

ZİRAAT KATILIM BANKASI ANONİM ŞİRKETİ

**CONSOLIDATED FINANCIAL STATEMENTS AND RELATED
EXPLANATIONS AND NOTES AS OF 31 MARCH 2025 WITH
AUDITOR'S 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 31 March 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 three-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 31 March 2025 and the results of its consolidated financial performance and its consolidated cash flows for the three-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 31 March 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", is positioned above the name of the independent auditor.

Didem Demer Kaya, SMMM
Independent Auditor

Istanbul, 8 May 2025



**THE CONSOLIDATED FINANCIAL REPORT OF
ZİRAAT KATILIM BANKASI A.Ş AS OF 31 MARCH 2025**

The Bank's Headquarter Address: Finanskent Mahallesi, Finans Caddesi,
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The consolidated financial report for the three-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 OF THE GROUP
- 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 are 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 three-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

Fikretin 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

Figen BAHADIR
Head of Financial
Coordination Department

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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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 31 MARCH 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 31 March 2025, and 31 December 2024, main shareholders and capital amounts as follows:

Name of Shareholders	31 March 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	Loan Allocation and Management
Ertuğrul İSPAHA	Corporate Banking
Seher Elif EKİCİ	Credit Policies and Risk Liquidation
Mustafa Kürşad ÇETİN	Retail Banking
Suat TÜCCAR (*)	Product Management and Digital Banking

