanism	-
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	It gives the owner the right to be credited before the borrowing instruments to be included in the additional capital calculation, after the depositors and all other creditors.
In compliance with article number 7 and 8 of “Own fund regulation”	In Compliance with Article number 8
Details of incompliances with article number 7 and 8 of “Own fund regulation”	-

(*) Profit share for participation banks

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EXPLANATIONS RELATED TO THE FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

I. EXPLANATIONS ON THE CONSOLIDATED SHAREHOLDERS’ EQUITY (Continued)

Information of the borrowing instruments to be included in equity calculation (Continued):

Issuer	Ziraat Katılım MTN
Unique identifier (CUSIP, ISIN etc.)	XS2954917873
Governing Law(s) of the instrument	Implementing Regulation on Equities of Banks in the Official Gazette dated 5 September 2013
Regulatory treatment	
From 1/1/2015, 10% reduction by being subject to the application	No
Eligible at unconsolidated / consolidated	Unconsolidated/Consolidated
Instrument type (types to be specified by each jurisdiction)	Issuance of Foreign Sukuk with Contributory Capital Qualities and Capital-Like Characteristics
Amount recognized in regulatory capital (As of the latest reporting date-Million TRY)	11.823
Par value of instrument (Million TRY)	11.823
Accounting classification	Liabilities/Subordinated Loan
Original date of issuance	17 December 2024
Perpetual or dated	Dated
Original maturity date	10 (ten) years
Issuer call subject to prior supervisory approval	Yes
Optional call date, contingent call dates and redemption amount	Option date 5 years, (no conditional refund)
Subsequent call dates, if applicable	-
Coupons/dividends (*)	
Fixed or floating dividend/coupon	Fixed
Coupon rate and any related index	8,25%
Existence of a dividend stopper	-
Fully discretionary, partially discretionary or mandatory	-
Existence of step up or other incentive to redeem	-
Noncumulative or cumulative	-
Convertible or non-convertible	
If convertible, conversion trigger (s)	-
If convertible, fully or partially	-
If convertible, conversion rate	-
If convertible, mandatory or optional conversion	-
If convertible, specify instrument type convertible into	-
If convertible, specify issuer of instrument it converts into	-
Write-down feature	
If write-down, write-down trigger(s)	-
If write-down, full or partial	-
If write-down, permanent or temporary	-
If temporary write-down, description of write-up mechanism	-
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	It gives the owner the right to be credited before the borrowing instruments to be included in the additional capital calculation, after the depositors and all other creditors.
In compliance with article number 7 and 8 of “Own fund regulation”	In Compliance with Article number 8
Details of incompliance with article number 7 and 8 of “Own fund regulation”	-

(*) Profit share for participation banks.

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(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TRY”))

EXPLANATIONS RELATED TO THE FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

I. EXPLANATIONS ON THE CONSOLIDATED SHAREHOLDERS’ EQUITY (Continued)

Information of the borrowing instruments to be included in equity calculation (Continued):

Issuer	T.C. Ziraat Bankası A.Ş.
Unique identifier (CUSIP, ISIN etc.)	-
Governing Law(s) of the instrument	Implementing Regulation on Equities of Banks in the Official Gazette dated 5 September 2013
Regulatory treatment	
From 1/1/2015, 10% reduction by being subject to the application	No
Eligible at unconsolidated / consolidated	Unconsolidated/Consolidated
Instrument type (types to be specified by each jurisdiction)	Additional capital
Amount recognized in regulatory capital (As of the latest reporting date-Million TRY)	4.000
Par value of instrument (Million TRY)	4.000
Accounting classification	Liabilities/Subordinated Loan
Original date of issuance	30 December 2024
Perpetual or dated	Undated
Original maturity date	30 December 2024
Issuer call subject to prior supervisory approval	Yes
Optional call date, contingent call dates and redemption amount	Option date 5 years, (no conditional refund)
Subsequent call dates, if applicable	-
Coupons/dividends (*)	
Fixed or floating dividend/coupon	Fixed
Coupon rate and any related index	36%
Existence of a dividend stopper	-
Fully discretionary, partially discretionary or mandatory	-
Existence of step up or other incentive to redeem	-
Noncumulative or cumulative	-
Convertible or non-convertible	
If convertible, conversion trigger (s)	-
If convertible, fully or partially	-
If convertible, conversion rate	-
If convertible, mandatory or optional conversion	-
If convertible, specify instrument type convertible into	-
If convertible, specify issuer of instrument it converts into	-
Write-down feature	
If write-down, write-down trigger(s)	In case the Core Capital adequacy ratio or consolidated Core Capital adequacy ratio falls below 5,125 percent
If write-down, full or partial	Yes
If write-down, permanent or temporary	Temporary
If temporary write-down, description of write-up mechanism	It is possible to increase the value after temporary reduction.
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	i. After payments within the scope of priority liabilities, ii. Equal among themselves and with all other equal-level Liabilities without order of preference, and iii. Before all payments within the scope of low-level liabilities.
In compliance with article number 7 and 8 of “Own fund regulation”	In compliance with Article number 7
Details of incompliances with article number 7 and 8 of “Own fund regulation”	In compliance with Article number 7

(*) Profit share for participation banks.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 JUNE 2025

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TRY”))

EXPLANATIONS RELATED TO THE FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

I. EXPLANATIONS ON THE CONSOLIDATED SHAREHOLDERS’ EQUITY (Continued)

Required explanations for the reconciliation between table of equity components and balance sheet:

	Current Period 30 June 2025	Prior Period 31 December 2024
Equity value of balance sheet	23.935.195	22.371.038
Cost of development of operating lease	(1.275.384)	(1.367.288)
Goodwill and other intangible assets and related deferred tax liability	(1.960.974)	(1.362.609)
Debt instruments and premiums approved by BRSA	16.943.768	15.176.901
Tier II Capital (Provisions)	1.420.304	787.295
Debt instruments and premiums approved by BRSA - subordinated loans	5.620.929	5.267.788
Other values deducted from equity	(14.766)	(16.476)
Other	2.152.561	1.986.881
Amount taken into consideration in the calculation of legal equity	46.821.633	42.843.530

II. EXPLANATIONS ON THE CONSOLIDATED CURRENCY RISK

- a) **Whether the Parent Bank is exposed to foreign currency risk, whether the effects of this matter are estimated, whether limits for the daily followed positions are determined by the Board of Directors:**

The Bank’s policy is to avoid carrying significant position by means of foreign currency management. Therefore, the Bank is not exposed to significant currency risks. Risks are monitored by the currency risk tables prepared based on the standard method. Besides, “Value at Risk” (“VAR”) is calculated for daily foreign exchange position and reported to the related departments. VAR based currency risk limit is also followed which was approved by Board of Directors.

Moreover, dealer’s positions and limits for foreign exchange transactions are under the authorization of the Board of Directors.

- b) **Hedge against foreign exchange debt instruments and net foreign exchange investments by hedging derivative instruments, if material:**

None.

- c) **Foreign currency risk policy:**

Liquidity Gap Analysis” is performed to determine the liquidity risks in the most important foreign currencies in which the Bank operates, the US Dollar and Euro. Also, daily VAR analysis for following the currency risk and within the context of legal reporting, Foreign Currency Net General Position/Shareholders’ Equity Ratio and Foreign Currency Liquidity Position are also monitored regularly.

- d) **Current foreign exchange bid rates of the Group for the last 5 business days prior to the financial statement date:**

	USD	EUR	AUD	DKK	SEK	CHF	CAD	NOK	GBP	SAR	100 JPY
30.06.2025	39,4094	46,2277	25,6986	6,1697	4,1150	49,4111	28,5972	3,8745	54,0049	10,4292	27,0140
27.06.2025	39,5038	46,2536	25,6571	6,1738	4,1421	49,3040	28,6380	3,8956	54,1785	10,4542	26,9920
26.06.2025	39,3880	46,0798	25,6611	6,1498	4,1283	49,1447	28,5976	3,8938	54,0902	10,4236	27,0050
25.06.2025	39,3692	45,7151	25,4334	6,1017	4,1187	48,7531	28,3827	3,8586	53,6341	10,4186	26,7530
24.06.2025	39,2253	45,5296	25,3990	6,0771	4,0954	48,6092	28,3493	3,8587	53,4333	10,3780	26,8340
23.06.2025	39,3504	45,3378	25,1734	6,0521	4,0576	48,2591	28,3575	3,8759	53,0709	10,4089	26,5800

- e) **Simple arithmetic average of the Bank’s current foreign exchange bid rates for the last 30 days prior to the balance sheet date:**

	USD	EUR	AUD	DKK	SEK	CHF	CAD	NOK	GBP	SAR	100 JPY
	39,1108	45,0505	25,2981	6,0138	4,0703	47,9794	28,3289	3,8668	53,0666	10,3477	26,8038

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 JUNE 2025

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TRY”))

EXPLANATIONS RELATED TO THE FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

II. EXPLANATIONS ON THE CONSOLIDATED CURRENCY RISK (Continued)

f) Information on the foreign currency risk of the Group:

	EUR	USD	Other FC ^(***)	Total
Current Period				
Assets				
Cash (Cash in vault, effectives, money in transit, cheques purchased) and balances with Central Bank of the Republic of Türkiye	12.351.756	34.704.894	11.112.062	58.168.712
Banks	874.581	7.212.150	15.948.220	24.034.951
Financial assets at fair value through profit and loss	235.915	201.179	12.978.595	13.415.689
Money market placements	-	-	-	-
Financial assets at fair value through other comprehensive income	-	3.221.071	-	3.221.071
Loans ^(*)	97.878.659	107.111.814	1.655	204.992.128
Partnership Investments	-	-	-	-
Financial assets measured at amortized cost	1.905.240	-	-	1.905.240
Derivative financial assets for hedging purposes	-	-	-	-
Tangible fixed assets	-	46.145	1.938	48.083
Intangible assets	-	-	-	-
Other assets ^(****)	25.276	135.840	222.364	383.480
Total assets	113.271.427	152.633.093	40.264.834	306.169.354
Liabilities				
Current account and funds collected from Banks via participation accounts	66.643	73.170	881	140.694
Current and profit sharing accounts FC	84.042.442	84.960.969	39.357.511	208.360.922
Money market borrowings	-	-	-	-
Funds provided from other financial institutions	17.675.436	7.513.820	-	25.189.256
Marketable securities issued ^(*****)	-	50.687.290	-	50.687.290
Miscellaneous debts	192.993	159.954	1.279	354.226
Derivative financial liabilities for hedging purposes	-	-	-	-
Other liabilities ^(****)	2.058.010	16.543.576	30.770	18.632.356
Total liabilities	104.035.524	159.938.779	39.390.441	303.364.744
Net balance sheet position	9.235.903	(7.305.686)	874.393	2.804.610
Net off-balance sheet position ^(**)	(9.938.956)	5.766.976	-	(4.171.980)
Financial derivative assets	-	9.786.736	-	9.786.736
Financial derivative liabilities	9.938.956	4.019.760	-	13.958.716
Non-cash loans	28.890.470	35.849.849	2.819.290	67.559.609
Prior Period				
Total assets	91.300.404	98.411.047	28.057.866	217.769.317
Total liabilities	73.450.194	116.972.926	27.496.834	217.919.954
Net balance sheet position	17.850.210	(18.561.879)	561.032	(150.637)
Net off-balance sheet position	(16.993.508)	17.318.368	-	324.860
Financial derivative assets	-	17.318.368	-	17.318.368
Financial derivative liabilities	16.993.508	-	-	16.993.508
Non-cash loans	22.388.859	25.829.966	1.942.445	50.161.270

(*) Foreign currency indexed loans amounting to TRY 27.864 (31 December 2024: TRY 41.007) which are displayed as TRY in the consolidated financial statements, are shown with the relevant foreign currency code. Includes receivables from lease transactions.

(**) Shows the net of receivables from derivative financial instruments and payables from derivative financial instruments.

(***) 90% of the currencies in the other FC column of the assets section consists of Gold, 1% of GBP, 1% of CHF and the remaining 8% of other currencies. In the FC column of the liabilities section, 91% of the currencies are Gold, 1% of GBP, 1% of CHF and the remaining 7% are other currencies.

(****) Provisions and liabilities from lease transactions are included.

(*****) Prepaid expenses amounting to TRY 25.895 within other assets are not included in the table.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF
30 JUNE 2025**

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**EXPLANATIONS RELATED TO THE FINANCIAL POSITION AND RISK MANAGEMENT
(Continued)**

III. EQUITY SHARE POSITION RISK ON BANKING ACCOUNTS

Carrying value of share investments, for fair value and quoted securities, comparison with market value if market value is significantly different from fair value

The Parent Bank does not have any subsidiaries and affiliates traded on Borsa Istanbul.

The breakdown of the amount of capital liabilities on the basis of the relevant share investments, depending on the method of calculating the capital obligation selected by the bank from among the approaches allowed to be used in the Communiqué on Credit Risk Standard Method or Communiqué Related to Calculation of Credit Risk Based Approach Based on Internal Grading:

According to the standard method of credit risk, equity investments in banking accounts are TRY 76.312 all of which are 100% risk weighted (31 December 2024: TRY 52.913).

IV. EXPLANATIONS RELATED TO LIQUIDITY RISK MANAGEMENT AND LIQUIDITY COVERAGE RATIO

General principles of liquidity and financial emergency situation management and the related application procedures are considered in the scope of “Regulation for Liquidity Risk and Liquidity and Financial Emergency Situation Management”.

Generally participation accounts concentration weighted for 1 month in both banking and participation banking sectors, collecting funds are longer than maturity perceived as an element of risk, in order to reduce the risk, attention showed to the liquidity of maturity group which is due for one month.

The Parent Bank performs “Remaining Maturity Analysis” for the observation of the maturity structure of the balance sheet, “Liquidity Gap” and “Structural Liquidity Gap Analysis” for the monitoring of the liquidity and between periods and Liquidity Stress Test for the evaluation of the Bank’s liquidity and in the worst case scenario and the loss associated with it. Besides, in order to compare the Bank’s level of liquidity risk with the sector, average remaining maturity balances of Bank-Sector and legal liquidity rates are monitored.

The Parent Bank calculates and reports the liquidity adequacy ratio to BRSA on weekly unconsolidated basis in accordance with “Regulation for Regulation on Banks’ Liquidity Coverage Ratio Calculation” issued in Official Gazette numbered 28948 and dated 21 March 2014. The liquidity coverage of the Bank is over the limit values specified in the mentioned regulation.

Also on the purpose of the liquidity risk management, risk limits and threshold determined as a part of risk appetite and daily monitored.

1) Liquidity Risk

a) Basis for the current liquidity risk of the Parent Bank and whether the necessary measures taken, limitations imposed by the Bank’s Board of Directors on fund sources that can be used in payment of matured debts and can meet the immediate liquidity need:

The Parent Bank’s fund resources consist of mainly participation funds. The bank is gathering funds in the name of participation accounts that the principal and predetermined yield are not guaranteed to paid back to the holder of account, and participation rates to profit or loss that results from funds to be operated are reflected to the related accounts. For this reason, the assets and liabilities of the Bank are compatible with the dividend rates.

The Parent Bank, TRY and FC liquidity meets its needs mostly from the funds collected, internal and external sources that can be used in an emergency in order to meet the liquidity requirements are monitored periodically, borrowing limits of the markets organized by the Bank and other banks, liquidity levels that can be met. The Bank manages liquidity risk within the regulations of Liquidity Risk and Liquidity and Financial Emergency Management.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 JUNE 2025

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TRY”))

EXPLANATIONS RELATED TO THE FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

IV. EXPLANATIONS RELATED TO LIQUIDITY RISK MANAGEMENT AND LIQUIDITY COVERAGE RATIO (Continued)

1) Liquidity Risk (Continued)

b) Payments, whether assets and liabilities are compatible with the rate of profit, whether the measurement of the probable effects of the actual inconsistency on profitability is done or not:

Payments, assets and liabilities and profit rates are monitored regularly by the management to track whether it is compatible or not and there is no dissonance whatsoever.

c) The Parent banks internal and external sources to meet the short and long-term liquidity needs, unused significant liquidity sources:

Although the Parent Bank’s assets average maturity is longer than collected funds, most of the securities, available for sale and held to maturity, make periodic coupon payment which is no longer than six months and monthly credit receivables payments provide cash flow to the Bank.

d) Evaluation of the Parent banks cash flow rates and its sources:

The Parent Bank’s main source is the participation funds, these funds are evaluated at other participation banks and loan placements. The banks most important cash inflows are receivables from banks and financial institutions and regular cash inflows from these institutions are seen as a factor that reduce the liquidity risk. Also, monthly installment payments for loans are used to meet the Bank’s resource needs

2) Liquidity Coverage Ratio

Liquidity coverage ratio, established in order to hold and provide premium liquidity asset stock, which is adequately fulfill the Bank’s net cash outflow, calculated within the scope of “Calculation of The Liquidity Coverage Ratio” regulation that was published by BRSA. Liquidity coverage ratio directly affected by Bank’s asset, liability and potential cash inflow and outflow which is derived from off-balance sheet transactions with the level of liquid assets that can be realizable at any time and not mentioned to any collaterals.

The Parent Bank’s premium liquidity asset stock; consists of debt securities which is not subjected to any collateral or repurchase agreement transaction and basically export from the Ministry of Treasury and Finance of Republic of Türkiye along with cash assets and care of Central Bank of the Republic of Türkiye’s accounts.

The Parent Bank’s principal funding source represented by participation funds. Repurchase agreement transaction provided by funds and debts which comes from financial institutions take a part within the external participation fund debt items.

Effective management of liquidity risk is possible by preventing concentrations in liquidity-related asset and liability items. The participation fund, which constitutes the Bank’s main source of funds, is obtained from many different customers.

The lowest and highest Liquidity Coverage Ratios for the last three months period of 2025 are listed in the table below.

Current Period	Highest	Date	Lowest	Date
TRY+FC	223,79	28.04.2025	138,11	09.04.2025
FC	406,18	23.05.2025	155,08	09.04.2025

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EXPLANATIONS RELATED TO THE FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

IV. EXPLANATIONS RELATED TO LIQUIDITY RISK MANAGEMENT AND LIQUIDITY COVERAGE RATIO (Continued)

2) Liquidity Coverage Ratio (Continued)

Derivative transactions are included in calculation of the liquidity coverage ratio over the cash flows within the 30 days basis time slots.

Current Period 30 June 2025	Consideration Ratio Not Applied Total Value (*)		Consideration Ratio Applied Total Value (*)	
	TRY+FC	FC	TRY+FC	FC
HIGH QUALITY LIQUID ASSETS				
High quality liquid assets	-	-	138.659.314	67.664.841
CASH OUTFLOWS				
Real person deposits and retail deposits	157.781.060	78.350.409	15.311.925	7.942.768
Stable deposit	15.584.479	-	779.224	-
Deposit with low stability	142.196.581	78.350.409	14.532.701	7.942.768
Unsecured debts except real person deposits and retail deposits	232.964.808	95.234.481	112.775.474	43.180.370
Operational deposit	-	-	-	-
Non-operational deposits	-	-	-	-
Other unsecured debts	232.964.808	95.234.481	112.775.474	43.180.370
Secured debts	-	-	-	-
Other cash outflows	168.148.233	77.942.093	24.196.249	18.319.752
Derivative liabilities and margin obligations	17.176.620	14.974.582	15.649.363	14.974.582
Debt from structured financial instruments	-	-	-	-
Other off-balance sheet liabilities and commitments for the payment owed to financial markets	3.571.796	821.308	1.176.895	237.860
Revocable off-balance sheet obligations regardless of any other requirement and other contractual obligations	-	-	-	-
Other irrevocable or provisory revocable off-balance sheet liabilities	147.399.817	62.146.203	7.369.991	3.107.310
TOTAL CASH OUTFLOWS	-	-	152.283.648	69.442.890
CASH INFLOWS				
Secured receivables	-	-	-	-
Unsecured claims	79.281.489	46.203.820	56.922.375	39.879.832
Other cash inflows	15.799.083	5.515.546	15.799.083	5.515.546
TOTAL CASH INFLOWS	95.080.572	51.719.366	72.721.458	45.395.378
			Upper Limit Applied Values	
TOTAL HIGH QUALITY LIQUID ASSET STOCK	-	-	138.659.314	67.664.841
TOTAL NET CASH OUTFLOWS	-	-	79.562.188	24.047.513
LIQUIDITY COVERAGE RATIO (%)	-	-	174	281

(*) The monthly simple arithmetic average calculated liquidity coverage ratio of the last three months average.

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EXPLANATIONS RELATED TO THE FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

IV. EXPLANATIONS RELATED TO LIQUIDITY RISK MANAGEMENT AND LIQUIDITY COVERAGE RATIO (Continued)

2) Liquidity Coverage Ratio (Continued)

Prior Period 31 December 2024	Consideration Ratio Not Applied Total Value (*)		Consideration Ratio Applied Total Value (*)	
	TRY+FC	FC	TRY+FC	FC
HIGH QUALITY LIQUID ASSETS				
High quality liquid assets	-	-	112.604.202	44.535.225
CASH OUTFLOWS				
Real person deposits and retail deposits	132.946.873	62.098.242	13.016.657	6.304.286
Stable deposit	11.579.444	-	578.972	-
Deposit with low stability	121.367.429	62.098.242	12.437.685	6.304.286
Unsecured debts except real person deposits and retail deposits	159.202.423	62.516.344	85.195.729	29.730.321
Operational deposit	-	-	-	-
Non-operational deposits	-	-	-	-
Other unsecured debts	159.202.423	62.516.344	85.195.729	29.730.321
Secured debts	-	-	-	-
Other cash outflows	139.812.078	60.122.341	17.728.799	12.604.186
Derivative liabilities and margin obligations	12.036.483	10.011.161	10.636.929	10.011.161
Debt from structured financial instruments	-	-	-	-
Other off-balance sheet liabilities and commitments for the payment owed to financial markets	2.491.402	451.485	827.660	110.041
Revocable off-balance sheet obligations regardless of any other requirement and other contractual obligations	-	-	-	-
Other irrevocable or provisory revocable off-balance sheet liabilities	125.284.193	49.659.695	6.264.210	2.482.984
TOTAL CASH OUTFLOWS	-	-	115.941.185	48.638.793
CASH INFLOWS				
Secured receivables	-	-	-	-
Unsecured claims	52.145.980	29.948.991	37.004.563	25.658.301
Other cash inflows	10.863.311	8.728.417	10.863.311	8.728.417
TOTAL CASH INFLOWS	63.009.291	38.677.408	47.867.874	34.386.718
			Upper Limit Applied Values	
TOTAL HIGH QUALITY LIQUID ASSET STOCK	-	-	112.604.202	44.535.225
TOTAL NET CASH OUTFLOWS	-	-	68.073.311	14.252.076
LIQUIDITY COVERAGE RATIO (%)	-	-	165	312

(*) The monthly simple arithmetic average calculated liquidity coverage ratio of the last three months average.