(*) He was appointed as Executive Vice President of Product Management and Digital Banking as of April 17, 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 31 MARCH 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 31 March 2025, the Bank operates with a total of 211 branches, including 209 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 31 March 2025, the Bank has 2.865 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 31 MARCH 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 (31 March 2025)			Prior Period (31 December 2024)		
		TRY	FC	Total	TRY	FC	Total
I. FINANCIAL ASSETS (NET)		64.454.841	89.122.102	153.576.943	93.356.993	66.557.406	159.914.399
1.1 Cash And Cash Equivalents		39.817.766	74.305.290	114.123.056	69.907.502	54.196.322	124.103.824
1.1.1 Cash And Balances with Central Bank	(1)	39.699.076	55.370.134	95.069.210	65.803.017	37.626.323	103.429.340
1.1.2 Banks	(2)	118.803	18.935.539	19.054.342	4.104.858	16.570.441	20.675.299
1.1.3 Money Markets Placements		-	-	-	-	-	-
1.1.4 Expected Loss Provision (-)		113	383	496	373	442	815
1.2 Financial Assets Measured At Fair Value Through Profit/Loss	(3)	-	11.933.078	11.933.078	-	9.483.947	9.483.947
1.2.1 Government Securities		-	11.537.904	11.537.904	-	9.128.399	9.128.399
1.2.2 Equity Securities		-	-	-	-	-	-
1.2.3 Other Financial Assets		-	395.174	395.174	-	355.548	355.548
1.3 Financial Assets Measured at Fair Value Through Other Comprehensive Income	(4)	24.614.582	2.873.600	27.488.182	23.414.816	2.637.721	26.052.537
1.3.1 Government Securities		24.511.804	2.873.600	27.385.404	23.325.523	2.637.721	25.963.244
1.3.2 Equity Securities		52.913	-	52.913	52.913	-	52.913
1.3.3 Other Financial Assets		49.865	-	49.865	36.380	-	36.380
1.4 Derivative Financial Assets	(5)	22.493	10.134	32.627	34.675	239.416	274.091
1.4.1 Derivative Financial Assets Measured at Fair Value Through Profit and Loss		22.493	10.134	32.627	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)		207.323.569	179.111.470	386.435.039	186.446.727	150.830.503	337.277.230
2.1 Loans	(6)	159.482.021	150.221.854	309.703.875	137.109.263	131.237.122	268.346.385
2.2 Lease Receivables	(6)	34.099.754	28.472.521	62.572.275	34.131.462	19.182.631	53.314.093
2.3 Other Financial Assets Measured at Amortized Cost	(7)	17.495.645	1.655.279	19.150.924	17.958.979	1.454.538	19.413.517
2.3.1 Government Securities		17.394.195	1.655.279	19.049.474	17.856.635	1.454.538	19.311.173
2.3.2 Other Financial Assets		101.450	-	101.450	102.344	-	102.344
2.4 Expected Loss Provision (-)		3.753.851	1.238.184	4.992.035	2.752.977	1.043.788	3.796.765
III. ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (NET)	(8)	2.477.238	-	2.477.238	1.651.596	-	1.651.596
3.1 Assets Held for Sale		2.477.238	-	2.477.238	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)	3.536.837	50.771	3.587.608	3.516.909	47.651	3.564.560
VI. INTANGIBLE ASSETS (NET)	(11)	1.620.008	-	1.620.008	1.362.609	-	1.362.609
6.1 Goodwill		-	-	-	-	-	-
6.2 Other		1.620.008	-	1.620.008	1.362.609	-	1.362.609
VII. INVESTMENT PROPERTY (NET)	(12)	-	-	-	-	-	-
VIII. CURRENT TAX ASSET		-	-	-	-	-	-
IX. DEFERRED TAX ASSETS	(13)	2.787.317	-	2.787.317	2.078.602	-	2.078.602
X. OTHER ASSETS	(14)	3.715.686	298.475	4.014.161	3.905.346	336.486	4.241.832
TOTAL ASSETS		286.005.496	268.582.818	554.588.314	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 31 MARCH 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 (31 March 2025)			Prior Period (31 December 2024)		
		TRY	FC	Total	TRY	FC	Total
I. FUNDS COLLECTED	(1)	214.214.854	183.595.648	397.810.502	207.437.775	150.214.928	357.652.703
II. FUNDS BORROWED	(2)	1.649.778	22.086.257	23.736.035	6.913.621	21.590.520	28.504.141
III. MONEY MARKETS DEBTS	(3)	20.844.758	645.862	21.490.620	26.163.921	-	26.163.921
IV. SECURITIES ISSUED (NET)	(4)	16.361.907	39.021.368	55.383.275	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)	-	-	-	-	-	-
6.1 Derivative Financial Liabilities at Fair Value Through Profit or Loss		-	-	-	-	-	-
6.2 Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income		-	-	-	-	-	-
VII. LEASE PAYABLES (NET)	(7)	1.792.391	-	1.792.391	1.658.566	-	1.658.566
VIII. PROVISIONS	(8)	921.067	853.182	1.774.249	659.912	1.010.285	1.670.197
8.1 Restructuring Provisions		-	-	-	-	-	-
8.2 Reserve for Employee Benefits		469.497	-	469.497	381.344	-	381.344
8.3 Insurance Technical Provisions (Net)		-	-	-	-	-	-
8.4 Other Provisions		451.570	853.182	1.304.752	278.568	1.010.285	1.288.853
IX. CURRENT TAX LIABILITY	(9)	1.984.359	254	1.984.613	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)	5.725.366	17.104.956	22.830.322	5.348.430	15.496.665	20.845.095
12.1 Loans		5.725.366	17.104.956	22.830.322	5.348.430	15.496.665	20.845.095
12.2 Other Debt Instruments		-	-	-	-	-	-
XIII. OTHER LIABILITIES	(13)	4.558.465	345.942	4.904.407	5.943.688	315.420	6.259.108
XIV. SHAREHOLDERS' EQUITY	(14)	22.885.844	(3.944)	22.881.900	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		(137.652)	-	(137.652)	(136.457)	-	(136.457)
14.4 Accumulated Other Comprehensive Income or Loss That will not be Reclassified in Profit or Loss		(2.193.183)	(3.944)	(2.197.127)	(1.685.928)	(13.541)	(1.699.469)
14.5 Profit Reserves		10.142.629	-	10.142.629	10.142.629	-	10.142.629
14.5.1 Legal Reserves		512.488	-	512.488	512.488	-	512.488
14.5.2 Status Reserves		-	-	-	-	-	-
14.5.3 Extraordinary Reserves		9.584.074	-	9.584.074	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)		4.462.537	-	4.462.537	3.452.822	-	3.452.822
14.6.1 Prior Period Profit/Loss		3.452.822	-	3.452.822	-	-	-
14.6.2 Current Period Profit/Loss		1.009.715	-	1.009.715	3.452.822	-	3.452.822
TOTAL LIABILITIES		290.938.789	263.649.525	554.588.314	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 31 MARCH 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 (31 March 2025)			Prior Period (31 December 2024)		
		TRY	FC	Total	TRY	FC	Total
A OFF-BALANCE SHEET COMMITMENTS (I-II+III)		94.996.272	71.956.005	166.952.277	83.053.874	87.818.807	170.872.681
I. GUARANTEES AND WARRANTIES	(1)	71.158.240	58.569.661	129.727.901	66.284.160	50.161.270	116.445.430
1.1 Letters of Guarantee		71.046.105	43.613.188	114.659.293	66.168.725	39.405.598	105.574.323
1.1.1 Guarantees Subject to State Tender Law		530.887	31.540.669	32.071.556	539.393	27.379.221	27.918.614
1.1.2 Guarantees Given for Foreign Trade Operations		59.659.388	-	59.659.388	50.985.613	-	50.985.613
1.1.3 Other Letters of Guarantee		10.855.830	12.072.519	22.928.349	14.643.719	12.026.377	26.670.096
1.2 Bank Acceptances		-	650.347	650.347	-	249.113	249.113
1.2.1 Import Letter of Acceptance		-	650.347	650.347	-	249.113	249.113
1.2.2 Other Bank Acceptances		-	-	-	-	-	-
1.3 Letters of Credit		12.992	14.286.488	14.299.480	12.992	10.495.004	10.507.996
1.3.1 Documentary Letters of Credit		12.992	14.286.488	14.299.480	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		5.989	19.638	25.627	5.989	11.555	17.544
1.7 Other Collaterals		93.154	-	93.154	96.454	-	96.454
II. COMMITMENTS	(1)	17.889.295	1.374.602	19.263.897	16.769.714	3.345.661	20.115.375
2.1 Irrevocable Commitments		17.889.295	1.374.602	19.263.897	16.769.714	3.345.661	20.115.375
2.1.1 Forward asset purchase commitments		704.084	1.374.602	2.078.686	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		4.497.025	-	4.497.025	3.122.449	-	3.122.449
2.1.7 Tax and Fund Liabilities from Export Commitments		716.379	-	716.379	627.241	-	627.241
2.1.8 Commitments for Credit Card Limits		7.096.021	-	7.096.021	5.664.778	-	5.664.778
2.1.9 Commitments for Credit Cards and Banking Services Promotions		3.680	-	3.680	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		4.872.106	-	4.872.106	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		5.948.737	12.011.742	17.960.479	-	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		5.948.737	12.011.742	17.960.479	-	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		5.948.737	12.011.742	17.960.479	-	34.311.876	34.311.876
3.3 Other		-	-	-	-	-	-
B. CUSTODY AND PLEDGES RECEIVED (IV+V+VI)		822.922.977	130.139.767	953.062.744	679.228.337	104.411.567	783.639.904
IV. ITEMS HELD IN CUSTODY		31.430.726	49.770.758	81.201.484	23.751.806	37.182.601	60.934.407
4.1 Customer Fund and Portfolio Balances		-	-	-	-	-	-
4.2 Investment Securities Held in Custody		12.118.742	1.030.585	13.149.327	7.390.622	83.830	7.474.452
4.3 Checks Received for Collection		14.531.994	472.733	15.004.727	11.856.916	287.485	12.144.401
4.4 Commercial Notes Received for Collection		1.539.215	763.784	2.302.999	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		3.240.775	9.257.335	12.498.110	3.247.945	6.354.921	9.602.866