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EXPLANATIONS RELATED TO THE FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

IV. EXPLANATIONS RELATED TO LIQUIDITY RISK MANAGEMENT AND LIQUIDITY COVERAGE RATIO (Continued)

3) Presentation of assets and liabilities according to their remaining maturities

	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and over	Undistributed (**)	Total
Current Period								
30 June 2025								
Assets								
Cash (Cash in Vault, Effectives, Money in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Türkiye	38.875.000	67.774.629	-	-	-	-	-	106.649.629
Banks	24.141.862	416	-	-	-	-	-	24.142.278
Financial Assets at Fair Value Through Profit and Loss	-	437.094	-	9.758.197	3.220.398	-	-	13.415.689
Money Market Placements	-	-	-	-	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	-	52.670	-	1.566.680	33.920.210	1.187.628	76.312	36.803.500
Loans Given (****)	-	31.428.025	50.078.635	133.936.073	169.967.604	23.119.141	4.036.940	412.566.418
Financial Assets Measured at Amortised Cost	-	-	346.097	-	14.384.968	5.136.044	-	19.867.109
Other Assets	-	-	-	-	-	-	19.357.197	19.357.197
Total Assets (*)	63.016.862	99.692.834	50.424.732	145.260.950	221.493.180	29.442.813	23.470.449	632.801.820
Liabilities								
Funds Collected from Banks Via Current and Participation Accounts	151.659	-	-	-	-	-	-	151.659
Current and Participation Accounts	85.618.029	285.457.460	79.537.751	16.087.546	364.962	-	-	467.065.748
Funds Provided from Other Financial Instruments	-	4.235.606	6.578.266	14.227.839	611.674	1.156.681	-	26.810.066
Money Market Borrowings	-	6.706.598	249.773	18.630	-	-	-	6.975.001
Issued Marketable Securities	-	5.999.889	13.216.928	21.269.200	27.280.449	-	-	67.766.466
Miscellaneous Debts	-	-	-	-	-	-	1.709.449	1.709.449
Other Liabilities (***)	-	-	-	-	6.892.511	16.907.722	38.523.198	62.323.431
Total Liabilities	85.769.688	302.399.553	99.582.718	51.603.215	35.149.596	18.064.403	40.232.647	632.801.820
Liquidity Gap	(22.752.826)	(202.706.719)	(49.157.986)	93.657.735	186.343.584	11.378.410	(16.762.198)	-
Net Off-Balance Sheet Position	-	(110.229)	-	-	-	-	-	(110.229)
Receivables From Derivative Financial Instruments	-	13.848.487	-	-	-	-	-	13.848.487
Financial Derivative Liabilities	-	13,958,716	-	-	-	-	-	13,958,716
Non-Cash Loans	28.539.002	6.902.948	12.554.358	53.830.078	28.050.835	8.990.659	-	138.867.880

(*) The expected loss provisions for financial assets and other assets are reflected in the related items.

(**) Assets which are required for banking operations and could not be converted into cash in short-term, such as; property and equipment associates, subsidiaries and entities under common control, office supply inventory, prepaid expenses and net under follow-up loans as well as securities representing a share in capital; and other liabilities such as provisions which are not considered as payables and equity are classified as undistributed.

(***) The total of subordinated debt instruments is shown in this column.

(****) Includes receivables from lease transactions.

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EXPLANATIONS RELATED TO THE FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

IV. EXPLANATIONS RELATED TO LIQUIDITY RISK MANAGEMENT AND LIQUIDITY COVERAGE RATIO (Continued)

3) Presentation of assets and liabilities according to their remaining maturities (Continued):

	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and over	Undistributed (**)	Total
Prior Period 31 December 2024								
Assets								
Cash (Cash in Vault, Effectives, Money in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Türkiye	61.608.350	41.820.282	-	-	-	-	-	103.428.632
Banks	16.635.647	4.039.545	-	-	-	-	-	20.675.192
Financial Assets at Fair Value Through Profit and Loss	-	1.530.160	-	-	7.953.787	-	-	9.483.947
Money Market Placements	-	-	-	-	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	-	36.380	-	3.270.576	20.053.182	2.639.486	52.913	26.052.537
Loans Given ^(****)	-	19.404.110	41.762.677	100.662.600	139.249.142	15.513.706	1.271.478	317.863.713
Financial Assets Measured at Amortised Cost	-	-	-	438.973	14.308.065	4.666.479	-	19.413.517
Other Assets	-	-	-	-	-	-	13.240.790	13.240.790
Total Assets(*)	78.243.997	66.830.477	41.762.677	104.372.149	181.564.176	22.819.671	14.565.181	510.158.328
Liabilities								
Funds Collected from Banks Via Current and Participation Accounts	2.122.132	-	-	-	-	-	-	2.122.132
Current and Participation Accounts	71.005.116	186.512.714	71.629.687	25.511.110	871.944	-	-	355.530.571
Funds Provided from Other Financial Instruments	-	7.778.118	5.524.183	13.544.177	450.404	1.207.259	-	28.504.141
Money Market Borrowings	-	26.163.921	-	-	-	-	-	26.163.921
Issued Marketable Securities	-	4.519.635	7.650.956	14.274.236	17.645.675	-	-	44.090.502
Miscellaneous Debts	-	-	-	-	-	-	1.340.789	1.340.789
Other Liabilities ^(***)	-	-	-	-	1.766.881	19.078.214	31.561.177	52.406.272
Total Liabilities	73.127.248	224.974.388	84.804.826	53.329.523	20.734.904	20.285.473	32.901.966	510.158.328
Liquidity Gap	5.116.749	(158.143.911)	(43.042.149)	51.042.626	160.829.272	2.534.198	(18.336.785)	-
Net Off-Balance Sheet Position	-	222.813	102.047	-	-	-	-	324.860
Receivables From Derivative Financial Instruments	-	11.069.733	6.248.635	-	-	-	-	17.318.368
Financial Derivative Liabilities	-	10.846.920	6.146.588	-	-	-	-	16.993.508
Non-Cash Loans	24.317.354	5.769.590	13.118.475	45.242.205	19.382.778	8.615.028	-	116.445.430

(*) The expected loss provisions for financial assets and other assets are reflected in the related accounts.

(**) From the active accounts that make up the balance sheet, other assets that are required for the continuation of banking activities and that do not have the opportunity to turn into cash in a short time, such as securities representing the share in the capital and fixed assets, subsidiaries, subsidiaries, jointly controlled partnerships, stocks, prepaid expenses and net NPLs. accounts; among the liability accounts that make up the balance sheet, other liability accounts such as non-debt provisions and total equity are shown in this column.

(***) The total of subordinated debt instruments is shown in this column.

(****) Includes receivables from lease transactions.

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EXPLANATIONS RELATED TO THE FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

IV. EXPLANATIONS RELATED TO LIQUIDITY RISK MANAGEMENT AND LIQUIDITY COVERAGE RATIO (Continued)

4) Net Stable Funding Ratio Template

At the end of the current period, the consolidated NSFR and the elements constituting NSFR are shown in the table below, and the six-month simple arithmetic average NSFR is 115,82% (First quarter of 2025 124,24%). The average NSFR for the last three months of the current period was 118,30% (First quarter of 2025: 126,39%).

Current Period		a	b	c	ç	d
30.06.2025		Unweighted amount by residual maturity				Weighted Amount
		Undated/No Maturity (*)	Up to 6 months	6 Months to 1 year	1 year and more than 1 year	
Available Stable Funding						
1	Capital Instruments	22.889.372	-	-	20.943.768	43.833.141
2	Regulatory capital	22.889.372	-	-	20.943.768	43.833.141
3	Other capital instruments	-	-	-	-	-
4	Deposits (from retail and small business customers)	46.658.850	42.330.707	73.564.137	-	147.220.032
5	Stable Deposits (from retail and small business customers)	4.124.497	-	14.309.657	-	17.512.446
6	Less Stable Deposits (from retail and small business customers)	42.534.353	42.330.707	59.254.480	-	129.707.586
7	Wholesale funding	92.286.700	315.553.031	22.134.725	-	157.220.908
8	Operational deposits	-	168.749.511	-	-	-
9	Other wholesale funding	92.286.700	146.803.520	22.134.725	-	157.220.908
10	Liabilities with matching interdependent assets	-	-	-	-	-
11	Other liabilities	16.166.022	-	-	-	-
12	Net Derivatives Liabilities	-	-	-	-	-
13	All other liabilities and equity not included in the above categories	16.166.022	-	-	-	-
14	Total Available Stable Funding					348.274.079
Required Stable Funding						
15	High Quality Liquid Assets (HQLA)	-	-	-	-	3.432.126
16	Deposits held at other financial institutions for operational purposes	-	-	-	39.064.377	39.064.377
17	Performing loan and securities	-	202.510.218	86.969.526	139.098.312	249.510.982
18	Performing loans to financial institutions secured by Level 1 HQLA	-	-	392.214	-	196.107
19	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	32.182.415	-	-	4.827.362
20	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs	-	170.327.803	86.577.312	131.561.858	239.315.325
21	<i>35% or Lower Risk Weight</i>	-	170.327.803	86.577.312	131.561.858	239.315.325
22	Residential Mortgage Secured Loans	-	-	-	6.168.991	4.009.844
23	<i>35% or Lower Risk Weight</i>	-	-	-	6.168.991	4.009.844
24	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	-	-	-	1.367.463	1.162.344
25	Assets with matching interdependent liabilities	-	-	-	-	-
26	Other Assets	879.305	110.036	-	-	857.445
27	Physical traded commodities (including gold)	879.305	-	-	-	747.409
28	Initial Margin of Derivative Contracts or Default Funds Provided to a Central Counterparty	-	-	-	-	-
29	Net Derivative Assets	-	-	-	110.036	110.036
30	Derivatives Liabilities Before Deducting Variation Margin Posted	-	-	-	-	-
31	All other assets not included in the above categories	-	-	-	-	-
32	Off Balance Sheet Liabilities	-	41.065.083	32.798.049	49.827.943	7.834.591
33	Total Required Stable Funding					300.699.521
34	Net Stable Funding Ratio (%)					115,82

(*) The items reported in the Undated/No Maturity column do not have a specific maturity. These include, but are not limited to, equity components without a specific maturity, demand deposits, short positions, and positions with an unspecified/uncertain maturity.

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EXPLANATIONS RELATED TO THE FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

IV. EXPLANATIONS RELATED TO LIQUIDITY RISK MANAGEMENT AND LIQUIDITY COVERAGE RATIO (Continued)

4) Net Stable Funding Ratio Template (Continued)

Prior Period		a	b	c	ç	d
31.12.2024		Unweighted amount by residual maturity				Weighted Amount
		Undated/No Maturity (*)	Up to 6 months	6 Months to 1 year	1 year and more than 1 year	
Available Stable Funding						
1	Capital Instruments	39.897.300	-	-	-	39.897.300
2	Regulatory capital	39.897.300	-	-	-	39.897.300
3	Other capital instruments	-	-	-	-	-
4	Deposits (from retail and small business customers)	36.249.842	32.660.523	69.233.538	-	125.022.921
5	Stable Deposits (from retail and small business customers)	3.237.559	-	10.630.599	-	13.174.750
6	Less Stable Deposits (from retail and small business customers)	33.012.283	32.660.523	58.602.939	-	111.848.171
7	Wholesale funding	75.847.683	237.215.607	23.995.702	-	140.879.846
8	Operational deposits	-	96.322.945	-	-	-
9	Other wholesale funding	75.847.683	140.892.662	23.995.702	-	140.879.846
10	Liabilities with matching interdependent assets	-	-	-	-	-
11	Other liabilities	12.584.396	351.277	-	-	-
12	Net Derivatives Liabilities	-	-	-	351.277	-
13	All other liabilities and equity not included in the above categories	12.584.396	-	-	-	-
14	Total Available Stable Funding					305.800.067
Required Stable Funding						
15	High Quality Liquid Assets (HQLA)	-	-	-	-	2.693.918
16	Deposits held at other financial institutions for operational purposes	-	-	-	23.048.957	23.048.957
17	Performing loan and securities	-	168.058.087	68.829.719	99.159.529	190.242.268
18	Performing loans to financial institutions secured by Level 1 HQLA	-	-	478.012	-	239.006
19	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	28.604.537	-	-	4.290.680
20	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs	-	139.453.550	68.351.707	91.524.992	180.519.684
21	<i>35% or Lower Risk Weight</i>	-	139.453.550	68.351.707	91.524.992	180.519.684
22	Residential Mortgage Secured Loans	-	-	-	6.482.290	4.213.488
23	<i>35% or Lower Risk Weight</i>	-	-	-	6.482.290	4.213.488
24	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	-	-	-	1.152.247	979.410
25	Assets with matching interdependent liabilities	-	-	-	-	-
26	Other Assets	705.434	-	-	-	599.619
27	Physical traded commodities (including gold)	705.434	-	-	-	599.619
28	Initial Margin of Derivative Contracts or Default Funds Provided to a Central Counterparty	-	-	-	-	-
29	Net Derivative Assets	-	-	-	-	-
30	Derivatives Liabilities Before Deducting Variation Margin Posted	-	-	-	-	-
31	All other assets not included in the above categories	-	-	-	-	-
32	Off Balance Sheet Liabilities	-	34.260.826	29.869.443	38.996.931	6.528.350
33	Total Required Stable Funding					223.113.112
34	Net Stable Funding Ratio (%)					137,06

(*) The items reported in the Undated/No Maturity column do not have a specific maturity. These include, but are not limited to, equity components without a specific maturity, demand deposits, short positions, and positions with an unspecified/uncertain maturity.

There are no changes in the bank's strategies, funding structure, asset and liability composition that will significantly affect the net stable funding ratio compared to the previous period.

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EXPLANATIONS RELATED TO THE FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

V. EXPLANATIONS ON CONSOLIDATED LEVERAGE RATIO

As of 30 June 2025, the leverage ratio of the Bank calculated from quarterly average amounts is 3,23% (31 December 2024: 3,67%). The relevant rate is above the minimum rate specified in accordance with the "Regulation on the Measurement and Evaluation of the Leverage Level of Banks". The reason for the change between the current period and the previous period's leverage ratio is that the average total risk increase rate is higher than the increase in average capital. The regulation stipulated the minimum leverage ratio as 3%.

Leverage ratio disclosure as follows:

	Current Period (*) 30 June 2025	Prior Period (*) 31 December 2024
Balance sheet assets		
Balance sheet assets (Except for derivative financial instruments and credit derivatives, including warranties)	605.821.209	475.599.163
(Assets deducted from main capital)	(6.550.141)	(5.720.340)
Total risk amount of the balance sheet assets	599.271.068	469.878.823
Derivative financial instruments and credit derivatives		
Replacement cost of derivative financial instruments and credit derivatives	52.786	58.007
Potential credit risk amount of derivative financial instruments and credit derivatives	73.046	95.599
Total risk amount of derivative financial instruments and credit derivative	176.164	153.606
Security or secured financing transactions		
Risk amount of security or secured financing transactions (Except balance sheet)	3.109.295	1.818.006
Risk amount due to intermediated transactions	-	-
Total risk amount of security or secured financing transactions	3.109.295	1.818.006
Off-balance sheet transactions		
Gross nominal amount of off-balance sheet transactions (Adjustment amount resulting from multiplying by credit conversion rates)	159.165.646	133.122.216
Risk amount of the off-balance sheet transactions	159.165.646	133.122.216
Equity and total risk		
Main capital	24.622.590	22.195.185
Total risk amount	761.722.171	605.279.862
Leverage ratio		
Leverage ratio %	3,23	3,67

(*) Amounts in the table are obtained on the basis of three-month weighted average.

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EXPLANATIONS RELATED TO THE FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

VI. EXPLANATIONS ON SECURITIZATION POSITIONS

None.

VII. EXPLANATIONS ON RISK MANAGEMENT

Notes and explanations in this section have been prepared in accordance with the “Communiqué On Disclosures About Risk Management to be Announced To Public By Banks” that have been published in Official Gazette no. 29511 on 23 October 2015 and became effective as of 31 March 2016. Due to usage of standard approach for the calculation of capital adequacy by the Bank, tables that need to be prepared within the scope of Internal Ratings Based (“IRB”) have not been presented.

Within the scope of risk management, there are many risks that affect our bank’s financial performance significantly. These risks include the risk of credit risk, market risk, operational risk, liquidity risk and profit share ratio arising from banking accounts. Risk management strategy is based on the mission and vision of bank and is aimed to respond to customers’ financial needs in the most appropriate way and to support their financial success. In this context, business practices and our working model support prudent risk management practices.

Internal bank risk appetite has been established and is periodically shared with top management in order to follow the specified risks. In addition, detailed risk management reports, including stress tests and scenario analyzes, where all risks are analyzed in detail, are reported to the Audit Committee.

Scenarios such as sudden changes in the curriculum, changes in country grades, changes in the loan portfolio are taken into account in the stress tests conducted.

The capital adequacy ratio is followed up by the simulation method on a daily basis although it is followed up within the monthly period which is the legal submission period. The liquidity coverage ratio of the bank is monitored daily by the risk management and is shared with the top management of the bank and the treasury unit.

In order to create a common risk culture in Parent Bank, Bank employees are given risk management training and strategically important units have detailed explanations about the importance of risk management. Risk management policies and procedures, banking regulations based on significant risks, are available to all employees working in our bank.

The Parent Bank is developing a system for risk measurement methods. In the present case, standard methods are generally used in the calculations and preparations are made for advanced methods with the growth of our bank. All risk processes are closely monitored.

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EXPLANATIONS RELATED TO THE FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

VII. EXPLANATIONS ON RISK MANAGEMENT (Continued)

1. Explanations on Risk Management and Risk-Weighted Amount:

Overview of Risk-Weighted Amounts

		Risk Weighted Amount		Minimum Capital Requirement
		Current Period 30 June 2025	Prior Period 31 December 2024	Current Period 30 June 2025
1	Credit risk (excluding counterparty credit risk)	261.184.657	187.927.172	20.894.773
2	Standardized approach	261.184.657	187.927.172	20.894.773
3	Internal rating-based approach	-	-	-
4	Counterparty credit risk	1.612.773	2.773.090	129.022
5	Standardized approach for counterparty credit risk	1.612.773	2.773.090	129.022
6	Internal model method	-	-	-
7	Basic risk weight approach to internal models equity position in the banking account	-	-	-
8	Investments made in collective investment companies - look-through approach	-	-	-
9	Investments made in collective investment companies – mandate-based approach	52.669	36.380	4.214
10	Investments made in collective investment companies - 1250% weighted risk approach	-	-	-
11	Settlement risk	-	-	-
12	Securitization positions in banking accounts	-	-	-
13	IRB ratings-based approach	-	-	-
14	IRB Supervisory Formula approach	-	-	-
15	SA/simplified supervisory formula approach	-	-	-
16	Market risk	6.387.975	5.595.063	511.038
17	Standardized approach	6.387.975	5.595.063	511.038
18	Internal model approaches	-	-	-
19	Operational risk	18.871.008	13.553.966	1.509.681
20	Basic Indicator approach	18.871.008	13.553.966	1.509.681
21	Standard approach	-	-	-
22	Advanced measurement approach	-	-	-
23	The amount of the discount threshold under the equity (subject to a 250% risk weight)	-	-	-
24	Floor adjustment	-	-	-
25	Total (1+4+7+8+9+10+11+12+16+19+23+24)	288.109.082	209.885.671	23.048.728

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(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TRY”))

EXPLANATIONS RELATED TO THE FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

VII. EXPLANATIONS ON RISK MANAGEMENT (Continued)

2. Credit Risk Disclosures

2.1) General information on credit risk

a) Credit quality of assets

		a		b		c		d	
		The amount valued in accordance with TAS in the financial statements prepared in accordance with legal consolidation		Allowances/Amortisation and impairments		Net values (a+b-c)			
Current Period 30 June 2025		Defaulted	Non-defaulted						
1	Loans (*)	7.239.387	412.453.024	7.125.993					412.566.419
2	Debt securities	-	70.563.140	476.842					70.086.298
3	Off-balance sheet exposures	-	163.745.490	65.480					163.680.010
4	Total	7.239.387	646.761.654	7.668.315					646.332.729

(*) Financial lease amounting to TRY 76.685.204 is included in the table.

		a		b		c		d	
		The amount valued in accordance with TAS in the financial statements prepared in accordance with legal consolidation		Allowances/Amortisation and impairments		Net values (a+b-c)			
Prior Period 31 December 2024		Defaulted	Non-defaulted						
1	Loans (*)	2.894.955	318.765.524	3.796.765					317.863.714
2	Debt securities	-	55.418.415	468.414					54.950.001
3	Off-balance sheet exposures	-	136.599.920	39.114					136.560.806
4	Total	2.894.955	510.783.859	4.304.293					509.374.521

(*) Financial lease amounting to TRY 53.314.093 is included in the table.

b) Changes on defaulted loans and debt securities

Current Period 30 June 2025		
1	Defaulted loans and debt securities at end of the previous reporting period	2.894.955
2	Loans and debt securities that have defaulted since the last reporting period	5.102.935
3	Returned to non-defaulted status	42.796
4	Amounts written off	-
5	Other changes	(801.299)
6	Defaulted loans and debt securities at end of the reporting period (1+2-3-4±5) definitions	7.239.387

Prior Period 31 December 2024		
1	Defaulted loans and debt securities at end of the previous reporting period	1.940.950
2	Loans and debt securities that have defaulted since the last reporting period	2.655.079
3	Returned to non-defaulted status	53.783
4	Amounts written off	-
5	Other changes	(1.754.857)
6	Defaulted loans and debt securities at end of the reporting period (1+2-3-4±5) definitions	2.894.955

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EXPLANATIONS RELATED TO THE FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

VII. EXPLANATIONS ON RISK MANAGEMENT (Continued)

2. Credit Risk Disclosures (Continued)

2.2) Credit risk mitigation (Continued)

a) Credit risk mitigation techniques – Overview

Current Period 30 June 2025	Unsecured receivables: Amount assessed pursuant to TAS	Receivables secured by guarantee	Collateralized portions of collateralized receivables	Receivables protected by financial guarantees	Collateralized portions of receivables protected by financial guarantees	Receivables protected by credit derivatives	Collateralized portions of receivables protected by credit derivatives
Loans *	346.759.613	24.198.922	8.159.598	3.536.503	2.419.054	-	-
Debt Securities *	55.675.090	-	-	-	-	-	-
Total	402.434.703	24.198.922	8.159.598	3.536.503	2.419.054	-	-
Of which defaulted *	7.052.425	108.020	3.042	-	-	-	-

(*) Based on the article titled "Changes Regarding the Calculation of Capital Adequacy" dated 19.12.2024 by BRSA, it has been decided to continue calculating the Amount Subject to Credit Risk by using the Central Bank foreign exchange buying rate of 28.06.2024, starting from January 2025, until a Board Decision to the contrary is taken. For this reason, the figures in the Credit Risk Mitigation Techniques table show an exchange rate difference of 41.607.883 Thousand TRY in "Loans", 14.411.208 Thousand TRY in "Debt Instruments" and 78.942 Thousand TRY in the "Default" class.

Prior Period 31 December 2024	Unsecured receivables: Amount assessed pursuant to TAS	Receivables secured by guarantee	Collateralized portions of collateralized receivables	Receivables protected by financial guarantees	Collateralized portions of receivables protected by financial guarantees	Receivables protected by credit derivatives	Collateralized portions of receivables protected by credit derivatives
Loans *	260.448.635	21.709.768	8.466.894	3.788.476	1.948.672	-	-
Debt Securities *	44.461.325	-	-	-	-	-	-
Total	304.909.960	21.709.768	8.466.894	3.788.476	1.948.672	-	-
Of which defaulted *	2.865.746	3.771	1.472	-	-	-	-

(*) Based on the article titled "Changes Regarding the Calculation of Capital Adequacy" dated 12.12.2023 by BRSA, it has been decided to continue calculating the Amount Subject to Credit Risk by using the Central Bank foreign exchange buying rate of 26.06.2023, starting from January 2024, until a Board Decision to the contrary is taken. For this reason, the figures in the Credit Risk Mitigation Techniques table show an exchange rate difference of TRY 35.705.310 Thousand in "Loans", TRY 4.045.373 Thousand in "Debt Instruments" and TRY 25.438 Thousand in the "Default" class. Additionally, within the scope of consolidation, a difference of TRY 6.443.303 thousand is observed in "Debt Instruments" due to the deduction of participation risks.

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EXPLANATIONS RELATED TO THE FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

VII. EXPLANATIONS ON RISK MANAGEMENT (Continued)

2. Credit Risk Disclosures (Continued)

2.2) Credit risk if standard approach is used (Continued)

a) Qualitative explanations on ratings used by banks while calculating credit risk with standard approach

The Bank uses the ratings given by the Fitch Ratings International Rating Agency in the risk classes of Receivables from Central Governments or Central Banks, Receivables from Regional Governments or Local Governments, and Receivables from Administrative Units and Non-Commercial Enterprises. Receivables From Banks In the risk class, Fitch Ratings notes are used for Receivables from Resident Banks, and no rating agency notes are used for receivables from domestic resident Banks. While our country grade used for Receivables from Central Governments or Central Banks, Receivables from Regional Governments or Local Governments and Receivables from Administrative Units and Non-Commercial Enterprises corresponds to 3 in the Credit Quality Level, the notes used in the Receivables from Banks and Intermediary Institutions risk class are from 1 to 6 matched with credit quality tiers.

b) Standard Approach - Loan risk exposure and the effects of loan risk reduction technique

	Current Period 30 June 2025	Exposures before CCF and CRM		Exposures post-CCF and CRM		Risk weighted amount and risk weighted amount density	
		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	Risk weighted amount	Risk weighted amount density
	Risk Classes						
1	Exposures to sovereigns and their central banks	142.842.262	290	143.678.076	304	-	0%
2	Exposures to regional and local governments	7.896	41.465	-	68	34	50%
3	Exposures to administrative bodies and non-commercial entities	1.917.359	1.010.878	1.913.573	499.898	2.413.471	100%
4	Exposures to multilateral development banks	-	-	-	-	-	0%
5	Exposures to international organizations	-	-	-	-	-	0%
6	Exposures to banks and brokerage houses	24.450.169	3.403.402	26.033.409	289.949	5.365.913	20%
7	Exposures to corporates	153.519.047	106.940.977	146.297.894	54.188.248	186.368.778	93%
8	Retail exposures	22.209.260	24.406.473	21.292.556	8.831.326	22.592.911	75%
9	Exposures secured by residential property	8.442.432	743.467	8.440.841	373.122	3.084.887	35%
10	Exposures secured by commercial property	38.802.155	7.123.122	38.802.155	3.678.315	24.238.630	57%
11	Past-due items	2.181.196	292.031	2.178.154	117.614	2.254.038	98%
12	Exposures in high-risk categories	3.687.459	613.496	3.681.002	293.726	5.397.239	136%
13	Exposures in the form of bonds secured by mortgages	-	-	-	-	-	0%
14	Short term exposures to banks, brokerage houses and corporates	-	-	-	-	-	0%
15	Exposures in the form of collective investment undertakings	52.669	-	52.669	-	52.669	100%
16	Other exposures	11.315.323	-	11.315.323	-	9.302.443	82%
17	Equity share investments	166.312	-	166.312	-	166.312	100%
18	Total	409.593.539	144.575.601	403.851.964	68.272.570	261.237.325	55%

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EXPLANATIONS RELATED TO THE FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

VII. EXPLANATIONS ON RISK MANAGEMENT (Continued)

2. Credit Risk Disclosures (Continued)

2.2) Credit risk if standard approach is used (Continued)

b) Standard Approach - Loan risk exposure and the effects of loan risk reduction technique (Continued)

	Prior Period 31 December 2024	Exposures before CCF and CRM		Exposures post-CCF and CRM		Risk weighted amount and risk weighted amount density	
		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	Risk weighted amount	Risk weighted amount density
1	Exposures to sovereigns and their central banks	132.725.650	200	133.438.985	259	-	0%
2	Exposures to regional and local governments	10.570	41.465	-	67	33	50%
3	Exposures to administrative bodies and non-commercial entities	3.732.008	1.224.544	3.728.947	797.275	4.526.223	100%
4	Exposures to multilateral development banks	-	-	-	-	-	0%
5	Exposures to international organizations	-	-	-	-	-	0%
6	Exposures to banks and brokerage houses	20.218.929	2.884.889	21.454.266	67.317	4.344.472	20%
7	Exposures to corporates	102.986.647	87.973.797	95.549.281	49.827.481	132.142.319	91%
8	Retail exposures	18.336.561	20.365.955	17.335.385	7.670.667	18.754.539	75%
9	Exposures secured by residential property	6.388.561	581.461	6.379.943	276.317	2.329.691	35%
10	Exposures secured by commercial property	21.954.699	6.668.947	21.954.699	3.622.059	14.151.911	55%
11	Past-due items	740.111	147.426	738.639	59.674	1.352.530	169%
12	Exposures in high-risk categories	1.813.880	410.912	1.808.992	178.900	3.879.909	195%
13	Exposures in the form of bonds secured by mortgages	-	-	-	-	-	0%
14	Short term exposures to banks, brokerage houses and corporates	-	-	-	-	-	0%
15	Exposures in the form of collective investment undertakings	36.380	-	36.380	-	36.380	100%
16	Other exposures	7.768.926	-	7.768.926	-	6.325.132	81%
17	Equity share investments	120.413	-	120.413	-	120.413	100%
18	Total	316.833.335	120.299.596	310.314.856	62.500.016	187.963.552	50%

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EXPLANATIONS RELATED TO THE FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

VII. EXPLANATIONS ON RISK MANAGEMENT (Continued)

2. Credit Risk Disclosures (Continued)

2.2) Credit risk if standard approach is used (Continued)

c) Standard approach: Receivables related with risk classes and risk weights (Continued)

Current Period Risk Classes/ Risk Weight 30 June 2025	0%	10%	20%	35% Collateralized with Real estate Mortgage	50% Collateralized with Real estate Mortgage	50% (*)	75%	100%	150%	200%	Other	Total risk amount (post-CCF and CRM)
Exposures to sovereigns and their central banks	143.678.380	-	-	-	-	-	-	-	-	-	-	143.678.380
Exposures to regional and local government	-	-	-	-	-	68	-	-	-	-	-	68
Exposures to administrative bodies and non-commercial entities	-	-	-	-	-	-	-	2.413.471	-	-	-	2.413.471
Exposures to multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-
Exposures to international organizations	-	-	-	-	-	-	-	-	-	-	-	-
Exposures to banks and brokerage houses	-	-	25.993.203	-	-	325.764	-	4.391	-	-	-	26.323.358
Exposures to corporates	-	-	10.147.298	-	-	11.999.050	-	178.339.794	-	-	-	200.486.142
Retail exposures	-	-	-	-	-	-	30.123.882	-	-	-	-	30.123.882
Exposures secured by residential property	-	-	-	8.813.963	-	-	-	-	-	-	-	8.813.963
Exposures secured by commercial property	-	-	-	-	36.483.679	-	-	5.996.791	-	-	-	42.480.470
Past-due items	-	-	-	-	-	278.318	-	1.822.593	194.857	-	-	2.295.768
Exposures in high-risk categories	-	-	-	187.618	-	321.840	-	54.502	3.410.768	-	-	3.974.728
Exposures in the form of bonds secured by mortgages	-	-	-	-	-	-	-	-	-	-	-	-
Short term exposures to banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-	-	-	-
Exposures in the form of collective investment undertakings	-	-	-	-	-	-	-	52.669	-	-	-	52.669
Equity share investments	-	-	-	-	-	-	-	166.312	-	-	-	166.312
Other exposures	2.005.058	-	9.777	-	-	-	-	9.300.488	-	-	-	11.315.323
Total	145.683.438	-	36.150.278	9.001.581	36.483.679	12.925.040	30.123.882	198.151.011	3.605.625	-	-	472.124.534

(*) It shows all receivables, except for the line "Receivables Secured by Commercial Real Estate Mortgage," that are subject to a 50% risk weight.

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EXPLANATIONS RELATED TO THE FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

VII. EXPLANATIONS ON RISK MANAGEMENT (Continued)

2. Credit Risk Disclosures (Continued)

2.2) Credit risk if standard approach is used (Continued)

c) Standard approach: Receivables related with risk classes and risk weights

Prior Period Risk Classes/ Risk Weight 31 December 2024	0%	10%	20%	35% Collateralized with Real estate Mortgage	50% Collateralized with Real estate Mortgage	50% (*)	75%	100%	150%	200%	Other	Total risk amount (post-CCF and CRM)
Exposures to sovereigns and their central banks	133.439.244	-	-	-	-	-	-	-	-	-	-	133.439.244
Exposures to regional and local government	-	-	-	-	-	67	-	-	-	-	-	67
Exposures to administrative bodies and non-commercial entities	-	-	-	-	-	-	-	4.526.222	-	-	-	4.526.222
Exposures to multilateral development organizations	-	-	-	-	-	-	-	-	-	-	-	-
Exposures to international organizations	-	-	-	-	-	-	-	-	-	-	-	-
Exposures to banks and brokerage houses	-	-	21.393.596	-	-	124.468	-	3.519	-	-	-	21.521.583
Exposures to corporates	-	-	7.807.493	-	-	13.976.895	-	123.592.374	-	-	-	145.376.762
Retail exposures	-	-	-	-	-	-	25.006.052	-	-	-	-	25.006.052
Exposures secured by residential property	-	-	-	6.656.260	-	-	-	-	-	-	-	6.656.260
Exposures secured by commercial property	-	-	-	-	22.849.694	-	-	2.727.064	-	-	-	25.576.758
Past-due items	-	-	-	-	-	114.642	-	478.715	59.510	-	145.446	798.313
Exposures in high-risk categories	-	-	-	5.991	-	99.466	-	53.664	1.534.126	-	294.645	1.987.892
Exposures in the form of bonds secured by mortgages	-	-	-	-	-	-	-	-	-	-	-	-
Short term exposures to banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-	-	-	-
Exposures in the form of collective investment undertakings	-	-	-	-	-	-	-	36.380	-	-	-	36.380
Equity share investments	-	-	-	-	-	-	-	120.413	-	-	-	120.413
Other exposures	1.443.794	-	-	-	-	-	-	6.325.132	-	-	-	7.768.926
Total	134.883.038	-	29.201.089	6.662.251	22.849.694	14.315.538	25.006.052	137.863.483	1.593.636	-	440.091	372.814.872

(*) It shows all receivables, except for the line "Receivables Secured by Commercial Real Estate Mortgage," that are subject to a 50% risk weight.

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**EXPLANATIONS RELATED TO THE FINANCIAL POSITION AND RISK MANAGEMENT
(Continued)**

VIII. EXPLANATIONS ON RISK PROTECTION PROCEDURES

It is essential to limit the risk levels to limits compatible with the risk profile and risk tolerance in order to Parent Bank from being affected by the adverse events that may occur while conducting its operations.

Risk limits are determined by taking the opinions and suggestions of the General Manager, Audit Committee and relevant Senior Managers and approved by the Board of Directors

Risk limits; it has been determined in accordance with the risk levels, activities, size and complexity of its products and services that the Bank can take. Limits are regularly reviewed and monitored periodically, adapting to changes in market conditions, the Bank's strategy and risk appetite.

In addition, derivative transactions are carried out at the Bank and FC and TRY liquidity risk is limited by the transactions performed.

1) 1.Credit risk under IRB (Internal Rating Based) Approach

Within the scope of the footnotes and related explanations prepared in accordance with the “Communiqué on Public Disclosure by the Banks” published in the Official Gazette dated 23 October 2015 and numbered 29511 by the BRSA and entered into force as of 31 March 2016, it is given annually and quarterly.

The following required tables are not presented as of 30 June 2025 as the standard approach is used in the calculation of the Bank's credit risk.

Qualitative information regarding IRB to be disclosed to the public
IRB - Credit risk amounts based on IRB and Portfolio and PoD (Probability of Default) range
IRB - Effect of credit derivatives used as CRM (Credit Risk Mitigation) technique on RWA (Risk Weighted Amounts)
Statement of changes in RWA under IRB approach
IRB - Retrospective testing of default probabilities in each risk class
IRB (Specialized loans and stock investments subject to basic risk weight approach)

IX. COUNTER PARTY CREDIT RISK EXPLANATIONS

a) Qualitative explanations on counter party credit risk

In an attempt to identify the counter party credit risk that the Parent Bank may face, risk measurement and monitoring activities are performed and their results are considered in strategic decision-making process.

As part of the management of counterparty credit risk, the Parent Bank ensures that the results of the functions related to the identification, measurement, monitoring, and control of counterparty credit risk, in alignment with the structure, size, and complexity of its products and activities, are reported to the Top Management

It is essential for the Parent Bank to manage its counterparty credit risk level in a manner that ensures it remains above the minimum limits set forth in the regulatory requirements

Parent Bank risk measurement system; it takes measures to operate in a reliable and integrity manner compatible with legal regulations, fields of activity and product types, and to maintain it accordingly. In this context, as a minimum, for counter party credit risk measurement and monitoring activities; calculation of counter party credit risk weighted asset amount and legal capital requirement, and monitoring of the Bank's compliance level with regard to allocated limits are carried out.

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**EXPLANATIONS RELATED TO THE FINANCIAL POSITION AND RISK MANAGEMENT
(Continued)**

IX. COUNTER PARTY CREDIT RISK EXPLANATIONS (Continued)

b) Evaluation of counter party credit risk in accordance with the measurement methods

	Current Period 30.06.2025	Replacement cost	Potential future exposure	EEPE (Effective Expected Positive Exposure) (*)	Alpha used for computin g regulator y EAD	Exposure at default post CRM	Risk Weighted Amount
1	Standardised approach - CCR (for derivatives)	36.232	55.547		1,4	128.491	25.698
2	Internal Model Method (for derivatives, Repo Transactions, Marketable Securities or Commodity lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit)			-	-	-	-
3	Simple Approach for credit risk mitigation (for derivatives, Repo Transactions, Marketable Securities or Commodity lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit)					2.021.316	1.558.978
4	Comprehensive Approach for credit risk mitigation (for derivatives, Repo Transactions, Marketable Securities or Commodity lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit)					-	-
5	Commodity lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit					-	-
6	Total						1.584.676

(*) Effective expected positive exposure

	Prior Period 31.12.2024	Replacement cost	Potential future exposure	EEPE (Effective Expected Positive Exposure) (*)	Alpha used for computin g regulator y EAD	Exposure at default post CRM	Risk Weighted Amount
1	Standardised approach - CCR (for derivatives)	176.566	265.721		1,4	442.287	107.604
2	Internal Model Method (for derivatives, Repo Transactions, Marketable Securities or Commodity lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit)			-	-	-	-
3	Simple Approach for credit risk mitigation (for derivatives, Repo Transactions, Marketable Securities or Commodity lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit)					2.871.247	2.543.716
4	Comprehensive Approach for credit risk mitigation (for derivatives, Repo Transactions, Marketable Securities or Commodity lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit)					-	-
5	Commodity lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit					-	-
6	Total						2.651.320

(*) Effective expected positive exposure

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EXPLANATIONS RELATED TO THE FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

IX. COUNTER PARTY CREDIT RISK EXPLANATIONS (Continued)

c) Capital requirement for loan valuation adjustment

	Current Period 30.06.2025	Exposure at default post-CRM	Risk Weighted Amount
	Total portfolios subject to the Advanced CVA capital charge	-	-
1	(i) Value at Risk (VaR) component (including the 3×multiplier)		-
2	(ii) Stressed VaR component (including the 3×multiplier)		-
3	All portfolios subject to the Standardised CVA capital charge	128.491	28.080
4	Total subject to the CVA capital charge	128.491	28.080

	Prior Period 31.12.2024	Exposure at default post-CRM	Risk Weighted Amount
	Total portfolios subject to the Advanced CVA capital charge	-	-
1	(i) Value at Risk (VaR) component (including the 3×multiplier)		-
2	(ii) Stressed VaR component (including the 3×multiplier)		-
3	All portfolios subject to the Standardised CVA capital charge	442.287	121.756
4	Total subject to the CVA capital charge	442.287	121.756

d) Standardised approach - CCR exposures by risk class and risk weight

Risk weight /Regulatory portfolio (Current Period)	0%	10%	20%	50%	75%	100%	150%	Other	Total credit exposure (*)
Exposures to sovereigns and their central banks	392	-	-	-	-	-	-	-	392
Exposures to regional and local governments	-	-	-	9	-	-	-	-	9
Exposures to administrative bodies and non-commercial entities	-	-	-	-	-	90.524	-	-	90.524
Exposures to multilateral development banks	-	-	-	-	-	-	-	-	-
Exposures to international organizations	-	-	-	-	-	-	-	-	-
Exposures to banks and brokerage houses	-	-	128.491	-	-	-	-	-	128.491
Exposures to corporates	-	-	-	-	-	82.623	-	-	82.623
Retail exposures	-	-	-	-	1.847.768	-	-	-	1.847.768
Exposures in high-risk categories	-	-	-	-	-	-	-	-	-
Other exposures	-	-	-	-	-	-	-	-	-
Total	392	-	128.491	9	1.847.768	173.147	-	-	2.149.807

(*) Total credit risk: The amount related to the capital adequacy calculation after applying the counterparty credit risk measurement techniques

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 JUNE 2025

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TRY”))

EXPLANATIONS RELATED TO THE FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

IX. COUNTER PARTY CREDIT RISK EXPLANATIONS (Continued)

d) Standardised approach - CCR exposures by risk class and risk weight (Continued)

Risk weight /Regulatory portfolio (Prior Period)	0%	10%	20%	50%	75%	100%	150%	Other	Total credit exposure (*)
Exposures to sovereigns and their central banks	-	-	-	-	-	-	-	-	-
Exposures to regional and local governments	-	-	-	8	-	-	-	-	8
Exposures to administrative bodies and non-commercial entities	-	-	-	-	-	1.499.353	-	-	1.499.353
Exposures to multilateral development banks	-	-	-	-	-	-	-	-	-
Exposures to international organizations	-	-	-	-	-	-	-	-	-
Exposures to banks and brokerage houses	-	-	378.465	63.822	-	-	-	-	442.287
Exposures to corporates	-	-	-	-	-	61.779	-	-	61.779
Retail exposures	-	-	-	-	1.310.106	-	-	-	1.310.106
Exposures in high-risk categories	-	-	-	-	-	-	-	-	-
Other exposures	-	-	-	-	-	-	-	-	-
Total (*)	-	-	378.465	63.830	1.310.106	1.561.132	-	-	3.313.533

(*) Total credit risk: The amount related to the capital adequacy calculation after applying the counterparty credit risk measurement techniques

e) Risk classes and counter party credit risk explanation

None.

f) Collateral used for counterparty credit risk

Current Period 30.06.2025	Collateral for derivative transactions				Other transaction collaterals	
	Collateral provided		Collateral received		Collateral provided	Collateral received
	Separated	Unseparated	Separated	Unseparated		
Cash-domestic currency	-	-	-	-	6.953.314	-
Cash-foreign currency	-	-	-	-	-	-
Domestic sovereign debts	-	-	-	-	-	-
Other sovereign debts	-	-	-	-	-	-
Government agency debts	-	-	-	-	-	-
Corporate Debts	-	-	-	-	-	-
Equity Securities	-	-	-	-	-	-
Other collateral	-	-	-	-	-	-
Total	-	-	-	-	6.953.314	-

Prior Period 31.12.2024	Collateral for derivative transactions				Other transaction collaterals	
	Collateral provided		Collateral received		Collateral provided	Collateral received
	Separated	Unseparated	Separated	Unseparated		
Cash-domestic currency	-	-	-	-	25.649.016	-
Cash-foreign currency	-	-	-	-	-	-
Domestic sovereign debts	-	-	-	-	-	-
Other sovereign debts	-	-	-	-	-	-
Government agency debts	-	-	-	-	-	-
Corporate Debts	-	-	-	-	-	-
Equity Securities	-	-	-	-	-	-
Other collateral	-	-	-	-	-	-
Total	-	-	-	-	25.649.016	-

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(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TRY”))

EXPLANATIONS RELATED TO THE FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

IX. COUNTER PARTY CREDIT RISK EXPLANATIONS (Continued)

g) Credit Derivatives

None.

h) Risk Weight changes under CCR on the Internal Modeling Management Methods.

None.

i) Risks related with Central Counter parties

Current Period		Exposure at default (post- CRM)	RWA
1	Exposure to Qualified Central Counterparties (QCCPs)	878	18
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	-	-
3	(i) OTC Derivatives	-	-
4	(ii) Exchange-traded Derivatives	-	-
5	(iii) Securities financing transactions	-	-
6	(iv) Netting sets where cross-product netting has been approved	-	-
7	Segregated initial margin	-	-
8	Non-segregated initial margin	-	-
9	Pre-funded default fund contributions	878	18
10	Unfunded default fund contributions	-	-
11	Exposures to non-QCCPs (total)	-	-
12	Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which)	-	-
13	(i) OTC Derivatives	-	-
14	(ii) Exchange-traded Derivatives	-	-
15	(iii) Securities financing transactions	-	-
16	(iv) Netting sets where cross-product netting has been approved	-	-
17	Segregated initial margin	-	-
18	Non-segregated initial margin	-	-
19	Pre-funded default fund contributions	-	-
20	Unfunded default fund contributions	-	-

Prior Period		Exposure at default (post- CRM)	RWA
1	Exposure to Qualified Central Counterparties (QCCPs)	704	14
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	-	-
3	(i) OTC Derivatives	-	-
4	(ii) Exchange-traded Derivatives	-	-
5	(iii) Securities financing transactions	-	-
6	(iv) Netting sets where cross-product netting has been approved	-	-
7	Segregated initial margin	-	-
8	Non-segregated initial margin	-	-
9	Pre-funded default fund contributions	704	14
10	Unfunded default fund contributions	-	-
11	Exposures to non-QCCPs (total)	-	-
12	Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which)	-	-
13	(i) OTC Derivatives	-	-
14	(ii) Exchange-traded Derivatives	-	-
15	(iii) Securities financing transactions	-	-
16	(iv) Netting sets where cross-product netting has been approved	-	-
17	Segregated initial margin	-	-
18	Non-segregated initial margin	-	-
19	Pre-funded default fund contributions	-	-
20	Unfunded default fund contributions	-	-

4. Explanations on Securitization Disclosure

The Bank does not have any securitization positions as of 30 June 2025. (31 December 2024:None)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF
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(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TRY”))

**EXPLANATIONS RELATED TO THE FINANCIAL POSITION AND RISK MANAGEMENT
(Continued)**

IX. COUNTER PARTY CREDIT RISK EXPLANATIONS (Continued)

5. Explanations on Market Risk

a) Qualitative information about market risk to be disclosed to the public

Within the framework of BRSA's regulations, the Parent Bank ensures effective management of market risk and market concentration risk arising from market risk components, in accordance with the volume, nature and complexity of its activities, taking into account the best practices.

The Parent Bank ensures that measurement, monitoring, limitation, stress test and scenario analysis studies are carried out in accordance with the structure and complexity of its positions regarding market risk management and the results are reported. It is essential that new products and services are evaluated in terms of market risk.

In this context, as a minimum;

- Follow-up of the Parent Bank's accounts and positions subject to market risk and market developments affecting the value of these accounts and positions on a minimum daily basis,
- Amount calculations based on market risk to which the Bank is exposed within the framework of trading accounts,
- Analysis of the effects of up and down ordinary and extraordinary movements in the markets on the Bank's accounts and positions subject to market risk,
- Backtest analysis of internal models used for monitoring purposes in calculating the amount subject to market risk,
- Regarding market risk, risk limits are regularly calculated and followed up.

In the Parent Bank, the Board of Directors, Audit Committee and the General Manager fulfill their duties, powers and responsibilities within the scope of market risk management within the framework defined in the legislation. All Units, including the Units within the Scope of Internal Systems, fulfill their duties, powers and responsibilities within the scope of market risk management within the framework of the Regulation on Internal Systems of Banks and Internal Capital Adequacy Assessment Process and their own Regulations.

In order to reveal the market risk that the Parent Bank may encounter, it is essential to carry out risk measurement and monitoring activities and to consider the results in the strategic decision-making process of the Bank.

Within the framework of these principles, at least the following analyses are made for measurement and monitoring activities.

As a minimum within the scope of Market Risk:

- Standard Method: It is made in accordance with the Market Risk Reporting Set statements published by the BRSA.
- Value at Risk Analysis: Historical Simulation is performed using Parametric, Exponentially Weighted Moving Average (EWMA) or a different method deemed appropriate by the Bank.
- Internal Capital Requirement: Parameters determined by the BRSA and/or the Bank that may affect the financial strength of the Bank and the level of capital that will meet the risks the Bank is or may be exposed to, with stress tests and/or scenario analysis related to these parameters, a future perspective it is calculated using appropriate methods.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 JUNE 2025

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TRY"))

EXPLANATIONS RELATED TO THE FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

IX. COUNTER PARTY CREDIT RISK EXPLANATIONS (Continued)

5. Explanations on Market Risk (Continued)

b) Standard Approach

		Current Period 30.06.2025	Prior Period 31.12.2024
		Risk Weighted Amount	Risk Weighted Amount
Outright products			
1	Profit share rate risk (general and specific)	50	309.875
2	Equity risk (general and specific)	-	-
3	Foreign exchange risk	5.542.386	4.805.802
4	Commodity risk	845.539	479.386
Options			
5	Simplified approach	-	-
6	Delta-plus method	-	-
7	Scenario approach	-	-
8	Securitisation	-	-
9	Total	6.387.975	5.595.063

Issued quarterly and semi-annually and annually within the scope of the footnotes prepared by the BRSA in accordance with the "Communiqué on the Public Disclosures on Risk Management by Banks" published in the Official Gazette dated 23 October 2015 and numbered 29511 and entered into force as of 31 March 2016. The required tables below are not presented as of 30 June 2025, as the standard approach is used in the Bank's market risk calculation:

Quantitative information to be disclosed to the public for banks using the internal model approach
Market risk RAT (Risk Weighted Amounts) change table according to the internal model approach
Internal model approach for trading account
Comparison of VaR (Value at Risk) estimates with profit/loss

6. Explanations on the Operational Risk

In the Parent Bank, Amount subject to Operational Risk is calculated with Basic Indicator Approach based on yearly. The parameter which determines the amount subject to operational risk in Basic Indicator Approach is gross revenue. Yearly gross revenue is calculated by adding net profit share incomes to net fees and commission income, dividend income, trading profit/loss (net) and other operating incomes and also by deducting profit/loss gained from sale of securities monitored out of purchase-sale account, extraordinary incomes, operating expense made against support service and amounts compensated from insurance.

Current Period 30.06.2025	31.12.2022	31.12.2023	31.12.2024	Total/Number of Positive GI years	Ratio (%)	Total
Gross Income	9.221.586	10.540.654	10.431.376	10.064.539	15	1.509.681
Amount Subject to Operational Risk (Total*12,5)	-	-	-	-	-	18.871.011

Prior Period 31.12.2024	31.12.2021	31.12.2022	31.12.2023	Total/Number of Positive GI years	Ratio (%)	Total
Gross Income	1.924.105	9.221.586	10.540.654	7.228.782	15	1.084.317
Amount Subject to Operational Risk (Total*12,5)	-	-	-	-	-	13.553.966

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(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TRY”))

EXPLANATIONS RELATED TO THE FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

X. EXPLANATIONS ON CONSOLIDATED OPERATING SEGMENTS

The Parent Bank's operating segments are determined in accordance with the organizational and internal reporting structure and the provisions of TFRS 8 “Operating Segments”

The Parent Bank operates in retail, corporate / entrepreneurial banking, treasury / investment banking.

Table for Segment Reporting

Current Period 1 January - 30 June 2025	Private Banking	Corporate/ Entrepreneurial Banking	Treasury/ Investment Banking	Other/ Undistributed	Total
OPERATING INCOME/EXPENSES					
Profit Shares Income	1.034.979	46.606.641	14.586.880	953.909	63.182.409
Profit Shares Expense	(15.564.473)	(28.330.007)	(13.823.595)	(279.786)	(57.997.861)
Net Profit Shares Income/Expense	(14.529.494)	18.276.634	763.285	674.123	5.184.548
Net Fees and Commission Income/Expense	251.241	565.074	-	1.236.454	2.052.769
Fees and Commission Received	251.241	565.074	-	1.809.919	2.626.234
Fees and Commission Provided	-	-	-	(573.465)	(573.465)
Dividend Income	-	-	2.142	-	2.142
Trading Profit/Loss (Net)	-	-	2.961.598	-	2.961.598
Other Operating Income	-	1.779.385	-	54.329	1.833.714
Expected Credit Losses Expenses	(131.278)	(4.020.787)	-	(61.588)	(4.213.653)
Other Expense	-	(130.252)	-	(6.063.045)	(6.193.297)
Net Operating Profit/Loss	(14.409.531)	16.470.054	3.727.025	(4.159.727)	1.627.821
Tax Provision	-	-	-	(402.581)	(402.581)
Net Profit/Loss	(14.409.531)	16.470.054	3.727.025	(4.562.308)	1.225.240
SEGMENT ASSETS (*)					
Financial Assets at FV Through P/L	-	-	13.415.689	-	13.415.689
Banks	-	-	24.142.451	-	24.142.451
Financial Assets Measured at Fair Value Through Other Comprehensive Income	-	-	36.803.500	-	36.803.500
Loans (**)	12.792.171	391.799.080	7.975.167	-	412.566.418
Financial Assets Measured at Amortised Cost	-	-	19.867.109	-	19.867.109
Derivative Financial Assets	-	-	45.343	-	45.343
Associates, Subsidiaries and Joint Ventures	-	-	90.000	-	90.000
Other Assets (*)	-	-	-	125.871.310	125.871.310
TOTAL SEGMENT ASSETS	12.792.171	391.799.080	102.339.259	125.871.310	632.801.820
SEGMENT LIABILITIES					
Funds Collected	161.898.109	305.319.298	-	-	467.217.407
Derivative Financial Liabilities	-	-	172.540	-	172.540
Funds Borrowed	-	-	26.810.066	-	26.810.066
Money Market Funds	-	-	6.975.001	-	6.975.001
Securities Issued (Net)	-	-	67.766.466	-	67.766.466
Provisions	-	-	-	1.327.331	1.327.331
Other Liabilities	-	-	-	38.597.814	38.597.814
Shareholders' Equity	-	-	-	23.935.195	23.935.195
TOTAL SEGMENT LIABILITIES	161.898.109	305.319.298	101.724.073	63.860.340	632.801.820

(*) Includes expected loss provisions.

(**) Includes lease receivables.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 JUNE 2025

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EXPLANATIONS RELATED TO THE FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

X. EXPLANATIONS ON CONSOLIDATED OPERATING SEGMENTS (Continued)

Table for Segment Reporting (Continued):

Prior Period 1 January – 30 June 2024	Private Banking	Corporate/ Entrepreneurial Banking	Treasury/ Investment Banking	Other/ Undistributed	Total
OPERATING INCOME/EXPENSES					
Profit Shares Income	897.416	31.493.449	6.654.129	215.550	39.260.544
Profit Shares Expense	(9.511.593)	(24.408.221)	(5.305.287)	(142.395)	(39.367.496)
Net Profit Shares Income/Expense	(8.614.177)	7.085.228	1.348.842	73.155	(106.952)
Net Fees and Commission Income/Expense					
Income/Expense	234.802	373.890	-	443.750	1.052.442
Fees and Commission Received	234.802	373.890	-	1.365.453	1.974.145
Fees and Commission Provided	-	-	-	(921.703)	(921.703)
Dividend Income	-	-	-	-	-
Trading Profit/Loss (Net)	-	-	2.230.361	-	2.230.361
Other Operating Income	-	3.346.872	-	20.391	3.367.263
Expected Credit Losses Expenses	(103.645)	(2.068.132)	-	(157.886)	(2.329.663)
Other Expense	-	(63.013)	-	(3.496.120)	(3.559.133)
Net Operating Profit/Loss	(8.487.338)	8.679.162	3.579.203	(3.116.709)	654.318
Tax Provision	-	-	-	58.152	58.152
Net Profit/Loss	(8.487.338)	8.679.162	3.579.203	(3.058.557)	712.470
SEGMENT ASSETS (*)					
Financial Assets at FV Through P/L	-	-	9.483.947	-	9.483.947
Banks	-	-	20.675.299	-	20.675.299
Financial Assets Measured at Fair Value Through Other Comprehensive Income	-	-	26.052.537	-	26.052.537
Loans (**)	11.542.516	298.522.354	7.798.843	-	317.863.713
Financial Assets Measured at Amortised Cost	-	-	19.413.517	-	19.413.517
Derivative Financial Assets	-	-	274.091	-	274.091
Associates, Subsidiaries and Joint Ventures	-	-	67.500	-	67.500
Other Assets	-	-	-	116.327.724	116.327.724
TOTAL SEGMENT ASSETS	11.542.516	298.522.354	83.765.734	116.327.724	510.158.328
SEGMENT LIABILITIES					
Funds Collected	139.381.349	218.271.354	-	-	357.652.703
Derivative Financial Liabilities	-	-	-	-	-
Funds Borrowed	-	-	28.504.141	-	28.504.141
Money Market Funds	-	-	26.163.921	-	26.163.921
Securities Issued (Net)	-	-	44.090.502	-	44.090.502
Provisions	-	-	-	1.670.197	1.670.197
Other Liabilities	-	-	-	29.705.826	29.705.826
Shareholders' Equity	-	-	-	22.371.038	22.371.038
TOTAL SEGMENT LIABILITIES	139.381.349	218.271.354	98.758.564	53.747.061	510.158.328

(*) Includes expected loss provisions.

(**) Includes lease receivables.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 JUNE 2025

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SECTION FIVE

EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS

I. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED ASSETS

1.a) Information on cash and balances with Central Bank of the Republic of Türkiye:

	Current Period 30 June 2025		Prior Period 31 December 2024	
	TRY	FC	TRY	FC
Cash	353.072	1.480.602	301.270	1.095.606
Central Bank of the Republic of Türkiye	48.127.923	55.792.969	65.501.747	35.825.283
Other (*)	-	895.873	-	705.434
Total	48.480.995	58.169.444	65.803.017	37.626.323

1.a.1) Information on Required Reserves:

Banks maintain in Türkiye or operating in Türkiye by opening branches are subject to the Central Bank's Communiqué on Required Reserves numbered 2013/15. The items specified in the communiqué constitute the liabilities subject to required reserves, with the exception of the liabilities to the Central Bank of the Republic of Türkiye, the Treasury, domestic banks and banks established by international agreement, to their headquarters and branches in Türkiye, based on the accounting standards and registration scheme to which banks are subject.

Banks are required to maintain reserves with Central Bank of the Republic of Türkiye for their TRY and FC liabilities that are specified in the aforementioned Communiqué. Establishment of required reserves begins on Friday, two weeks after the liability calculation date, and lasts for 14 days. Required reserves can be kept in Turkish Lira, USD, EUR and standard gold in accordance with the “Communiqué on Required Reserves” at the Central Bank of the Republic of Türkiye. Required reserve ratios vary according to the maturity structure of the liabilities and are applied between 3% and 17% for Turkish Lira deposits and other liabilities, for foreign currency deposits and other liabilities, it is applied in the range of 2.5% - 32%, and for accounts with exchange rate/price protection support, it is applied in the range of 22% - 40%.

b) Information on the account of the Central Bank of the Republic of Türkiye:

	Current Period 30 June 2025		Prior Period 31 December 2024	
	TRY	FC	TRY	FC
Unrestricted Demand Deposit	48.127.923	55.792.969	29.112.700	35.825.283
Unrestricted Time Deposit	-	-	36.389.047	-
Restricted Time Deposit	-	-	-	-
Total (*)	48.127.923	55.792.969	65.501.747	35.825.283

(*) TRY, FC and Gold required reserves established in accordance with the “Communiqué on Required Reserves” are included in the amounts in the table. As of 30 June 2025, an amount of TRY 21.773.246 is comprised of reserve deposits. (31 December 2024: TRY 12.989.047).

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 JUNE 2025

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TRY”))

EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED ASSETS (Continued)

2. Information on banks and other financial institutions:

	Current Period 30 June 2025		Prior Period 31 December 2024	
	TRY	FC	TRY	FC
Banks				
Domestic Banks	107.381	7.369.462	4.104.858	2.091.469
Foreign Banks	-	16.665.608	-	14.478.972
Foreign Head Office and Branches	-	-	-	-
Total	107.381	24.035.070	4.104.858	16.570.441

3. Financial assets at fair value through profit or loss

	Current Period 30 June 2025	Prior Period 31 December 2024
Financial Assets at Fair Value Through Profit / Loss	13.343.892	9.428.068
Other Dividends and Income Rediscounts	71.797	55.879
Provision for Impairment (-)	-	-
Total	13.415.689	9.483.947

4. a) Explanation regarding the comparison of net values of financial assets through other comprehensive income available-for-sale given or blocked as collateral and subject to repurchase agreements

	Current Period 30 June 2025	Prior Period 31 December 2024
Assets Subject to Repurchase Agreements	6.783.594	19.208.447
Assets Blocked/Given as Collateral	2.018.752	2.379.300
Total (*)	8.802.346	21.587.747

(*) Accruals and provisions for impairment are not included.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 JUNE 2025

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TRY”))

EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED ASSETS (Continued)

b) Information on financial assets at fair value through other comprehensive income:

	Current Period 30 June 2025	Prior Period 31 December 2024
Debt Securities	37.204.030	26.468.037
Quoted in Stock Exchange	37.204.030	26.468.037
Not Quoted in Stock Exchange	-	-
Share Certificates	76.312	52.913
Quoted in Stock Exchange	-	-
Not Quoted in Stock Exchange (*)	76.312	52.913
Provision for Impairment (-)**	476.842	468.413
Total	36.803.500	26.052.537

(*) The mentioned amounts consist of payments to İhracatı Geliştirme A.Ş. in the amount of TRY 64.500, to the Credit Guarantee Fund in the amount of TRY 7.659 and to JCR Eurasia Rating Inc. in the amount of TRY 4.153 with the non-traded line highlighted (31 December 2024: TRY 41.101 İhracatı Geliştirme A.Ş., TRY 7.659 Credit Guarantee Fund, and TRY 4.153 JCR Eurasia Rating Inc.).

** It includes the negative differences between the acquisition costs of financial assets and market prices.

5. Information on derivative financial assets

a) Information on derivative assets at fair value through profit or loss:

	Current Period 30 June 2025		Prior Period 31 December 2024	
	TRY	FC	TRY	FC
Forward Transactions	-	-	-	-
Swap Transactions	36.232	-	-	238.236
Futures Transactions	-	-	-	-
Options	-	-	-	-
Other	7.158	1.953	34.675	1.180
Total	43.390	1.953	34.675	239.416

6. Information related to loans

a) Information on all types of loans and advances given to shareholders and employees of the Bank

	Current Period 30 June 2025		Prior Period 31 December 2024	
	Cash	Non-Cash	Cash	Non-Cash
Direct Loans Granted to Shareholders	6.109.156	-	3.310.391	-
Corporate Shareholders	6.109.156	-	3.310.391	-
Real Person Shareholders	-	-	-	-
Indirect Loans Granted to Shareholders	-	-	-	-
Loans Granted to Employees	290.724	-	185.399	-
Total (*)	6.399.880	-	3.495.790	-

(*) Includes rediscount amounts.

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(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TRY”))

EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED ASSETS (Continued)

6. Information related to loans (Continued)

b) Information on Standard Qualified and Under Close Monitoring (First and Second Group Loans) and Restructured Under Close Monitoring Loans

Current Period 30 June 2025		Loans Under Close Monitoring		
Cash Loans	Standard Loans and Other Receivables	Not Under the Scope of Restructuring	Restructured	
			Loans with revised contract terms	Refinancing
Loans (*)				
Export Loans	51.361.735	832.474	-	-
Import Loans	4.762	918	-	-
Commercial Loans	220.770.886	8.548.828	1.936.635	9.574.466
Consumer Loans	10.646.430	301.404	-	-
Credit Cards	1.735.780	108.557	-	-
Loans Given to Financial Sector	8.339.502	-	-	-
Other (**)	20.987.292	618.151	-	-
Other Receivables	-	-	-	-
Total	313.846.387	10.410.332	1.936.635	9.574.466

(**) Details of other loans are as follows:

Other Investment Loans	18.333.229
Installment Commercial Loans	2.329.515
Profit and loss sharing investments (***)	683.930
Receivables from Financing of Trade on Credit Terms	13.452
Other Loans	245.317
Total	21.605.443

Prior Period 31 December 2024		Loans Under Close Monitoring		
Cash Loans	Standard Loans and Other Receivables	Not Under the Scope of Restructuring or Rescheduling	Restructured or Rescheduled	
			Loans with revised contract terms	Refinancing
Loans (*)				
Export Loans	45.165.449	316.012	-	-
Import Loans	19.518	-	-	-
Commercial Loans	172.188.497	3.625.478	1.031.698	2.209.115
Consumer Loans	9.905.348	193.325	-	-
Credit Cards	1.379.491	64.352	-	-
Loans Given to Financial Sector	8.386.935	-	-	-
Other (**)	18.636.049	2.330.163	-	-
Other Receivables	-	-	-	-
Total	255.681.287	6.529.330	1.031.698	2.209.115

(**) Details of other loans are as follows:

Other Investment Loans	18.014.553
Installment Commercial Loans	2.077.552
Profit and loss sharing investments	683.843
Receivables from Financing of Trade on Credit Terms	4.914
Other Loans	185.350
Total	20.966.212

(*) Related amounts do not include finance lease receivables.

(***) The related balance consists of funds provided through profit and loss sharing investments as of 30 June, 2025. Revenue distribution from profit and loss sharing investment projects is carried out in accordance with the agreement signed between the parties, following the finalization of relevant cost accounts and the calculation of net profit, either upon project completion or at the end of phases/sections. As of 30 June, 2025, profit and loss sharing investments have been classified as financial assets at fair value through profit or loss, based on the valuation study dated 31 December, 2024. The total accumulated value increase on profit and loss sharing investments amounts to TRY 510.676 (31 December, 2024: TRY 510.676).

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EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED ASSETS (Continued)

6. Information related to loans (Continued)

b) Information on Standard Qualified and Under Close Monitoring (First and Second Group Loans) and Restructured Under Close Monitoring Loans (Continued)

	Current Period 30 June 2025		Prior Period 31 December 2024	
	Standard Loans	Loans Under Close Monitoring	Standard Loans	Loans Under Close Monitoring
Expected Credit Loss of Stage 1 and Stage 2				
12 Month Expected Credit Losses	1.283.764	-	877.239	-
Significant Increase in Credit Risk	-	2.639.782	-	1.296.049

	Current Period 30 June 2025		Prior Period 31 December 2024	
	Standard Loans and Other Receivables	Loans Under close monitoring and Other Receivables	Standard Loans and Other Receivables	Loans Under close monitoring and Other Receivables
Number of Amendments Made to Extend the Payment Plan				
1 or 2 Times Extended	935.876	11.095.696	1.501.182	3.032.480
3 - 4 or 5 Times Extended	-	-	-	-
Over 5 Times Extended	-	-	-	-
Total	935.876	11.095.696	1.501.182	3.032.480

	Current Period 30 June 2025		Prior Period 31 December 2024	
	Standard Loans and Other Receivables	Loans Under close monitoring and Other Receivables	Standard Loans and Other Receivables	Loans Under close monitoring and Other Receivables
Extended Period with Payment Plan Amendment				
0 - 6 Months	341.996	1.392.806	316.118	1.370.672
6 Months - 12 Months	-	329.975	6.350	265.330
1 - 2 Years	93.706	5.290.393	659.942	1.119.643
2 - 5 Years	7.390	1.440.975	34.545	197.616
5 Years and Over	492.784	2.641.547	484.227	79.219
Total	935.876	11.095.696	1.501.182	3.032.480

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EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED ASSETS (Continued)

6. Information related to loans (Continued)

c) Information on consumer loans, individual credit cards, personnel loans and personnel credit cards:

Current Period 30 June 2025	Short-Term	Medium and Long-Term	Total
Consumer Loans – TRY	1.283.620	9.390.081	10.673.701
Housing Loans	1.588	8.542.633	8.544.221
Vehicle Loans	168.740	245.283	414.023
Consumer Loans	1.113.292	602.165	1.715.457
Other	-	-	-
Consumer Loans-FC Indexed	-	-	-
Housing Loans	-	-	-
Vehicle Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Consumer Loans-FC	-	18.471	18.471
Housing Loans	-	18.471	18.471
Vehicle Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Retail Credit Cards-TRY	897.104	734	897.838
With Installment	170.136	-	170.136
Without Installment	726.968	734	727.702
Retail Credit Cards-FC	165	-	165
With Installment	-	-	-
Without Installment	165	-	165
Personnel Loans-TRY	102.741	152.921	255.662
Housing Loans	-	12.722	12.722
Vehicle Loans	-	2.530	2.530
Consumer Loans	102.741	137.669	240.410
Other	-	-	-
Personnel Loans-FC Indexed	-	-	-
Housing Loans	-	-	-
Vehicle Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Personnel Loans-FC	-	-	-
Housing Loans	-	-	-
Vehicle Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Personnel Credit Cards-TRY	35.062	-	35.062
With Installment	7.240	-	7.240
Without Installment	27.822	-	27.822
Personnel Credit Cards-FC	-	-	-
With Installment	-	-	-
Without Installment	-	-	-
Overdraft Account-TRY (Real Person)	-	-	-
Overdraft Account-FC (Real Person)	-	-	-
Total (*)	2.318.692	9.562.207	11.880.899

(*) Profit share rediscount is included in the table.

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EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED ASSETS (Continued)

6. Information related to loans (Continued)

c) Information on consumer loans, individual credit cards, personnel loans and personnel credit cards (Continued)

Prior Period 31 December 2024	Short-Term	Medium and Long-Term	Total
Consumer Loans – TRY	424.694	9.500.615	9.925.309
Housing Loans	-	8.907.525	8.907.525
Vehicle Loans	349.459	408.420	757.879
Consumer Loans	75.235	184.670	259.905
Other	-	-	-
Consumer Loans-FC Indexed	-	-	-
Housing Loans	-	-	-
Vehicle Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Consumer Loans-FC	-	10.437	10.437
Housing Loans	-	10.437	10.437
Vehicle Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Retail Credit Cards-TRY	729.967	486	730.453
With Installment	160.371	-	160.371
Without Installment	569.596	486	570.082
Retail Credit Cards-FC	433	-	433
With Installment	-	-	-
Without Installment	433	-	433
Personnel Loans-TRY	66.746	96.181	162.927
Housing Loans	-	15.930	15.930
Vehicle Loans	-	2.416	2.416
Consumer Loans	66.746	77.835	144.581
Other	-	-	-
Personnel Loans-FC Indexed	-	-	-
Housing Loans	-	-	-
Vehicle Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Personnel Loans-FC	-	-	-
Housing Loans	-	-	-
Vehicle Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Personnel Credit Cards-TRY	22.472	-	22.472
With Installment	4.499	-	4.499
Without Installment	17.973	-	17.973
Personnel Credit Cards-FC	-	-	-
With Installment	-	-	-
Without Installment	-	-	-
Overdraft Account-TRY (Real Person)	-	-	-
Overdraft Account-FC (Real Person)	-	-	-
Total (*)	1.244.312	9.607.719	10.852.031

(*) Profit share rediscount is included in the table.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 JUNE 2025

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TRY”))

EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED ASSETS (Continued)

6. Information related to loans (Continued)

d) Information on instalment commercial loans and corporate credit cards

Current Period 30 June 2025	Short-Term	Medium and Long-Term	Total
Installment Commercial Loans-TRY	419.277	1.646.967	2.066.244
Business Loans	-	13.160	13.160
Vehicle Loans	419.277	1.633.807	2.053.084
Consumer Loans	-	-	-
Other	-	-	-
Installment Commercial Loans- Indexed to FC	-	-	-
Business Loans	-	-	-
Vehicle Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Installment Commercial Loans -FC	7.705	191.177	198.882
Business Loans	-	-	-
Vehicle Loans	7.705	191.177	198.882
Consumer Loans	-	-	-
Other	-	-	-
Corporate Credit Cards -TRY	911.272	-	911.272
With Installment	-	-	-
Without Installment	911.272	-	911.272
Corporate Credit Cards -FC	-	-	-
With Installment	-	-	-
Without Installment	-	-	-
Overdraft Account-TRY (Legal Entity)	-	-	-
Overdraft Account-FC (Legal Entity)	-	-	-
Total	1.338.254	1.838.144	3.176.398

Prior Period 31 December 2024	Short-Term	Medium and Long-Term	Total
Installment Commercial Loans-TRY	399.214	1.548.175	1.947.389
Business Loans	-	13.897	13.897
Vehicle Loans	399.214	1.534.278	1.933.492
Consumer Loans	-	-	-
Other	-	-	-
Installment Commercial Loans- Indexed to FC	-	-	-
Business Loans	-	-	-
Vehicle Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Installment Commercial Loans -FC	4.993	125.167	130.160
Business Loans	-	-	-
Vehicle Loans	4.993	125.167	130.160
Consumer Loans	-	-	-
Other	-	-	-
Corporate Credit Cards -TRY	690.485	-	690.485
With Installment	-	-	-
Without Installment	690.485	-	690.485
Corporate Credit Cards -FC	-	-	-
With Installment	-	-	-
Without Installment	-	-	-
Overdraft Account-TRY (Legal Entity)	-	-	-
Overdraft Account-FC (Legal Entity)	-	-	-
Total	1.094.692	1.673.342	2.768.034

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EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED ASSETS (Continued)

6. Information related to loans (Continued)

e) Breakdown of domestic and international loans

	Current Period 30 June 2025	Prior Period 31 December 2024
Domestic Loans	332.173.048	262.346.995
Foreign Loans	3.594.772	3.104.435
Total(*)	335.767.820	265.451.430

(*) Financial lease receivables and non-performing loans are not included.

f) Loans granted to subsidiaries and participations

As of 30 June 2025, the Bank has no loans granted to subsidiaries and participations (31 December 2024: None).

g) Expected Loss Provisions for Loans (Third Stage)

	Current Period 30 June 2025	Prior Period 31 December 2024
Loans and receivables with limited collectability	181.835	120.017
Loans and receivables with doubtful collectability	1.208.341	345.520
Uncollectible loans and other receivables	1.812.271	1.157.940
Total	3.202.447	1.623.477

h) Information on lease receivables

h.1) Analysis of investments made in financial leasing by remaining maturity

	Current Period 30 June 2025		Prior Period 31 December 2024	
	Gross	Net	Gross	Net
Less than 1 year	619.245	546.349	373.680	315.902
1-5 year	90.357.714	63.114.359	59.345.625	44.212.935
More than 5 years	17.673.331	13.024.496	10.773.338	8.785.256
Total	108.650.290	76.685.204	70.492.643	53.314.093

(*) The expected credit loss allowance for receivables from leasing transactions is TRY 980.786 as of 30 June 2025 (31 December 2024: TRY 387.606).

h.2) Information on net investments in financial leasing

	Current Period 30 June 2025	Prior Period 31 December 2024
Gross Financial Lease Receivable	108.650.290	70.492.643
Unearned Financial Income from Financial Lease (-)	(31.965.086)	(17.178.550)
Canceled Rental Amounts	-	-
Total	76.685.204	53.314.093

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EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED ASSETS (Continued)

6. Information related to loans (Continued)

i) Information on non-performing receivables (net)

i.1) Information on loans and other receivables included in non-performing receivables which are restructured or rescheduled

As of 30 June 2025, the Group has loans and other receivables included in non-performing receivables which are restructured or rescheduled amount TRY 25.088 (31 December 2024: TRY 67.997).

i.2) Information on the movement of total non-performing loans

	Group III: Loans and other receivables with limited collectability	Group IV: Loans and other receivables with doubtful collectability	Group V: Uncollectible loans and other receivables
Current Period 30 June 2025			
Ending balance of prior period	472.364	1.016.525	1.406.066
Additions in the current period (+)	2.238.411	2.264.407	600.117
Transfers from other categories of non-performing loans (+)	-	1.365.206	743.798
Transfers to other categories of non-performing loans (-)	1.365.206	743.798	-
Collections in the current period (-) ^(*)	589.201	83.409	85.893
Write offs (-)	-	-	-
Corporate and commercial loans	-	-	-
Retail loans	-	-	-
Credit cards	-	-	-
Other	-	-	-
Ending balance of the current period	756.368	3.818.931	2.664.088
Expected Loss Provision (Stage 3) (-)	181.835	1.208.341	1.812.271
Net balance on balance sheet	574.533	2.610.590	851.817

(*) Includes transfers to first and second group loans amounting to TRY 42.796.

	Group III: Loans and other receivables with limited collectability	Group IV: Loans and other receivables with doubtful collectability	Group V: Uncollectible loans and other receivables
Prior Period 31 December 2024			
Ending balance of prior period	136.753	68.734	1.735.463
Additions in the current period (+)	1.835.227	575.796	244.056
Transfers from other categories of non-performing loans (+)	-	459.856	56.904
Transfers to other categories of non-performing loans (-)	459.856	56.904	-
Collections in the current period (-) ^(*)	1.039.760	30.957	630.357
Write offs (-)	-	-	-
Corporate and commercial loans	-	-	-
Retail loans	-	-	-
Credit cards	-	-	-
Other	-	-	-
Ending balance of the current period	472.364	1.016.525	1.406.066
Expected Loss Provision (Stage 3) (-)	120.017	345.520	1.157.940
Net balance on balance sheet	352.347	671.005	248.126

(*) Includes transfers to first and second group loans amounting to TRY 53.783.

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EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED ASSETS (Continued)

6. Information related to loans (Continued)

i) Information on non-performing receivables (net) (Continued)

i.3) Information on foreign currency non-performing loans

	Group III: Loans with limited collectability	Group IV: Loans with doubtful collectability	Group V: Uncollectible Loans
Current Period 30 June 2025			
Ending balance of the current period	57.370	292.536	18.862
Provision for Expected Loss (Stage 3) (-)	15.940	70.401	9.961
Net balance on balance sheet	41.430	222.135	8.901

	Group III: Loans with limited collectability	Group IV: Loans with doubtful collectability	Group V: Uncollectible Loans
Prior Period 31 December 2024			
Ending balance of the current period	23.870	13.668	69.396
Provision for Expected Loss (Stage 3) (-)	6.407	3.882	69.322
Net balance on balance sheet	17.463	9.786	74

j) Gross and net amounts of non-performing receivables according to user groups

	Group III: Loans and other receivables with limited collectability	Group IV: Loans and other receivables with doubtful collectability	Group V: Uncollectible loans and other receivables
Current Period (Net)	574.533	2.610.590	851.817
Loans to Real Persons and Legal Entities (Gross)	756.368	3.818.931	2.664.088
Specific Provisions (-)	181.835	1.208.341	1.812.271
Loans to Real Persons and Legal Entities (Net)	574.533	2.610.590	851.817
Banks (Gross)	-	-	-
Specific Provisions (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	-
Specific Provisions (-)	-	-	-
Other Loans and Receivables (Net)	-	-	-
Prior Period (Net)	352.347	671.005	248.126
Loans to Real Persons and Legal Entities (Gross)	472.364	1.016.525	1.406.066
Specific Provisions (-)	120.017	345.520	1.157.940
Loans to Real Persons and Legal Entities (Net)	352.347	671.005	248.126
Banks (Gross)	-	-	-
Specific Provisions (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	-
Specific Provisions (-)	-	-	-
Other Loans and Receivables (Net)	-	-	-

Information on accruals, valuation differences and related provisions calculated for non-performing loans for Banks which are providing expected credit loss according to TFRS 9:

	Group III: Loans with limited collectability	Group IV: Loans with doubtful collectability	Group V: Uncollectible loans
Current Period (Net)	90.810	526.466	220.868
Profit Share Accrual and Valuation Differences Provision	119.186	794.014	691.609
Provision Amount (-)	28.376	267.548	470.741
Prior Period (Net)	57.947	122.740	56.818
Profit Share Accrual and Valuation Differences Provision	76.668	189.658	322.352
Provision Amount (-)	18.721	66.918	265.534

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EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED ASSETS (Continued)

6. Information related to loans (Continued)

k) Information on liquidating policy of uncollectible loans and other receivables

Execution proceedings are carried out for the collection of receivables from loan services of Bank. During this process, tangible guarantees constituting guarantees of receivables of the Bank and assets of the debtor(s) are realized while receivables of the Bank are also tried to be collected and liquidated by means of administrative procedures.

l) Explanations on write-off policy

The Bank writes off the receivables from its records with the actualized circumstances of deaths of the debtor and/or the related people, refusals of the heritage by the heritors within the legal time limits, becoming legally and effectively impossible of the collection of the receivable, and the given financial accountability decision on the related personnel of the considered receivable.

7. Financial assets at amortized cost

a) Information on government debt securities measured at amortized cost

	Current Period 30 June 2025	Prior Period 31 December 2024
Debt Securities	19.867.109	19.413.517
Quoted in Stock Exchange	-	-
Not Quoted in Stock Exchange	19.867.109	19.413.517
Impairment Provision (-)	-	-
Total (*)	19.867.109	19.413.517

(*) The amount of TRY 4.147.364 has been collateralized due to repurchase agreement transactions.

b) Information on financial assets valued at amortized cost

None (31 December 2024: None).

c) Information on movements of government debt securities valued at amortized cost during the year

As of 30 June 2025, government debt securities measured at amortized cost of the Group is TRY 19.867.109 (31 December 2024: TRY 19.413.517).

	Current Period 30 June 2025	Prior Period 31 December 2024
Balances at Beginning of Period	19.413.517	21.830.293
Foreign Currency Differences on Monetary Assets	450.705	207.561
Purchases during the Period (*)	134.273	794.079
Disposals through Sales/Redemptions	(131.386)	(3.418.416)
Impairment Provision (-)	-	-
Balances at End of Period	19.867.109	19.413.517

(*) Rediscounts are shown in “Purchases during the period” line.

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EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED ASSETS (Continued)

8. Information on assets related to trading investments and discontinued operations

As of 30 June 2025, the Bank's assets held for sale amounted to TRY 3.379.794 (31 December 2024: TRY 1.651.596)

	Current Period 30 June 2025	Prior Period 31 December 2024
Beginning Balance (Net)	1.651.596	427.229
Changes During the Period (Net)	1.728.198	1.224.367
Amount of Depreciation	-	-
Provision for Impairment	-	-
Period End Balance (Net) (*)	3.379.794	1.651.596

(*) The Group has right of reversion on TRY 1.273.016 (31 December 2024: TRY 502.495) and right of pre-emption on TRY 1.244.267 (31 December 2024: TRY 540.852) of assets held for sale.

As of 30 June 2025, the Group has no discontinued operations (31 December 2024: None).

9. Equity Investments

a) Information about in associates (Net)

a.1) Information on unconsolidated subsidiaries:

The Bank became a shareholder of Katılım Finans Kefalet A.Ş., which was established with the aim of creating a guarantee system in accordance with the principles and principles of Participation Banking, with a participation fee of TRY 90.000. (31 December 2024: TRY 67.500) The total capital of the company is TRY 600.000 and the Bank's total participation amount is TRY 90.000, which corresponds to 15%. As of 30 June, 2025, the full amount has been paid. There is a member of the board of directors in the company to represent the Bank's shares.

	Title	Address (City/Country)	Bank's Share Ratio - If Different, Voting Ratio (%)	Bank Risk Group Share Ratio (%)
1	Katılım Finans Kefalet A.Ş.	Istanbul / TÜRKİYE	15	-

	Current Period 30 June 2025	Prior Period 31 December 2024
Balance at the beginning of the year	67.500	22.500
Movements during the year		
Purchases	22.500	45.000
Bonus Share	-	-
Dividends from current year income	-	-
Transfers to available for sale financial assets (-)	-	-
Sales	-	-
Revaluation increase	-	-
Impairment provision (-)	-	-
Balance at the end of the year	90.000	67.500
Capital commitments	22.500	22.500
Share percentage at the end of the year (%)	15%	15%

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 JUNE 2025

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TRY”))

EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED ASSETS (Continued)

9. Equity Investments (Continued)

a.2) Information on consolidated subsidiaries

As of the balance sheet date, the Bank does not have any consolidated subsidiaries (31 December 2024: None).

b) Information about in associates (net)

b.1) Information on unconsolidated subsidiaries

Ziraat Katılım Varlık Kiralama A.Ş. (“Company”), with a capital of TRY 50 fully paid by Ziraat Katılım Bankası Anonim Şirketi, on 22 January 2016 with the permission of the Banking Regulation and Supervision Agency and the Capital Markets Board, as per the Capital Markets Board (“CMB”) dated 7 June 2013 and It was established to issue lease certificates exclusively within the framework of the Communiqué on Lease Certificates (III-61.1) published in the Official Gazette No. 28760.

ZKB Varlık Kiralama A.Ş. (“Company”), with its capital of TRY 50 fully paid by Ziraat Katılım Bankası Anonim Şirketi, on 8 September 2017 with the permission of the Banking Regulation and Supervision Agency and the Capital Markets Board, as per the Capital Markets Board (“CMB”) dated 7 June 2013 and It was established to issue lease certificates exclusively within the framework of the Communiqué on Lease Certificates (III-61.1) published in the Official Gazette No. 28760.

Although not a subsidiary of our Bank, Ziraat Katılım MTN Limited, which is a 'Structured Entity,' has been included in the consolidation

	Name	Address (City/Country)	Bank’s share percentage - if different voting percentage (%)	Risk share percentage of other shareholders (%)
1	Ziraat Katılım Varlık Kiralama A.Ş.	Istanbul / TÜRKİYE	100	100
2	ZKB Varlık Kiralama A.Ş.	Istanbul / TÜRKİYE	100	100

	Total Assets	Shareholders Equity	Total Fixed Assets	Dividend or profit share income	Income from marketable securities	Current Period Income/Loss	Prior period Income/ Loss(**)	Fair Value	Needed Shareholders Equity
1 ^(*)	42.533.261	2.305	-	5.329.480	-	871	437	-	-
2 ^(*)	1.583.561	2.955	-	1.813	-	645	426	-	-

(*) Within the framework of BRSA regulations, the financial statement information of subsidiaries Ziraat Katılım Varlık Kiralama A.Ş., ZKB Varlık Kiralama AŞ. are taken from the financial statements dated 30 June 2025, which have not been subjected to inflation accounting and have not been subjected to limited audit.

	Current Period 30 June 2025	Prior Period 31 December 2024
Balance at the beginning of the year	3.744	938
Movements during the year	1.516	2.806
Additions	-	-
Bonus Share Certificates	-	-
Shares of Current Year Profits	1.516	2.785
Transfers to available for sale financial assets	-	-
Sales	-	-
Revaluation increase	-	21
Revaluation/Impairment (-)	-	-
Balance at the end of the year	5.260	3.744
Capital commitments	-	-
Share percentage at the end of the year (%)	%100	%100

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(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TRY”))

EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED ASSETS (Continued)

9. Equity Investments (Continued)

b.2) Sectoral information on consolidated subsidiaries and the related carrying amounts

	Current Period 30 June 2025	Prior Period 31 December 2024
Banks	-	-
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	-	-
Finance Companies	-	-
Other Financial Subsidiaries	100	100

b.3) Subsidiaries that are quoted on the stock exchange

None (31 December 2024: None).

c) Information on entities under common control (joint ventures):

None (31 December 2024: None).

10. Information on the investment properties:

As of 30 June 2025, the Bank has no investment property (31 December 2024: None).

11. Information on deferred tax asset:

The Bank's deferred tax asset of TRY 7.040.854 (31 December 2024: TRY 5.452.332) and the deferred tax liability of TRY 3.764.114 (31 December 2024: TRY 3.373.730) are offset, resulting in a deferred tax asset of TRY 3.276.740 in the financial statements (31 December 2024: TRY 2.078.602. deferred tax asset).

12. Information on other assets:

As of 30 June 2025 and 31 December 2024, the Bank's other assets do not exceed 10% of the balance sheet total, excluding off-balance sheet commitments.

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 JUNE 2025

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TRY”))

EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED LIABILITIES

1. a) Information on funds collected

a.1) Information on maturity structure of funds collected:

Current Period 30 June 2025	Demand	Up to 1 Month	Up to 3 Months	Up to 6 months	Up to 9 months	Up to 1 year	1 year and over	Accumulated profit sharing accounts	Total
I. Real persons current accounts non-trade TRY	5.049.640	-	-	-	-	-	-	-	5.049.640
II. Real persons participation accounts non-trade TRY	-	3.486.524	57.232.706	1.769.867	116.020	833.528	8.776.557	-	72.215.202
III. Other current accounts-TRY	11.714.262	-	-	-	-	-	-	-	11.714.262
Public sector	2.974.373	-	-	-	-	-	-	-	2.974.373
Commercial sector	7.824.969	-	-	-	-	-	-	-	7.824.969
Other institutions	900.360	-	-	-	-	-	-	-	900.360
Commercial and other institutions	3.594	-	-	-	-	-	-	-	3.594
Banks and participation banks	10.966	-	-	-	-	-	-	-	10.966
Central Bank of Republic of Türkiye	-	-	-	-	-	-	-	-	-
Domestic banks	495	-	-	-	-	-	-	-	495
Foreign banks	10.334	-	-	-	-	-	-	-	10.334
Participation banks	137	-	-	-	-	-	-	-	137
Others	-	-	-	-	-	-	-	-	-
IV. Participation accounts-TRY	-	17.233.242	144.714.206	5.351.751	1.389.018	368.235	680.237	-	169.736.689
Public sector	-	3.833.552	5.852.219	269.704	263.333	-	-	-	10.218.808
Commercial sector	-	13.047.181	134.237.336	3.989.890	503.697	79.342	679.927	-	152.537.373
Other institutions	-	351.490	4.598.422	1.092.157	621.988	288.893	303	-	6.953.253
Commercial and other institutions	-	1.019	26.229	-	-	-	7	-	27.255
Banks and participation banks	-	-	-	-	-	-	-	-	-
V. Real persons current accounts non-trade FC	19.325.661	-	-	-	-	-	-	-	19.325.661
VI. Real persons participation accounts-FC	-	186.726	27.966.081	331.580	-	475.296	1.762.086	-	30.721.769
VII. Other current accounts-FC	24.800.625	-	-	-	-	-	-	-	24.800.625
Commercial residents in Türkiye	22.105.230	-	-	-	-	-	-	-	22.105.230
Commercial residents in Abroad	2.554.702	-	-	-	-	-	-	-	2.554.702
Banks and participation banks	140.693	-	-	-	-	-	-	-	140.693
Central Bank of Republic of Türkiye	126.873	-	-	-	-	-	-	-	126.873
Domestic banks	1	-	-	-	-	-	-	-	1
Foreign banks	13.819	-	-	-	-	-	-	-	13.819
Participation banks	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-
VIII. Participation accounts other- FC	-	4.146.550	81.483.707	5.276.201	3.795.898	819.820	33.986	-	95.556.162
Public sector	-	7.402	1.336.119	-	-	660.003	-	-	2.003.524
Commercial sector	-	4.099.468	78.852.700	5.254.210	3.795.898	159.817	18.952	-	92.181.045
Other institutions	-	-	692.816	21.991	-	-	9.065	-	723.872
Commercial and other institutions	-	39.680	602.072	-	-	-	5.969	-	647.721
Banks and participation banks	-	-	-	-	-	-	-	-	-
IX. Precious metal funds	24.879.500	-	12.104.648	646.309	169.527	-	297.413	-	38.097.397
X. Participation accounts special funds – TRY	-	-	-	-	-	-	-	-	-
Residents in Türkiye	-	-	-	-	-	-	-	-	-
Residents Abroad	-	-	-	-	-	-	-	-	-
XI. Participation accounts special funds – FC	-	-	-	-	-	-	-	-	-
Residents in Türkiye	-	-	-	-	-	-	-	-	-
Residents Abroad	-	-	-	-	-	-	-	-	-
Total (I+II+...+IX+X+XI)(*)	85.769.688	25.053.042	323.501.348	13.375.708	5.470.463	2.496.879	11.550.279	-	467.217.407

(*) As of 30 June 2025, it includes amounts of TRY 5.817.433 related to the TCMB Exchange-Protected Participation Account and TRY 3.679.575 related to the Yuvam Account products.

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 JUNE 2025

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TRY"))

EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED LIABILITIES

1. a) Information on funds collected (Continued)

a.1) Information on maturity structure of funds collected (Continued)

Prior Period 31 December 2024	Demand	Up to 1 Month	Up to 3 Months	Up to 6 months	Up to 9 months	Up to 1 year	1 year and over	Accumulated profit sharing accounts	Total
I. Real persons current accounts non-trade TRY	4.110.584	-	-	-	-	-	-	-	4.110.584
II. Real persons participation accounts non-trade TRY	-	2.297.940	42.080.378	4.423.696	2.182.128	550.107	17.212.565	-	68.746.814
III. Other current accounts-TRY	16.568.739	-	-	-	-	-	-	-	16.568.739
Public sector	2.129.355	-	-	-	-	-	-	-	2.129.355
Commercial sector	11.802.747	-	-	-	-	-	-	-	11.802.747
Other institutions	603.461	-	-	-	-	-	-	-	603.461
Commercial and other institutions	3.977	-	-	-	-	-	-	-	3.977
Banks and participation banks	2.029.199	-	-	-	-	-	-	-	2.029.199
Central Bank of Republic of Türkiye	-	-	-	-	-	-	-	-	-
Domestic banks	1.261	-	-	-	-	-	-	-	1.261
Foreign banks	2.027.720	-	-	-	-	-	-	-	2.027.720
Participation banks	218	-	-	-	-	-	-	-	218
Others	-	-	-	-	-	-	-	-	-
IV. Participation accounts-TRY	-	21.213.803	80.866.035	8.638.412	5.874.812	329.133	1.089.441	-	118.011.636
Public sector	-	136.798	6.305.307	4.078.020	10.413	-	-	-	10.530.538
Commercial sector	-	20.861.267	70.105.978	3.488.885	5.862.811	86.060	1.047.152	-	101.452.153
Other institutions	-	215.738	4.362.940	1.026.573	1.588	243.073	42.289	-	5.892.201
Commercial and other institutions	-	-	91.810	44.934	-	-	-	-	136.744
Banks and participation banks	-	-	-	-	-	-	-	-	-
V. Real persons current accounts non-trade FC	16.130.617	-	-	-	-	-	-	-	16.130.617
VI. Real persons participation accounts-FC	-	140.687	21.371.703	453.211	-	522.462	1.755.842	-	24.243.905
VII. Other current accounts-FC	20.129.987	-	-	-	-	-	-	-	20.129.987
Commercial residents in Türkiye	18.175.391	-	-	-	-	-	-	-	18.175.391
Commercial residents in Abroad	1.861.663	-	-	-	-	-	-	-	1.861.663
Banks and participation banks	92.933	-	-	-	-	-	-	-	92.933
Central Bank of Republic of Türkiye	82.254	-	-	-	-	-	-	-	82.254
Domestic banks	1	-	-	-	-	-	-	-	1
Foreign banks	10.678	-	-	-	-	-	-	-	10.678
Participation banks	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-
VIII. Participation accounts other- FC	-	5.789.234	51.794.792	2.736.047	2.824.768	518.577	32.983	-	63.696.401
Public sector	-	-	2.773.011	-	-	508.263	-	-	3.281.274
Commercial sector	-	5.711.499	47.117.434	2.718.970	2.824.768	10.314	12.145	-	58.395.130
Other institutions	-	59.235	1.761.185	17.077	-	-	7.984	-	1.845.481
Commercial and other institutions	-	18.500	143.162	-	-	-	12.854	-	174.516
Banks and participation banks	-	-	-	-	-	-	-	-	-
IX. Precious metal funds	16.187.321	-	8.771.805	662.425	142.767	-	249.702	-	26.014.020
X. Participation accounts special funds – TRY	-	-	-	-	-	-	-	-	-
Residents in Türkiye	-	-	-	-	-	-	-	-	-
Residents Abroad	-	-	-	-	-	-	-	-	-
XI. Participation accounts special funds – FC	-	-	-	-	-	-	-	-	-
Residents in Türkiye	-	-	-	-	-	-	-	-	-
Residents Abroad	-	-	-	-	-	-	-	-	-
Total (I+II+...+IX+X+XI)(*)	73.127.248	29.441.664	204.884.713	16.913.791	11.024.475	1.920.279	20.340.533	-	357.652.703

(*) As of 31 December 2024, it includes amounts of TRY 16.370.016 related to the TCMB Exchange-Protected Participation Account and TRY 6.080.813 related to the Yuvam Account products.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 JUNE 2025

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TRY”))

EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED LIABILITIES (Continued)

1. a) Information on maturity structure of funds collected (Continued)

a.2) Exceeding Amounts of Insurance Limit:

i. Information’s on current and profit share accounts within the scope of Saving Deposit/Saving Deposit Insurance Fund:

	Under the guarantee of saving deposit insurance	Exceeding the limit of saving deposit	Under the guarantee of saving deposit insurance	Exceeding the limit of saving deposit
	Current Period 30 June 2025	Prior Period 31 December 2024	Current Period 30 June 2025	Prior Period 31 December 2024
Real persons current and profit sharing accounts that are not subject to commercial activities	41.751.641	30.478.881	114.481.781	104.186.506
TRY accounts	18.537.002	13.482.653	58.727.810	59.374.715
FC accounts	23.214.639	16.996.228	55.753.971	44.811.791
Foreign branches’ deposits under foreign authorities’ insurance	-	-	-	-
Off-shore banking regions’ under foreign authorities’ insurance	-	-	-	-

According to the Regulation on Amendments to the Regulation on Deposits and Participation Funds Subject to Insurance and the Premiums to be Collected by the Savings Deposit Insurance Fund, published in the Official Gazette No. 31936 dated 27 August 2022, all deposits and participation funds, except those held by official institutions, credit institutions, and financial institutions, are now covered under insurance. In line with this change, TRY 6.495.537 (31 December 2024: TRY 4.915.719) of commercial deposits, which are covered by insurance, have not been included in the table. The portion of these deposits exceeding the insurance limit is TRY 292.269.125 (31 December 2024: TRY 201.068.973)

ii. Amounts which are not within the scope of insurance

Participation fund of the real persons who are not within the scope of Saving Deposits Insurance Fund

	Current Period 30 June 2025	Prior Period 31 December 2024
Foreign branches’ profit-sharing accounts and other accounts	-	-
Profit sharing accounts and other accounts of controlling shareholders and profit-sharing accounts of their mother, father, spouse, children in care	-	-
Profit sharing account and other accounts of President and Members of Board of Directors, CEO and Vice Presidents and profit-sharing accounts of their mother, father, spouse and children in care	10.394	7.511
Profit sharing account and other accounts within the scope of the property holdings derived from crime defined in article 282 of Turkish Criminal Law No:5237 dated 26 September 2004	-	-
Profit sharing accounts in participation banks which are established in Türkiye in order to engage in off-shore banking activities solely	-	-

2. Information on funds borrowed

a) Information on the type of borrowing

	Current Period 30 June 2025		Prior Period 31 December 2024	
	TRY	FC	TRY	FC
Syndicated Loans	-	3.173.940	3.035.754	2.893.597
Wakala Loans	-	2.594.368	-	2.120.705
Funds from Issued Lease Certificates (Sukuk)	-	-	-	-
Other	1.620.810	19.420.948	3.877.867	16.576.218
Total	1.620.810	25.189.256	6.913.621	21.590.520

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 JUNE 2025

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EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED LIABILITIES (Continued)

2. Information on funds borrowed (Continued)

The details of other loans are provided below.

	Current Period 30 June 2025		Prior Period 31 December 2024	
	TRY	FC	TRY	FC
Loans from Domestic Banks	1.620.810	491.553	3.877.866	712.051
Loans from Foreign Banks	-	18.929.395	-	15.864.167
Loan from Foreign Institutions	-	-	-	-
Total	1.620.810	19.420.948	3.877.866	16.576.218

b) Information on banks and other financial institutions

	Current Period 30 June 2025		Prior Period 31 December 2024	
	TRY	FC	TRY	FC
Borrowings from the CBRT	1.141.963	-	1.191.078	-
From Domestic Banks and Institutions	478.847	3.711.723	5.722.543	3.605.648
From Foreign Banks, Institutions and Funds	-	21.477.533	-	17.984.872
Total	1.620.810	25.189.256	6.913.621	21.590.520

c) Information on maturity structure of borrowings

	Current Period 30 June 2025		Prior Period 31 December 2024	
	TRY	FC	TRY	FC
Short-term	50.328	5.587.970	5.390.976	3.859.783
Medium and Long-term	1.570.482	19.601.286	1.522.645	17.730.737
Total	1.620.810	25.189.256	6.913.621	21.590.520

d) Concentrations of the Bank’s major liabilities, funder customer, segments or other criteria which are seen risk concentrations

73,20% of The Bank’s liabilities consists of current and share profit account (31 December 2024: 69,42%).

3. Information on funds provided by money market transactions

	Current Period 30 June 2025		Prior Period 31 December 2024	
	TRY	FC	TRY	FC
Domestic	6.975.001	-	26.163.921	-
Financial Institutions	6.975.001	-	26.163.921	-
Abroad	-	-	-	-
Financial Institutions	-	-	-	-
Total	6.975.001	-	26.163.921	-

4. Information on securities issued

	Current Period 30 June 2025		Prior Period 31 December 2024	
	TRY	FC	TRY	FC
Bond	-	-	-	-
Asset Backed Securities	17.079.176	50.687.290	14.798.604	29.291.898
Bill	-	-	-	-
Total	17.079.176	50.687.290	14.798.604	29.291.898

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 JUNE 2025

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EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED LIABILITIES (Continued)

5. Information on financial liabilities at fair value through profit and loss

None (31 December 2024: None).

6. Information on Derivative Financial Liabilities:

	Current Period 30 June 2025		Prior Period 31 December 2024	
	TRY	FC	TRY	FC
Forward Transactions	-	-	-	-
Swap Transactions	-	172.540	-	-
Futures Transactions	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
Total	-	172.540	-	-

7. Information on Lease Liabilities:

	Current Period 30 June 2025		Prior Period 31 December 2024	
	Gross	Net	Gross	Net
Less than 1 year	17.638	16.649	19.461	18.415
Between 1-5 years	228.666	176.136	216.049	165.952
More than 5 years	3.878.916	1.982.014	2.866.344	1.474.199
Total	4.125.220	2.174.799	3.101.854	1.658.566

8. Information on provisions

a) Information on provisions related with foreign currency evaluation difference of foreign currency indexed loans and financial lease receivables

There is no foreign exchange loss provisions on foreign currency indexed loans and financial lease receivables as of 30 June 2025. (31 December 2024: None).

b) Provisions for expected losses on non-compensated and non-cash loans

The expected credit loss for non-compensated and non-cash loans is TRY 65.480 (31 December 2024: TRY 39.114).

c) Information on other provisions

c.1) Information on free provisions for possible risks

As of 30 June 2025, there is no such balance (31 December, 2024: A free provision amounting to TRY 500.000, which had been fully allocated in previous years outside the requirements of the BRSA Accounting and Financial Reporting Legislation, was released by the Bank’s management during the year 2024).

c.2) The names and amounts of sub-accounts of other provisions exceeding 10% of the total provision amount

As of 30 June 2025, TRY 588.683 of other provisions is related to provisions for non-cash loans (31 December 2024: TRY 503.944), TRY 194.691 of other provisions (31 December 2024: TRY 737.003) was allocated from profits to be distributed to participation accounts, TRY 8.917 (31 December 2024: TRY 9.439) was made from provisions for foreign currency purchases and sales, the portion amounting to TRY 5.397 (31 December 2024: TRY 2.861) consists of the provision for promotional practices regarding credit cards and banking services.

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 JUNE 2025

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TRY”))

EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED LIABILITIES (Continued)

8. Information on provisions (Continued)

c.3) Information on litigations provisions

A provision of TRY 10.749 has been made in the financial statements for the lawsuits that are likely to be concluded against the Group but are not yet finalized (31 December 2024: TRY 29.620).

d) Information on provisions for employee benefits

d.1) Employment termination benefits and unused vacation rights

The Group accounts for its obligations related to severance pay and leave rights in accordance with Turkish Accounting Standard 19, 'Accounting for Benefits Provided to Employees.' It has calculated the future obligations arising from severance and notice pay at their net present value and reflected them in the financial statements. As of 30 June 2025, an amount of TRY 361.185 for leave provision (as of 31 December 2024: TRY 286.680) and TRY 150.802 for severance pay are recorded in the Employee Benefits Provision account in the financial statements (as of 31 December 2024: TRY 94.500).

The Bank uses actuarial method in the calculation and recognition of severance pay with in the standard of TAS 19 – “Turkish Accounting Standard on Employee Benefits”.

The Bank used its own parameters in the calculation of the total liabilities which were calculated with the actuary assumptions.

	Current Period 30 June 2025	Prior Period 31 December 2024
Discount Rate (%)	26,67%	26,67%
Inflation (%)	23,49%	23,49%
Real Discount Rate (%)	2,58%	2,58%

Movements in the reserve for employment termination benefits during period are as follows:

	Current Period 30 June 2025	Prior Period 31 December 2024
Balance at the 1 January	286.680	202.704
Paid during the period	74.505	104.264
Severance Pay	-	(27.958)
Actuarial loss/(gain)	-	7.670
Balance at the end of the period	361.185	286.680

d.2) Retirement Benefits

Based on the results of the actuarial report, which is calculated with the actuarial ratio 9,80% as determined in the Law numbered 5754, published on the Official Gazette dated 8 May 2008 and numbered 26870, as of 31 December 2024 and 30 June 2025, no technical deficit has been reported.

As of the balance sheet date, the Bank's liability for the benefits to be transferred to SSI is the estimated amount of payment that will be required to be made during the transfer to SSI. The actuarial parameters and the results used in the measurement of this amount reflect the provisions of Law No. 5754 on the pension and health benefits to be transferred to the SSI (9,80% real discount rate, etc.) published in the Official Gazette dated 8 May 2008 and numbered 26870.

In the calculation of the liability amount for period-based benefits, largely fixed and specific assumptions are used within the framework of the new law. However, the final amount of the liability that the Bank will incur upon the transfer may vary depending on factors such as the discount rate, inflation, salary increases, as well as the number of participants and separation rates.

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 JUNE 2025

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TRY”))

EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED LIABILITIES (Continued)

8. Information on provisions (Continued)

d.3) Additional Bonus Provision to be paid to Personnel

The Bank has provisions amounting to TRY 164 in the current period, based on the additional bonus to be paid to the personnel (31 December 2024: TRY 164).

9. Explanations on tax liability

a) Explanations on current tax liability

As of 30 June 2025, the Bank’s corporate tax liability, after deducting the provisional taxes paid during the period from the tax provisions, amounts to TRY 853.621 (31 December, 2024: No corporate tax liability remained after the deduction of provisional taxes paid during the period).

b) Information on taxes payable

	Current Period 30 June 2025	Prior Period 31 December 2024
Corporate Tax Payable	853.621	-
Taxation on Income From Securities	846.862	512.575
Property Tax	5.576	3.759
Banking Insurance Transactions Tax (BITT)	317.511	270.583
Foreign Exchange Transactions Tax	10.261	9.107
Value Added Tax Payable	56.590	65.804
Other	77.977	71.659
Total	2.168.398	933.487

c) Information on premiums:

	Current Period 30 June 2025	Prior Period 31 December 2024
Social Security Premiums – Employee	891	907
Social Security Premiums – Employer	1.324	1.317
Bank Social Aid Pension Fund Premium - Employee	-	-
Bank Social Aid Pension Fund Premium - Employer	-	-
Pension Fund Membership Fees and Provisions – Employee	-	-
Pension Fund Membership Fees and Provisions – Employer	-	-
Unemployment Insurance – Employee	3.780	2.454
Unemployment Insurance – Employer	7.543	4.892
Other	-	-
Total	13.538	9.570

10. Information on deferred tax liabilities

The Bank has no deferred tax liabilities as of the balance sheet date (31 December 2024: None)

11. Information on payables for assets held for sale and discontinued operations:

The Bank has no liabilities for assets held for sale and discontinued operations (31 December 2024: None).

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 JUNE 2025

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TRY”))

EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED LIABILITIES (Continued)

12. Explanations on subordinated debts

	Current Period 30 June 2025		Prior Period 31 December 2024	
	TRY	FC	TRY	FC
From Domestic Banks	6.015.802	-	5.348.430	-
From Other Domestic Institutions	-	17.784.430	-	15.496.665
From Foreign Banks	-	-	-	-
From Other Institutions Abroad	-	-	-	-
Total	6.015.802	17.784.430	5.348.430	15.496.665

	Current Period 30 June 2025		Prior Period 31 December 2024	
	TRY	FC	TRY	FC
Debt Instruments to be Included in the Additional Capital Calculation:	-	17.784.430	-	15.496.665
Subordinated Loans (*)	-	17.784.430	-	15.496.665
Equity-like Debt Instruments	-	-	-	-
Debt Instruments to be Included in Contribution Capital Calculation:	6.015.802	-	5.348.430	-
Subordinated Loans (**)	6.015.802	-	5.348.430	-
Equity-like Debt Instruments	-	-	-	-
Total	6.015.802	17.784.430	5.348.430	15.496.665

(*) The Parent Bank obtained a subordinated loan within the scope of additional Tier 1 capital from the TWF Market Stability and Equilibrium Sub-Fund amounting to EUR 57.039 thousand on 9 March 2022, with the approval of the BRSA dated 9 March 2022, on a perpetual and non-dividend basis. The Parent Bank calculated the fair value of the mentioned loan amount using the prices of similar financial instruments at the date it was recognized in the financial statements in accordance with TFRS 9 and TFRS 13 standards. The Parent Bank obtained a subordinated loan qualifying as contribution capital from TC Ziraat Bankası A.Ş. amounting to USD 100.000 thousand with the approval of the BRSA dated 5 April 2024. The Bank obtained a subordinated loan qualifying as contribution capital from Ziraat Katılım MTN Limited amounting to USD 300.000 thousand on 17 December 2024. The loan amounting to EUR 100.000 thousand obtained from the TWF Market Stability and Equilibrium Sub-Fund on 24 April 2019, was closed on 30 December 2024.

(**) The bank obtained subordinated loans from TC Ziraat Bankası A.Ş. in the amounts of TRY 300.000 on 29 March, 2019; TRY 500.000 on 16 April, 2021; and TRY 500.000 on 17 November, 2021, all of which qualify as additional Tier 1 capital. Additionally, on 30 December, 2024, the bank secured a perpetual and non-dividend additional Tier 1 capital loan in the amount of TRY 4.000.000.

13. If the other liabilities of the balance exceed 10% of the balance sheet total, the names and amounts of the sub-accounts constituting at least 20% of them

The amount of other liabilities of balance sheet does not exceed 10% of total amount of balance sheet.

14. Information on shareholders' equity

a) Presentation on paid-in capital

	Current Period 30 June 2025	Prior Period 31 December 2024
Stock Provision	10.350.000	10.350.000
Provision for Preferred Stock	-	-

b) Paid-in capital amount, explanation whether the registered capital system is applicable by the Bank, if so the registered capital ceiling amount

None.

c) Other information regarding the capital increases made in the current period and their sources and the increased capital shares

None.

d) Information on additions from capital reserves to capital in the current period

None.

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 JUNE 2025

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TRY”))

EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED LIABILITIES (Continued)

14. Information on shareholders' equity (Continued)

- e) **Capital commitments in the last fiscal year and continue until the end of the following interim period, general purpose of these commitments and estimated resources required for these commitments**

None (31 December 2024: None).

- f) **Indicators of the Bank's income, profitability and liquidity for the prior periods and possible effects of future assumptions based on the uncertainty of these indicators on the Bank's equity**

The Bank has no uncertainty related to profitability and liquidity according to the prior period's indicators (31 December 2024: None).

- g) **Summary information on privileges given to shares representing the capital**

As of 30 June 2025, the Bank has no preferred shares (31 December 2024: None).

- h) **Disclosure of accumulated other comprehensive income or expenses to be reclassified to profit or loss**

	Current Period 30 June 2025		Prior Period 31 December 2024	
	TRY	FC	TRY	FC
From Subsidiaries, Associates and Entities under Common Control	-	-	-	-
Revaluation Difference	-	-	-	-
Foreign Exchange Difference	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	(1.396.706)	14.707	(1.685.928)	(13.541)
Revaluation Difference	(2.219.432)	14.707	(2.644.711)	(13.541)
Deferred Tax Effect	822.726	-	958.783	-
Foreign Exchange Difference	-	-	-	-
Total	(1.396.706)	14.707	(1.685.928)	(13.541)

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 JUNE 2025

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TRY”))

EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

III. EXPLANATIONS AND NOTES RELATED TO THE OFF-BALANCE SHEET ACCOUNTS

1. Explanations on off-balance sheet liabilities

a) Nature and amount of irrevocable loan commitments

	Current Period 30 June 2025	Prior Period 31 December 2024
Forward Asset Value Trading Commitments	6.988.191	5.993.801
Guaranteed Loan Allocation Commitments	-	-
Payment Commitments for Cheques	4.461.742	3.122.449
Tax and Fund Liabilities from Export Commitments	760.076	627.241
Commitments for Credit Card Expenditure Limits	7.493.370	5.664.778
Other Irrevocable Commitments	5.104.580	4.704.090
Commitment to Implementation of Promotions for Credit Card and Banking Services	4.171	3.016
Total	24.812.130	20.115.375

b) Nature and amount of possible losses and commitments arising from the off-balance sheet items including the below mentioned

The amount of provision for Stage 3 possible losses arising from the off-balance sheet items is TRY 588.683 (31 December 2024: TRY 503.944).

b.1) Non-cash loans including guarantees, acceptances, financial guarantees and other letter of credits

	Current Period 30 June 2025	Prior Period 31 December 2024
Guarantee Letters	119.660.292	105.574.323
Bank Acceptances	644.482	249.113
Letter of Credits	18.506.681	10.507.996
Other Contingencies	56.425	113.998
Total	138.867.880	116.445.430

b.2) Certain guarantees, temporary guarantees, surety ships and similar transactions

	Current Period 30 June 2025	Prior Period 31 December 2024
Letters of Temporary Guarantees	9.597.787	7.794.155
Letters of Certain Guarantees	74.150.712	59.092.207
Letters of Advance Guarantees	14.988.093	12.017.864
Letters of Guarantees given to Customs Offices	2.527.940	1.856.757
Other Letters of Guarantees	18.395.760	24.813.340
Total	119.660.292	105.574.323

b.3) Total non-cash loans

	Current Period 30 June 2025	Prior Period 31 December 2024
Non-Cash Loans for Providing Cash Loans	18.388.352	24.807.484
With Original Maturity of One Year or Less	316.135	1.688.049
With Original Maturity of More than One Year	18.072.217	23.119.435
Other Non-Cash Loans	120.479.528	91.637.946
Total	138.867.880	116.445.430

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 JUNE 2025

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TRY”))

EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

IV. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED STATEMENT OF PROFIT OR LOSS

1. a) Information on profit share received from loans

	Current Period 30 June 2025		Prior Period 30 June 2024	
	TRY	FC	TRY	FC
Profit share on loans (*)	33.441.173	6.218.080	21.130.516	3.706.174
Short term loans	17.330.170	2.391.435	10.796.482	1.696.660
Medium and long term loans (**)	15.537.420	3.826.645	10.258.821	2.009.514
Profit share on non-performing loans	573.583	-	75.213	-
Premiums received from resource utilization support fund	-	-	-	-

(*) Includes fees and commissions income on cash loans.

b) Information on profit share income from banks

	Current Period 30 June 2025		Prior Period 30 June 2024	
	TRY	FC	TRY	FC
Central Bank of the Republic of Türkiye	1.362.679	-	-	-
Domestic Banks	8.111	-	133.884	-
Foreign Banks	-	-	-	-
Head Office and Branches	-	-	-	-
Total	1.370.790	-	133.884	-

c) Information on profit share income from securities portfolio

	Current Period 30 June 2025		Prior Period 30 June 2024	
	TRY	FC	TRY	FC
Financial Assets at Fair Value through Profit and Loss	-	114.672	-	65.615
Financial Assets at Fair Value through Other Comprehensive Income	5.651.597	93.805	2.897.203	62.625
Investments Held-to-Maturity Financial Assets Measured by Amortized Cost	1.356.965	97.320	1.841.386	111.571
Total	7.008.562	305.797	4.738.589	239.811

ç) Information on profit share income received from associates and subsidiaries

None (30 June 2024: None)

2. a) Information on profit share expense on borrowing

	Current Period 30 June 2025		Prior Period 30 June 2024	
	TRY	FC	TRY	FC
Banks	1.946.514	1.278.853	889.967	477.360
Central Bank of the Republic of Türkiye	115.034	-	117.524	-
Domestic Banks	1.831.480	261.945	772.443	222.670
Foreign Banks	-	1.016.908	-	254.690
Head Office and Branches	-	-	-	-
Other Institutions	-	756.128	-	138.785
Total	1.946.514	2.034.981	889.967	616.145

b) Information on profit share expense given to associates and subsidiaries

None (30 June 2024: None).

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 JUNE 2025

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TRY”))

EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

IV. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED STATEMENT OF PROFIT OR LOSS (Continued)

c) Information on profit share expense paid to securities issued

The amount of profit share expense given to associates and subsidiaries is TRY 5.325.916 (30 June 2024: TRY 2.441.005).

d) Presentation of dividends paid to participation accounts according to maturity structure

Current Period 30 June 2025	Participation Accounts					
	1 month	3 months	6 months	1 year	Over 1 year	Total
Turkish Lira						
Funds Collected from Banks via Current and Participation Accounts	-	-	-	-	-	-
Real Person’s Non Commercial Participation Accounts	667.865	10.176.274	612.532	446.296	1.740.504	13.643.471
Public Sector Participation Accounts	139.048	657.339	291.038	24.025	-	1.111.450
Commercial Sector Participation Accounts	3.386.160	20.114.983	1.156.060	851.820	156.283	25.665.306
Other Institutions Participation Accounts	50.472	1.240.291	183.915	66.663	207	1.541.548
Total	4.243.545	32.188.887	2.243.545	1.388.804	1.896.994	41.961.775
Foreign Currency						
Funds Collected from Banks via Current and Participation Accounts	322	281	-	-	65	668
Real Person’s Non Commercial Participation Accounts	2.639	255.072	3.677	3.662	15.316	280.366
Public Sector Participation Accounts	5	36.876	-	10.550	-	47.431
Commercial Sector Participation Accounts	29.606	1.341.631	82.539	64.886	195	1.518.857
Other Institutions Participation Accounts	17.662	56.408	201	-	77	74.348
Public Sector Participation Accounts	11.036	-	-	-	-	11.036
Total	61.270	1.690.268	86.417	79.098	15.653	1.932.706
Grand Total	4.304.815	33.879.155	2.329.962	1.467.902	1.912.647	43.894.481

ZİRAAT KATILIM BANKASI A.Ş.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF
30 JUNE 2025**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TRY”))

**EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)****IV. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED STATEMENT OF PROFIT
OR LOSS (Continued)****d) Presentation of dividends paid to participation accounts according to maturity structure
(Continued)**

Prior Period 30 June 2024	Participation Accounts					
	1 month	3 months	6 months	1 year	Over 1 year	Total
Turkish Lira						
Funds Collected from Banks via Current and Participation Accounts	4.726	534.562	313.709	-	-	852.997
Real Person’s Non Commercial Participation Accounts	196.923	4.406.579	551.344	532.270	3.035.865	8.722.981
Public Sector Participation Accounts	2.648.086	585.167	2.272.922	26.936	13.497	5.546.608
Commercial Sector Participation Accounts	2.209.866	12.645.174	1.632.227	294.747	947.058	17.729.072
Other Institutions Participation Accounts	26.676	990.359	45.555	39.546	22.668	1.124.804
Total	5.086.277	19.161.841	4.815.757	893.499	4.019.088	33.976.462
Foreign Currency						
Funds Collected from Banks via Current and Participation Accounts	1	432	-	-	197	630
Real Person’s Non Commercial Participation Accounts	11.293	139.934	2.492	2.654	15.741	172.114
Public Sector Participation Accounts	6	24.243	873	-	-	25.122
Commercial Sector Participation Accounts	3.311	272.665	109.518	9	8	385.511
Other Institutions Participation Accounts	52.679	152.001	893	234	58	205.865
Public Sector Participation Accounts	7.107	-	-	-	-	7.107
Total	74.397	589.275	113.776	2.897	16.004	796.349
Grand Total	5.160.674	19.751.116	4.929.533	896.396	4.035.092	34.772.811

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 JUNE 2025

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TRY”))

EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

IV. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED STATEMENT OF PROFIT OR LOSS (Continued)

3. Information on dividend income:

The bank's dividend income as of 30 June 2025 is TRY 2.142 (30 June 2024: None).

4. a. Information on trading income/loss (net)

	Current Period 30 June 2025	Prior Period 30 June 2024
Income	17.838.425	8.666.428
Foreign exchange gains	11.584	388.695
Gain on derivative financial instruments	2.654.342	1.199.295
Gain on capital market transactions	15.172.499	7.078.438
Losses (-)	14.876.827	6.436.067
Foreign exchange losses	1.172	41.790
Losses on derivative financial instruments	290.927	138.429
Losses on capital market transactions	14.584.728	6.255.848
Net	2.961.598	2.230.361

b. Information on Profit/Loss on Derivative Financial Operations

	Current Period 30 June 2025	Prior Period 30 June 2024
Effect of the change in exchange rates on profit/loss	2.363.415	1.060.866
Total	2.363.415	1.060.866

Information on factors covering the recent developments which has significant effect on the Bank's income and the extent of effect on income

	Current Period 30 June 2025	Prior Period 30 June 2024
Correction Account for Previous Years Expenses (*)	1.756.791	3.332.011
Income from the Sale of the Asset	17.230	14.496
Provision for Communication Expenses	30.619	13.684
Checkbook Fees	3.387	2.697
Other	25.687	4.375
Total	1.833.714	3.367.263

(*) Adjustment to prior year expenses consists of TRY 994.403 from provisions for loans (30 June 2024: TRY 1.747.329), (30 June 2024: TRY 500.000 from free provisions), TRY 728.190 from provisions for participation accounts (30 June 2024: TRY : 994.301), TRY 1.303 from provisions for impairment of securities (30 June 2024: TRY 999), and TRY 32.895 consists of other provision reversals (30 June 2024: TRY 89.382).

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 JUNE 2025

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EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

IV. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED STATEMENT OF PROFIT OR LOSS (Continued)

5. Provision expenses for impairment on loans and other receivables

	Current Period 30 June 2025	Prior Period 30 June 2024
Expected Credit Loss	4.213.653	2.329.663
12 month expected credit loss (Stage 1)	1.019.810	916.176
Significant increase in credit risk (Stage 2)	1.726.008	1.021.140
Non-performing loans (Stage 3)	1.467.835	392.347
Marketable Securities Impairment Expense	-	-
Financial Assets at Fair Value through Profit or Loss	-	-
Available-for-sale Financial Assets Fair Value Through Other Comprehensive Income	-	-
Subsidiaries, Associates and Entities Under Common Control Impairment Provision	-	-
Associates	-	-
Subsidiaries	-	-
Entities Under Common Control (Joint Ventures)	-	-
Other	124.596	91.213
Total	4.338.249	2.420.876

6. Information on other operating expenses

	Current Period 30 June 2025	Prior Period 30 June 2024
Reserve for Employee Termination Benefits	67.257	50.314
Bank Social Aid Provision Fund Deficit Provision	-	-
Impairment Expenses of Tangible Assets	-	-
Depreciation Expenses of Tangible Fixed Assets	564.138	361.111
Impairment Expenses of Intangible Assets	-	-
Goodwill Impairment Expense	-	-
Amortization Expenses of Intangible Assets	102.799	49.659
Impairment Expense of Equity Participations for which Equity Method is Applied	-	-
Impairment Expenses of Assets Held for Sale	-	-
Depreciation Expenses of Assets Held for Sale	-	-
Impairment Expenses for Non-Current Assets Held for Sale and Discontinued Operations	-	-
Other Operating Expenses	1.203.559	591.520
Leasing Expenses Related to TFRS 16 Exceptions	10.780	3.821
Maintenance Expenses	161.925	85.818
Advertisement Expenses	348.560	113.633
Other Expenses	682.294	388.248
Loss on Sales of Assets	1.140	56
Other (*)	1.093.903	611.514
Total	3.032.796	1.664.174

(*) Of the balance classified under “Other”, TRY 454.555 (30 June 2024: TRY 127.428) consists of SDIF (Savings Deposit Insurance Fund) premiums and audit and consultancy service expenses, while TRY 477.402 (30 June 2024: TRY 293.300) consists of taxes, duties and levies, and other service expenses.

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 JUNE 2025

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TRY”))

EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

IV. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED STATEMENT OF PROFIT OR LOSS (Continued)

7. Information on profit/loss from continued and discontinued operations before taxes

As of 30 June 2025, the Bank does not have any discontinuing operations. The compositions of the profit/loss before tax from the continuing operations are following:

	Current Period 30 June 2025	Prior Period 30 June 2024
Net Profit Share Income	5.184.548	(106.952)
Net Fees and Commissions Income	2.052.769	1.052.442
Dividend Income	2.142	-
Trading Income/Expense (Net)	2.961.598	2.230.361
Other Operating Income	1.833.714	3.367.263
Expected Loss Provision (-)	4.213.653	2.329.663
Other Provision Expense (-)	124.596	91.213
Personnel Expense	3.035.905	1.803.746
Other Operating Expenses (-)	3.032.796	1.664.174
Income/(Loss) from Continuing Operations	1.627.821	654.318

8. Information on tax provision for continued and discontinued operations

Since the Bank does not have any discontinued operations, there is no related tax provision.

As of 30 June 2025, the Bank has deferred tax income of TRY 1.588.521 (30 June 2024: TRY 592.238) and deferred tax expense of TRY 254.325 (30 June 2024: TRY 534.086). Current tax provision TRY 1.736.777 (30 June 2024: None).

9. Explanation on net income/loss for the period for continuing and discontinued operations

The net profit of the Bank from its ongoing activities is TRY 1.225.240 (30 June 2024: TRY 712.470 net profit).

10. Explanation on net profit/loss

a) Nature, amount and frequency of income and expenses arising from ordinary banking activities, if required for the understanding the performance of the Bank in the current period

The Bank mainly utilizes its resources from domestic current and profit shares, securities and interbank operations. Besides, it obtains income via commissions taken from non-cash loans, other banking operations

b) The effect of the change in accounting estimates to the net profit/loss; including the effects to the future period, if any

As of the balance sheet date, there is no change in accounting estimates that may require further explanations in the current period.

11. If other items in the income statement exceed 10% of the income statement total, sub-accounts constituting at least 20% of these items are shown below

None (30 June 2024: None).

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 JUNE 2025

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TRY”))

EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

V. EXPLANATION AND NOTES RELATED TO CONSOLIDATED THE CHANGES IN SHAREHOLDERS’ EQUITY

Not prepared in compliance with the Article 25 of the Communiqué Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks.

VI. EXPLANATION AND NOTES RELATED TO THE STATEMENT OF CONSOLIDATED CASH FLOW

Not prepared in compliance with the Article 25 of the Communiqué Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks.

VII. EXPLANATIONS AND NOTES RELATED TO THE RISK GROUP OF THE PARENT BANK

1) a) Information on the volume of transactions relating to the Bank’s risk group, outstanding loans and funds collected and income and expenses for the period

Current Period

Risk group of the Bank	Subsidiaries, Associates and Entities Under Common Control (Joint Ventures)		Direct and indirect shareholders of the Bank		Other real or legal persons included in the risk group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and other receivables	-	-	-	-	-	-
Balance at beginning of period	-	-	5.154.068	-	-	-
Balance at end of period	-	-	6.109.156	-	-	-
Profit share and commission income	-	-	1.529	-	-	-

Prior Period

Risk group of the Bank	Subsidiaries, Associates and Entities Under Common Control (Joint Ventures)		Direct and indirect shareholders of the Bank		Other real or legal persons included in the risk group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and other receivables	-	-	-	-	-	-
Balance at beginning of period	-	-	6.184.984	-	-	-
Balance at end of period	-	-	5.154.068	-	-	-
Profit share and commission income	-	-	-	-	-	-

b) Current and profit sharing account held by the Parent Bank risk group

Risk group of the Bank	Subsidiaries, Associates and Entities Under Common Control (Joint Ventures)		Direct and indirect shareholders of the bank		Other real or legal persons included in the risk group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Current and participation accounts						
Balance at the beginning of period	1.057	1.740	-	-	-	-
Balance at the end of period	3.832	1.057	-	-	-	-
Participation Accounts						
Profit Share Expenses	-	-	-	-	-	-

c) Information on loans received from the risk group of the Parent Bank

Risk group of the Bank	Subsidiaries, Associates and Entities Under Common Control (Joint Ventures)		Direct and indirect shareholders of the bank		Other real or legal persons included in the risk group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Funds Borrowed						
Balance at the beginning of period	-	-	103.355	112.751	-	-
Balance at the end of period	-	-	56.375	103.355	-	-
Participation Accounts						
Profit Share Expenses	5.325.916	2.446.147	334.077	61.343	-	-

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 JUNE 2025

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TRY”))

EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

VII. EXPLANATIONS AND NOTES RELATED TO THE RISK GROUP OF THE PARENT BANK (Continued)

2) Information on forward transactions, option contracts and other similar contracts with the Bank risk group

Risk group of the Bank	Subsidiaries, Associates and Entities Under Common Control (Joint Ventures)		Direct and indirect shareholders of the bank		Other real or legal persons included in the risk group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Transactions at Fair Value Through Profit or Loss	-	-	-	-	-	-
Balance at the beginning of period	-	-	5.596.134	14.844.411	-	-
Balance at the end of period	-	-	8.081.512	5.596.134	-	-
Total Profit / Loss	-	-	-	-	-	-
Hedging transactions	-	-	-	-	-	-
Balance at the beginning of period	-	-	-	-	-	-
Balance at the end of period	-	-	-	-	-	-
Total Profit / Loss	-	-	-	-	-	-

3) Information on the fees paid to the top management of the bank

The total amount of benefits provided to the Parent Bank's Senior Management is TRY 39.407 (31 December 2024: TRY 56.793).

VIII. SIGNIFICANT EVENTS AND MATTERS ARISING SUBSEQUENT TO CONSOLIDATED BALANCE SHEET DATE

On 11 July 2025, a lease certificate issuance amounting to TRY 3.300.000 was carried out by Ziraat Katılım Varlık Kiralama A.Ş., with code TRDZKVKKE2526, a tenor of 97 days, an annual simple yield of 44,50%, and a maturity date of 16 October 2025.

On 30 July 2025, a lease certificate issuance amounting to TRY 2.500.000 was carried out by Ziraat Katılım Varlık Kiralama A.Ş., with code TRDZKVKK2510, a tenor of 98 days, an annual simple yield of 42,00%, and a maturity date of 5 November 2025.

On 4 August 2025, ZKB Varlık Kiralama A.Ş. issued a lease certificate amounting to TRY 120.000, with ISIN code TRDZKBV82611, a tenor of 364 days, an annual simple yield of 46,69%(*), and a maturity date of 3 August 2026.

**As of June 30, 2025, it consists of the sum of the TLREFK (Turkish Lira Overnight Participation Reference Rate) and the agreed upon +4% rate between the fund user and the bank. This rate may vary over the duration until the maturity date.*

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 JUNE 2025

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TRY”))

SECTION SIX

EXPLANATIONS ON AUDITOR’S REVIEW REPORT

I. EXPLANATIONS ON INDEPENDENT AUDITOR’S REVIEW REPORT

The consolidated financial statements for the period ended 30 June 2025 have been reviewed by PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. The auditor’s review report dated 7 August 2025 is presented preceding the consolidated financial statements.

II. EXPLANATIONS AND NOTES PREPARED BY THE INDEPENDENT AUDITORS

None.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF
30 JUNE 2025**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TRY”))

SECTION SEVEN

INTERIM ACTIVITY REPORT

I. Assessment of Chairman

The second quarter of 2025 has passed amidst political and economic agendas affecting the entire world. As global markets increasingly seek direction, uncertainties persist with the emergence of risks concerning the future of international trade and geopolitical issues. During this period, the decrease in predictability has made long-term investment decisions more challenging, and risks related to global growth prospects have become more prominent.

As the first half of the year concluded, market fluctuations caused by the tariffs implemented by the U.S. administration have slowed with the agreements reached between the U.S. and various countries, especially the United Kingdom and China. While the U.S. Federal Reserve (FED) continues its tight monetary policy and cautious approach to inflation, it is anticipated that interest rate cuts may commence by the end of 2025. However, to realize these expectations, the effect of tariffs on the economy and the trajectory of economic parameters will be monitored. In the second half of the year, the focus will be on the new tax reduction law by the U.S. administration and its effects on the budget deficit.

In Europe, as inflation data aligned with targets, the European Central Bank (ECB) has continued its cautious easing policy with a series of interest rate cuts. During this period, efforts to end the Russia-Ukraine war gained momentum with the Istanbul talks, while global attention shifted to the conflicts between Iran and Israel. News of a cease-fire led to a downward trend in oil prices and a decline in gold prices due to reduced safe-haven demand, contributing to a decrease in inflationary expectations. Although tensions in the markets have eased, a fragile outlook persists.

While closely following these global developments, our country approaches every issue concerning our region with sensitivity. Our economic management is successfully carrying out the fight against inflation, which is among the priority targets, with proactive steps taken decisively; every new data point indicates a step closer to the goal. During the relevant period, there has been an improvement in our country’s risk premium, which is of great importance for accessing international finance. In our country, where all mechanisms are effectively utilized to ensure financial stability, the success achieved in the first half of the year is expected to continue increasing throughout the remainder of the year.

As of May 2025, the share of participation banking, which is crucial for enhancing the robustness of our financial system and making it more resilient to risks, has reached 8,4% within the financial sector.

As of May 2025, Ziraat Katılım Bank's share in the participation banking sector is approaching 20%. Celebrating its tenth anniversary, Türkiye's first public participation finance institution, Ziraat Katılım Bank, will continue to support the economy in line with its customer-oriented service approach and principles of profitability and efficiency, both now and in the future.

Alpaslan ÇAKAR
Chairman of the Board

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 JUNE 2025

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TRY"))

INTERIM ACTIVITY REPORT (Continued)

II. Assessment of General Manager

ZİRAAT KATILIM CROWNS ITS FINANCIAL SUCCESS WITH SUSTAINABLE GROWTH

With a strong capital structure and a stable growth strategy, Ziraat Katılım continued its operations with solid steps in the second quarter of 2025.

As of the first half of the year, Ziraat Katılım's total assets increased by 24% compared to the end of the previous year, reaching 638.2 billion TL. Funds collected grew by 31% to 467.2 billion TL, while cash loans provided rose by 29% to 412.4 billion TL. Thus, the total cash and non-cash financing volume that Ziraat Katılım contributed to the economy amounted to 551.3 billion TL.

Continuing to expand its service network nationwide, Ziraat Katılım offers accessible, innovative, and reliable participation banking services to its customers through a total of 217 branches across 63 provinces, including 2 international branches, by the end of the second quarter of 2025.

STRONG STEPS IN SUKUK ISSUANCES: REACHED A VOLUME OF 145.5 BILLION TL

In the second quarter of 2025, Ziraat Katılım continued to enhance its presence in the lease certificate market through successful transactions. During this period, our bank successfully completed 7 sukuk issuances through Ziraat Yatırım Menkul Değerler A.Ş., providing a total funding of 16.2 billion TL. With a total of 192 sukuk issuances offered to investors to date, Ziraat Katılım has reached a cumulative volume of 145.5 billion TL, reinforcing its strong position in the participation finance market.

CELEBRATING OUR 10TH ANNIVERSARY

Ziraat Katılım, which began its journey on 29 May 2015, as Türkiye's first public participation finance institution, has continued to contribute to the economic development of our country over the past 10 years by combining the rich legacy of the Ziraat brand with an innovative participation finance approach.

On the occasion of our bank's 10th anniversary, we organized the first open-air events at Ziraat Towers in the Istanbul Financial Center. We gathered with public protocol representatives, senior executives of the Ziraat Finance Group, our customers, guests, and colleagues.

As part of our anniversary activities, we also held the Participation Finance Summit at Ziraat Towers, evaluating current developments in the finance sector with the participation of many panelists and guests from both domestic and international arenas. The outputs of the Participation Finance Summit, organized to contribute to building a more equitable, ethical, and sustainable financial future, will soon be published as a book to add to the academic literature.

DIGITAL INTEGRATION COMPLETED IN THE SUPPLIER FINANCING SYSTEM

Within the scope of the "Supplier Financing System," which offers suppliers the opportunity to collect their receivables under favorable conditions without waiting for the due date; we have completed system development and integration work with intermediary institutions providing digital platform services to companies.

SUPPORT FOR INVESTMENT AND EXPORT WITH GUARANTEE SUPPORT

Under the main protocol arranged between Katılım Finans Kefalet A.Ş. and our bank regarding Treasury and Equity guarantees:

- The "Treasury Investment Support Package," aimed at providing guarantees for the investment expenditures of SMEs and non-SME enterprises with Investment Incentive Certificates,

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF
30 JUNE 2025**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TRY"))

INTERIM ACTIVITY REPORT (Continued)

II. Assessment of General Manager (Continued)

- And the "Treasury Export Support Package," aimed at supporting the access to finance of companies operating in the exporting and foreign exchange earning services sector, were activated and offered to our customers.

WE CONTINUED TO INCREASE OUR VOLUME IN CARD PAYMENT SYSTEMS

In the second quarter of 2025, growth in our card payment systems continued compared to the previous quarter;

- The number of POS terminals increased by 4%, and POS turnover by 17%;
- The number of TROY debit cards grew by 15%, and turnover by 14,5%;
- The number of credit cards rose by 8%, and turnover by 19%;
- The number of commercial credit cards increased by 14%, and turnover by 12%.

The results of the work we have carried out for our card products and merchant network indicate the continuation of our stable growth.

WE EXPAND OUR CONSULTANCY SERVICES TO OFFER COMPREHENSIVE SOLUTIONS TO OUR CUSTOMERS

In line with our customer-focused service approach, we adopt a holistic approach that touches not only financial needs but also areas directly affecting the lives of our customers and their family members. In this context, by diversifying our consultancy services; we have begun to provide guidance to our customers in critical areas such as financial planning, savings and investment advice, and essential matters like retirement, education, health, and estate planning.

WE EXPANDED OUR COMMERCIAL BANKING PRODUCT SET

Products developed under the Commercial Banking Value Proposition have been classified as PHASE-1-2-3, including:

- Co-financed leasing,
- Request for payment,
- Bulk payment,
- Renewable energy insurance,
- Fuel collection system,
- Cash/cheque collection

A total of 6 new products have been completed and offered for service.

SELLER CO-FINANCED TRACTOR-MECHANIZATION PRODUCT LAUNCHED

To provide our customers with access to financing at more advantageous profit rates for the purchase of tractors and agricultural mechanization tools from sellers with a Co-financed Financing Protocol with our bank, the Seller Co-Financed Tractor-Mechanization Product has been launched.

With our new product, our customers will have the opportunity to make their agricultural production more efficient by accessing financing under favourable conditions.

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 JUNE 2025

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TRY"))

INTERIM ACTIVITY REPORT (Continued)

II. Assessment of General Manager (Continued)

CONTINUING TO ADD VALUE TO THE AGRICULTURAL SECTOR

As Ziraat Katılım, we resolutely continue our efforts to enhance the economic value of our country's fertile lands with our approach supporting sustainable agriculture. Through our subsidized and diversified non-subsidized financing products aimed at the agricultural industry, agricultural technologies, and planned production areas, we meet the modernization needs of our producers and promote efficient and high-quality production. With our "Agricultural Financing" products developed in line with Participation Banking principles, we continue to support our producers and contribute to the agriculture-based economic growth of our country.

We operate with an understanding that adheres to ethical banking principles, centers on sustainable development, and focuses on people and production. By providing financial support to the real sector, developing innovative products and services, investing in digitalization, and engaging in social responsibility projects, we continue to stand by our customers.

With our innovative solutions, strong capital structure, ethical stance, and the strength we gain from our human resources, we are determined to take on a stronger role in the economic development of our country and to produce more value for our customers.

Best Regards,

Metin ÖZDEMİR
General Manager

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 JUNE 2025

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TRY”))

INTERIM ACTIVITY REPORT (Continued)

III. Shareholding Structure

The paid in capital of Ziraat Katılım Bankası A.Ş. is TRY 10.350.000.000 and this capital is divided into 10.350.000.000 shares, each of which is worth 1.00 Turkish Liras. The Chairman and Members of the Board of Directors, the Members of the Audit Committee, and the General Manager and his Deputies do not own shares in the Bank.

Title	Share Amounts	Number of Shares
T.C. Ziraat Bankası A.Ş.	10.349.999.996	10.349.999.996
Ziraat Gayrimenkul Yatırım Ortaklığı A.Ş.	1	1
Ziraat İşletme Yönetimi ve Gayrimenkul Geliştirme A.Ş.	1	1
Ziraat Teknoloji A.Ş.	1	1
Ziraat Yatırım Menkul Değerler A.Ş.	1	1

IV. Amendments to the Articles of Association

Following the decision made at the Ordinary General Assembly meeting held on 6 June 2024, the Headquarters address of Ziraat Katılım Bankası A.Ş. has been changed from Hobyar Eminönü Mah. Hayri Efendi Cad. Bahçekapı No:12 34112 Fatih – Istanbul to Finanskent Mahallesi Finans Cad. B Blok No: 44b İç Kapı No: 29 34764 Ümraniye – Istanbul. The new address was announced in the Turkish Trade Registry Gazette on 2 July 2024.

V. Main Financial Indicators

Among the Bank’s Assets, Loans with TRY 412.566.418 Thousand with 65%, Cash Values and Cash Equivalents with TRY 130.791.907 Thousand with 20%, Securities with TRY 70.009.986 Thousand with 12%, Other Assets with TRY 19.433.509 Thousand with 3%. gets a share.

Assets (Thousand TRY)	30 June 2025	31 December 2024	Variance (%)
Cash Values and Cash Equivalents	130.791.907	124.103.824	5
Securities	70.009.986	54.897.088	28
Loans	412.566.418	317.863.713	30
Other Assets	19.433.509	13.293.703	46
Total Assets	632.801.820	510.158.328	24

Funds Collected in Bank Liabilities with TRY 467.217.407 Thousand with 73%, Non-Funds Collected Resources with TRY 125.351.765 Thousand with 20%, Shareholders' Equity with TRY 23.935.195 Thousand with 4% and Other Liabilities with TRY 16.297.453 Thousand with 3%. takes.

Liabilities (Thousand TRY)	30 June 2025	31 December 2024	Variance (%)
Funds Collected	467.217.407	357.652.703	31
Non- Funds Collected Resources	125.351.765	119.603.659	5
Other Liabilities	16.297.453	10.530.928	55
Equity	23.935.195	22.371.038	7
Total Liabilities	632.801.820	510.158.328	24

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 JUNE 2025

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INTERIM ACTIVITY REPORT (Continued)

V. Main Financial Indicators (Continued)

Selected Income-Expenses (Thousand TRY)	30 June 2025	30 June 2024
Profit Share Income	63.182.409	39.260.544
Profit Share Expense	57.997.861	39.367.496
Net Profit Share Income	5.184.548	(106.952)
Net Fee and Commission Income	2.052.769	1.052.442
Dividend Income	2.142	-
Net Trading Income	2.961.598	2.230.361
Other Operating Income	1.833.714	3.367.263
Expected Loss Provision	4.213.653	2.329.663
Other Provision Expense	124.596	91.213
Personnel Expense	3.035.905	1.803.746
Other Operating Expense	3.032.796	1.664.174
Profit / Loss Before Tax	1.627.821	654.318
Tax Provision	(402.581)	58.152
Net Profit/Loss	1.225.240	712.470

RATIOS (%)	30 June 2025	31 December 2024
Capital Adequacy Ratio	16,3	20,4
Equity / Total Assets	3,8	4,3
Total Loans / Total Assets	66,3	61,4
Borrowings/Total Assets	73,8	70,1
Non-Performing Loans (Gross)/Loans	1,7	0,9

(*) Non-performing loans, loans extended to the financial sector, and financial lease receivables are included.

VI. Information Regarding the Consolidated Subsidiary

ZİRAAT KATILIM VARLIK KİRALAMA A.Ş.:

Ziraat Katılım Varlık Kiralama A.Ş. was established on 22 January, 2016, with a fully paid-up capital of 50 TL, entirely funded by Ziraat Katılım, upon obtaining permission from the Banking Regulation and Supervision Agency and the Capital Markets Board. The company was founded for the sole purpose of issuing lease certificates within the framework of the Capital Markets Board’s Lease Certificates Communique (III-61.1), which was published in the Official Gazette dated 7 June, 2013 (28760).

The company's headquarters is located in Ümraniye / ISTANBUL.

As of 30 June 2025, the company does not have any employees.

Shareholders	Adress	Number of Stocks	Number of Shares
Ziraat Katılım Bankası A.Ş.	Finanskent Mah. Finans Cad. B Blok No:44B İç Kapı No:29 Ümraniye/ ISTANBUL	50.000	50.000

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 JUNE 2025

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TRY"))

INTERIM ACTIVITY REPORT (Continued)

VI. Information Regarding the Consolidated Subsidiary (Continued)

ZİRAAT KATILIM VARLIK KİRALAMA A.Ş.: (Continued)

The lease certificate issuances made by Ziraat Katılım Varlık Kiralama A.Ş. are shown in the table below.

Fund User	ISIN Code	Issuance Amount	Issuance Date	Maturity Date	Remaining Days to Maturity	Annual Simple Rate
Ziraat Katılım Bankası A.Ş.	TRDZKVK72514	3.000.000.000	11.04.2025	11.07.2025	91	45,00%
Ziraat Katılım Bankası A.Ş.	TRDZKVK72522	2.500.000.000	25.04.2025	30.07.2025	96	45,50%
Ziraat Katılım Bankası A.Ş.	TRDZKVK82513	3.000.000.000	16.05.2025	15.08.2025	91	48,00%
Ziraat Katılım Bankası A.Ş.	TRDZKVK92512	1.200.000.000	26.05.2025	05.09.2025	102	47,00%
Ziraat Katılım Bankası A.Ş.	TRDZKVK92520	2.500.000.000	27.05.2025	05.09.2025	101	46,00%
Ziraat Katılım Bankası A.Ş.	TRDZKVK92538	2.000.000.000	13.06.2025	18.09.2025	97	46,50%
Ziraat Katılım Bankası A.Ş.	TRDZKVK62518	2.000.000.000	27.06.2025	03.10.2025	98	46,00%

The lease certificate redemptions made by Ziraat Katılım Varlık Kiralama A.Ş. are shown in the table below.

Fund User	ISIN Code	Issuance Amount	Issuance Date	Maturity Date	Remaining Days to Maturity	Profit Share
Ziraat Katılım Bankası A.Ş.	TRDZKVK62515	2.000.000.000	27.06.2024	26.06.2025	364	897.534.200,00
Ziraat Katılım Bankası A.Ş.	TRDZKVK42517	2.000.000.000	10.01.2025	11.04.2025	91	214.411.000,00
Ziraat Katılım Bankası A.Ş.	TRDZKVK42525	2.000.000.000	22.01.2025	25.04.2025	93	212.753.400,00
Ziraat Katılım Bankası A.Ş.	TRDZKVK52524	1.000.000.000	04.02.2025	26.05.2025	111	127.726.000,00
Ziraat Katılım Bankası A.Ş.	TRDZKVK52532	2.500.000.000	14.02.2025	16.05.2025	91	255.548.000,00
Ziraat Katılım Bankası A.Ş.	TRDZKVK62523	2.000.000.000	12.03.2025	13.06.2025	93	198.739.800,00
Ziraat Katılım Bankası A.Ş.	TRDZKVK62531	2.000.000.000	27.03.2025	27.06.2025	92	221.808.200,00

ZKB VARLIK KİRALAMA A.Ş.:

ZKB Varlık Kiralama A.Ş. with a fully paid-up capital of 50 TL, entirely funded by Ziraat Katılım, was established on 8 September, 2017, with permission from the Banking Regulation and Supervision Agency and the Capital Markets Board. The company was founded exclusively for the purpose of issuing lease certificates, in accordance with the Capital Markets Board's Lease Certificates Communiqué (III-61.1), published in the Official Gazette dated 7 June, 2013 (28760).

The company's headquarters is located in Ümraniye / İSTANBUL.

As of June 30, 2025, the company does not have any employees.

Shareholders	Adress	Number of Stocks	Number of Shares
Ziraat Katılım Bankası A.Ş.	Finanskent Mah. Finans Cad. B Blok No:44B İç Kapı No:29 Ümraniye/ İSTANBUL	50.000	50.000

The lease certificate issuances made by ZKB Varlık Kiralama A.Ş. are shown in the table below.

Fund User	ISIN Code	Issuance Amount	Issuance Date	Maturity Date	Remaining Days To Maturity	Annual Simple Rate
TİRYAKI AGRO	TRDZKBV72513	251.000.000	10.04.2025	31.07.2025	112	45,50%
PINAR SÜT	TRDZKBV82512	120.000.000	28.04.2025	22.08.2025	116	49,50%
TİRYAKI AGRO	TRDZKBV82520	240.000.000	07.05.2025	14.08.2025	99	49,00%
GSM2 İNOVASYON	TRDZKBVE2519	300.000.000	15.05.2025	17.10.2025	155	51,00%
TİRYAKI AGRO	TRDZKBV92511	50.000.000	18.06.2025	16.09.2025	90	49,00%
PINAR SÜT	TRDZKBVE2527	120.000.000	18.06.2025	01.10.2025	105	48,50%

The lease certificate redemptions made by ZKB Varlık Kiralama A.Ş. are shown in the table below.

Fund User	ISIN Code	Issuance Amount	Issuance Date	Maturity Date	Remaining Days to Maturity	Annual Simple Rate
GSM2 İNOVASYON	TRDZKBV52515	300.000.000	19.12.2024	30.05.2025	162	63.246.570,00
TİRYAKI AGRO	TRDZKBV52523	300.000.000	08.01.2025	07.05.2025	119	44.991.780,00
TİRYAKI AGRO	TRDZKBV62514	155.000.000	07.02.2025	13.06.2025	126	22.472.876,50

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INTERIM ACTIVITY REPORT (Continued)

VII. 2025 Second Interim Period Activities

Corporate, Commercial, and Private Banking Activities

In the second quarter of 2025, Ziraat Katılım Bank embraced a strategy responsive to customer needs in its Corporate, Commercial, and Private Banking activities, expanding its service network and reaching new customers through an increased variety of financial products, digitalization, and innovative applications.

Under the Corporate Banking activities, the bank operates with 6 Corporate Branches across 3 different provinces, providing solutions tailored to customer needs. With a customer-centric service approach, it empowers its clients by understanding their needs and expectations and offering the most appropriate solutions and value propositions through the right channel. During this period, when sectoral regulations were closely monitored, obligatory reserve applications based on credit growth were carefully observed. A "Cross-Selling Campaign" was organized at our Corporate and Commercial branches with the aim to increase our market share and customer product ownership, successfully concluded across all items during the campaign period. Agreements were signed with corporate segment clients under the Supplier Financing System (TFS) and the Direct Debiting System (DBS).

In the Commercial Banking field, 19 Commercial Branches in 11 different provinces provide services in line with our Bank's Business Culture Principles. In 2025, phase studies under the Commercial Banking Value Proposition were completed; 6 products including co-financed leasing, request for payment, bulk payment, renewable energy insurance, fuel collection system, and cash/cheque collection were developed and offered to our clients. As part of our branching strategy, Maslak and Merter Commercial Branches were opened in Istanbul European Region.

In Private Banking activities, the customer experience was moved to digital channels. A dedicated website for private clients was launched, allowing applications through digital channels via the 'Become Our Customer' button. This platform, developed to offer faster, privileged, and personalized digital experiences to meet banking needs, will be one of the most important digital reflections of our segment-based services. Value assessments and insurance consultancy for valuable assets such as artworks, overseas education consultancy, and VIP Hajj/Umrah consultancy were provided as special advisory solutions to our clients. Moreover, event and social network consultancies offered prestigious social amenities to private clients, enhancing customer loyalty.

In line with these activities, Ziraat Katılım Bank has continued to improve customer experience across all segments, diversifying its financial solutions and maintaining an approach focused on sustainable growth. The bank has demonstrated strong performance in line with its customer-focused service approach and strategic objectives.

Retail Banking, Digital Solutions, and Agricultural Finance Activities

Under the 2025 Retail Banking objectives, our efforts to expand our service network and establish a more widespread customer base have continued steadily in the second quarter of the year. As of the end of the first quarter, our bank operated with a total of 209 branches, including 186 Retail branches in 62 provinces, while by the end of the second quarter, this reached a total of 215 branches, including 190 Retail branches across 63 provinces. This increase in branch numbers has enhanced customer accessibility and service capacity in different geographic regions.

As of the second quarter, positive trends were observed in financial indicators within Retail Banking branches; our growth momentum in financing volume and customer funds continued. During the same period, the significant increase in special current funds indicated that more customers preferred our bank for their daily banking transactions. Additionally, there was a substantial rise in our Instant Daily Account product, which provides liquidity flexibility to customers while evaluating their short-term savings. These developments indicate a growing interest from our customers in our financial products.

ZİRAAT KATILIM BANKASI A.Ş.

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INTERIM ACTIVITY REPORT (Continued)

VII. 2025 Second Interim Period Activities (Continued)

Last year's implementation of the Digital Branch Service Model has increased the variety of transactions offered to our customers. With our digital branch service model, we are continuing to work with the vision of offering our products and services more widely and effectively without the necessity of visiting a branch. Campaigns have been organized for customers who joined us through digital channels and those using digital channels, and activities to retain customers are ongoing. By integrating with the Hangi Kredi platform, we have started offering services to our customers in areas such as new customer acquisition, financing, credit card applications, and fund collection through different channels. In collaboration with leading e-commerce platforms, integration processes have been initiated to offer embedded financial services to our customers. Furthermore, service banking value proposition initiatives have been launched to easily deliver services at every point where customers need financial services, aiming to develop and expand open banking and embedded finance services.

A strong performance has been showcased in card payment systems. In the second quarter of 2025, the volume of debit card turnover, credit card numbers, credit card turnover, the number of commercial credit cards, and POS turnover in the member merchant network have continued to grow.

In line with our bank's objectives, our contribution to agriculture and production-based economies continues to increase through both subsidized and diversified unsubsidized agricultural products, primarily in the agricultural industry, agricultural technologies, and planned production. The significant increase recorded in the agricultural finance sector during the second quarter is a tangible indicator of our growing contribution.

Our support for the agricultural sector's development, providing the necessary agricultural mechanization and modernization, and enhancing the efficiency of agricultural production and products continue within the scope of a sustainable agriculture ecosystem, which is played by our country with its arable land and fertile soils. Accordingly, we continue to serve our customers with “Agricultural Financing” products that cater to all agricultural needs in line with Participation Banking principles.

Ziraat Katılım Bankası has continued to offer innovative and inclusive financial services in accordance with the principles of participation banking, reaching a vast customer base ranging from individual customers to SMEs, farmers to digital platform users, and traditional branch clients.

Participation-Based Financial Supports

In the second quarter of 2025, Ziraat Katılım Bank maintained its support for the real sector with finance models developed in line with the participation-based banking vision, providing its customers with a comprehensive and effective financing network. Protocols established with Katılım Finans Kefalet A.Ş. and Credit Guarantee Fund Inc., along with collaborations with Türkiye Export Credit Bank Inc. (Eximbank) and KOSGEB support programs, have facilitated access to finance for a wide range of companies, from SMEs to large-scale enterprises, contributing to sustainable growth for these businesses.

Sub-protocols aimed at offering services to customers operating in various sectors, from exporters or foreign exchange-generating services to SMEs and businesses in the defense industry, have been signed and implemented under the Main Protocol concerning Treasury and Equity guarantees between Katılım Finans Kefalet A.Ş. and our Bank. Additionally, under the protocol between Credit Guarantee Fund Inc. and our Bank, “KGF Investment-Operational Support Package” initiatives have commenced to finance investment and associated operational expenses of manufacturing SMEs.

While interest-free Pre-Shipment Export Financing (SÖİF) disbursements continue for our exporters and manufacturers producing export-oriented goods (final producers) between Türkiye Export Credit Bank Inc. (Eximbank) and our Bank, efforts related to the Export Support Financing Program have begun.

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INTERIM ACTIVITY REPORT (Continued)

VII. 2025 Second Interim Period Activities (Continued)

Within the scope of collaborations with KOSGEB, two support programs aimed at enhancing the growth, digital transformation, and global competitiveness of SMEs have been implemented between KOSGEB and our Bank. The Capacity Development Support Program aims to improve the productivity, resilience, production, and corporate capabilities of SMEs. The Global Competitiveness Support Program provides businesses with support in areas such as innovative product development, improving production processes, supply chain management, and entry into international markets.

In line with the "Year of Family (2025)" declared by the Presidency, work is ongoing on a Family Support Package designed to meet the marriage, housing, and general needs of family members. Additionally, under the collaboration signed between Türkiye's Automobile Initiative Group Inc. (TOGG) and our Bank, Commercial TOGG Vehicle Financing has been created for both individuals and legal entities for the financing of Türkiye's national automobile TOGG.

In the area of financial leasing, disbursements of our "TLREFK Indexed Financial Leasing" product are ongoing, which offers medium and long-term financial leasing financing services to our customers with a variable installment payment plan based on the TLREFK index. Furthermore, the "Interest-Free Financial Leasing Financing Program" targeting exporter firms has been implemented in collaboration with Eximbank. The "Dealer Contribution Margin Financial Leasing" product, supporting equipment purchases from vendors with contribution-margin protocols, has also been made available to our customers.

Within the scope of Agricultural Banking, the Dealer Contribution Margin Tractor-Mechanization product has been offered to our customers to enable acquisitions of tractors and agricultural mechanization tools at more favorable profit rates from vendors with Contribution Margin Financing Protocol agreements with our Bank.

Operational Developments

In the second quarter of 2025, Ziraat Katılım Bank achieved significant improvements in operational and systemic areas focused on foreign trade transactions, digitalization, and customer satisfaction. In this context, training programs aimed at developing employee competencies were organized; technology-focused infrastructure projects were implemented to enhance the efficiency of business processes.

Within the scope of foreign trade consultancy, branch and customer visits were carried out, and practical training was provided to branch personnel. In addition to SMS and email notifications for incoming/outgoing remittances and foreign currency transfer transactions, a "Push Notification" feature has been activated, and import letter of credit/bill payments are now being tracked by robots.

In the area of insurance activities, TARSIM policy productions have been facilitated by Türkiye Participation Insurance, and efforts have been made to allow policy payments via cash or credit card to boost our Bank's profitability and credit card usage.

Sustainability and Climate Change Efforts

Our efforts in sustainability and climate change, among our Bank's priority strategic initiatives, are being conducted in alignment with Türkiye's national goals, especially the 2053 Net Zero Emission target and the Green Deal Action Plan. During this process, compliance with legal regulations, meeting customer expectations, and considering investor demands are being prioritized, with our efforts advancing rapidly and decisively.

Celebrating the 10th anniversary of our Bank, we have presented our first-ever integrated 2024 Integrated Activity Report, reflecting our sustainability approach, to all our stakeholders. Additionally, our Sustainability Report, prepared in line with Türkiye Sustainability Reporting Standards (TSRS), has been completed.

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INTERIM ACTIVITY REPORT (Continued)

VII. 2025 Second Interim Period Activities (Continued)

In the upcoming period, in addition to the ESG factors evaluated in the financing utilization processes, it is aimed to integrate climate-related factors into the processes and increase the sustainable financing offered to customers.

The activities carried out are a clear indication of Ziraat Katılım Bank’s strategic vision to enhance service quality, strengthen human resources, and maximize customer satisfaction.

VIII. Expectations for the Period Following the Second Interim of 2025

In the second quarter of 2025, the focal points of the global economy were regional tensions, tariffs, the slowdown in global growth, and uncertainties in fiscal policies. Globally, the first half of the year was completed with cautious steps instead of easing measures regarding monetary policies. The tariffs initiated by the U.S. administration led to upward expectations in near-term global inflation projections. The Iran-Israel tension was among the most significant geopolitical issues due to its global impact during the relevant period. While this tension did not create a permanent shock in energy prices, it did lead to a repricing of the geopolitical risk premium in the energy market. Efforts by central banks to increase gold reserves continued, with gold's ONS price maintaining its upward trend, testing the \$3.500 level.

The World Bank reduced its 2025 growth rate expectation for the global economy from 2,70% to 2,30%, the lowest level in the last 20 years, while the OECD lowered its global growth expectation from 3,10% to 2,90%. Expectations included a contraction of 1,50% in global trade in 2025. Due to ongoing adversities and increasing geopolitical tensions in recent years, the global economy is undergoing a period of lost stability, with all predictions indicating that the global growth rate will remain below the 20-year average.

In the first quarter of 2025, the U.S. economic agenda was largely shaped by discussions around tariffs to be applied to other countries and interest rates; during this period, the U.S. economy contracted by 0,50%. Although there was some easing in tariffs in the second quarter, similar decisions were followed in monetary policy, with the U.S. Federal Reserve (FED) deciding to keep the policy rate unchanged at 4,25%-4,50% in its May and June meetings. Consequently, the FED continued its streak of holding the policy rate constant for five consecutive meetings, emphasizing that conditions were not yet suitable for a rate cut. This decision was attributed by the FED to uncertainties concerning tariffs. While projections for this year indicate one or two interest rate cuts, signals of more cuts in 2026 have been expressed. Additionally, end-of-year inflation expectation is anticipated to decrease from 3,60% to 3,20%. In this regard, the likelihood of maintaining a cautious stance in monetary policy has strengthened; with forecasts suggesting interest rates will remain constant for some time, the 10-year U.S. Treasury yield has risen to 4,41%. Market expectations for the first rate cut predominantly point to September. Among the economic indicators, the Services PMI registered at 52,20. The Commercial Activity Index contracted for the first time since May 2020. New orders and employment levels also showed a decline. The U.S. economy's most crucial agenda in the new term is predicted to continue being the discussions on policy rates and tariffs.

In the Eurozone, interest rate cuts that began in the second half of 2024 continued through the first half of 2025. The European Central Bank (ECB), at its June meeting, lowered interest rates by 25 basis points to 2,15%. As a result of the determined struggle against inflation, the Eurozone completed the first half of 2025 with the target inflation rate of 2%. During this period, the Euro strengthened against the Dollar, highlighted as a reflection of the Eurozone’s economic strength. On the other hand, the lack of any resolution in the Russia-Ukraine War has continued to pose threats to energy and supply security. NATO allies decided to increase their defense expenditure budgets to 5% of their national income. While this is anticipated to have positive short-term effects on growth and employment, it is also considered likely to present a long-term risk to budget deficits.

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INTERIM ACTIVITY REPORT (Continued)

VIII. Expectations for the Period Following the Second Interim of 2025 (Continued)

In the past period, emerging market economies have been affected by issues such as regional wars, and increases in energy and commodity prices experienced globally. In the second quarter of the year, monetary policy maneuvers and inflation data remained central topics on the agenda of emerging countries. China, which completed the first quarter with a growth rate of 5,40%, above expectations, saw its Service PMI drop to 50,60, the lowest level in eight months. Interest rates were kept unchanged at 2,00%, the lowest level in recent years, and a 50 basis point reduction in reserve requirement ratios was made to increase liquidity. Meanwhile, among developed countries, Japan kept its policy rate steady at 0,50% for the remainder of the period after raising it by 25 basis points in 2025. Additionally, Japan's 20-year bond yield, with an increase of 12 basis points, reached 2,62%, the highest level since 2000. This situation indicates a strong upward pressure on interest rates in the short term.

For the Turkish economy, the prominent agenda items in the second quarter of 2025 were tight monetary policy, inflation, and regional risks. With the decisions made in monetary policy committee meetings, the policy rate was maintained at 46,00% in the second quarter. As a result of tight monetary policies, the downward trend in inflation continued. While it is anticipated that easing policies may begin in the upcoming period, a decrease in the policy rate is expected. On the other hand, by the end of the second quarter, the inflation rate continued to decline on a monthly basis, falling to 1,37%. The growth rate in the first quarter was 2,00%, but this was below expectations. The Organisation for Economic Co-operation and Development (OECD) reduced its 2025 growth forecast for the Turkish economy from 3,10% to 2,90%, and announced a growth expectation of 3,30% for 2026. In the forthcoming period, it is expected that inflation will be brought down to targeted levels, with monetary policy steps taken in accordance with this aim, considering targets related to growth, unemployment rates, and regional risks. In Türkiye, which is highly sensitive to global developments due to its geopolitical position, the developments in the Iran-Israel and Russia-Ukraine conflicts in the Middle East will be important topics to follow in the second half of the year.

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