4.8 Custodians		-	38.246.321	38.246.321	-	29.775.454	29.775.454
V. PLEDGES RECEIVED		791.492.251	80.369.009	871.861.260	655.476.531	67.228.966	722.705.497
5.1 Marketable Securities		3.394.855	62.319	3.457.174	3.309.773	55.598	3.365.371
5.2 Guarantee Notes		43.635.974	362.494	43.998.468	17.268.447	193.715	17.462.162
5.3 Commodity		54.513.229	26.944.742	81.457.971	48.164.224	18.733.253	66.897.477
5.4 Warranty		-	-	-	-	-	-
5.5 Properties		660.340.886	42.939.713	703.280.599	556.374.346	39.397.310	595.771.656
5.6 Other Pledged Items		29.607.307	10.059.741	39.667.048	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)		917.919.249	202.095.772	1.120.015.021	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 FOR THE PERIOD ENDED 31 MARCH 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 (V-IV)	Current Period 01 January - 31 March 2025	Prior Period 01 January - 31 March 2024
I.	PROFIT SHARE INCOME	(1)	29.669.573	18.372.205
1.1	Profit Share on Loans		18.278.371	11.946.136
1.2	Profit Share on Reserve Deposits		2.414.545	-
1.3	Profit Share on Banks		1.370.790	33.448
1.4	Profit Share on Money Market Placements		-	-
1.5	Profit Share on Marketable Securities Portfolio		3.419.054	2.543.235
1.5.1	Financial Assets Measured at Fair Value Through Profit/Loss		56.528	30.866
1.5.2	Financial Assets Measured at Fair Value Through Other Comprehensive Income		2.630.937	1.487.825
1.5.3	Financial Assets Measured at Amortised Cost		731.589	1.024.544
1.6	Financial Lease Income		3.660.572	3.719.343
1.7	Other Profit Share Income		526.241	130.043
II.	PROFIT SHARE EXPENSE	(2)	26.904.929	18.187.256
2.1	Expense on Profit Sharing Accounts		19.376.815	16.000.666
2.2	Profit Share Expense on Funds Borrowed		2.289.511	931.648
2.3	Profit Share Expense on Money Market Borrowings		2.641.506	213.285
2.4	Expense on Securities Issued		2.471.707	976.543
2.5	Lease Profit Share Expense		124.735	41.538
2.6	Other Profit Share Expenses		655	23.576
III.	NET PROFIT SHARE INCOME (I - II)		2.764.644	184.949
IV.	NET FEES AND COMMISSIONS INCOME/EXPENSE		862.401	306.661
4.1	Fees and Commissions Received		1.125.443	745.304
4.1.1	Non-cash Loans		265.743	174.540
4.1.2	Other		859.700	570.764
4.2	Fees and commissions paid		263.042	438.643
4.2.1	Non-cash Loans		-	-
4.2.2	Other		263.042	438.643
V.	DIVIDEND INCOME	(3)	-	-
VI.	NET TRADING INCOME	(4)	1.624.655	1.151.175
6.1	Capital Market Transaction Gains / Losses		4.360	386.510
6.2	Gains/ Losses From Derivative Financial Instruments		1.226.948	366.107
6.3	Foreign Exchange Gains / Losses		393.347	398.558
VII.	OTHER OPERATING INCOME	(5)	716.678	2.243.508
VIII.	TOTAL OPERATING PROFIT (III+IV+V+VI+VII)		5.968.378	3.886.293
IX.	EXPECTED CREDIT LOSSES (-)	(6)	1.693.393	1.548.977
X.	OTHER PROVISIONS (-)	(6)	81.695	60.454
XI.	PERSONNEL EXPENSES (-)		1.375.706	848.704
XII.	OTHER OPERATING EXPENSES (-)	(7)	1.428.235	789.836
XIII.	NET OPERATING PROFIT/LOSS (VIII-IX-X-XI-XII)		1.389.349	638.322
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)	1.389.349	638.322
XVIII.	TAX PROVISION FOR CONTINUED OPERATIONS (±)	(9)	(379.634)	(188.550)
18.1	Current Tax Provision		(875.067)	-
18.2	Expense Effect of Deferred Tax (+)		(215.044)	(582.344)
18.3	Income Effect of Deferred Tax (-)		710.477	393.794
XIX.	NETOPERATING PROFIT/LOSS AFTER TAXES(XVI±XVII)	(10)	1.009.715	449.772
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)	1.009.715	449.772
	Earnings per share income/loss (Full TRY)		0,0976	0,0435

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 31 MARCH 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 1 January-31 March 2025	Prior Period 1 January-31 March 2024
I. CURRENT PERIOD PROFIT/LOSS	1,009,715	449,772
II. OTHER COMPREHENSIVE INCOME	(498,853)	(267,341)
2.1 Other Income/Expense Items not to be Reclassified to Profit or Loss	(1,195)	361
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	(1,195)	361
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	(497,658)	(267,702)
2.2.1 Foreign Currency Translation Differences	-	-
2.2.2 Income/Expenses from Valuation and/or Reclassification of Financial Assets Measured at FVOCI	(710,940)	(383,497)
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	213,282	115,795
III. TOTAL COMPREHENSIVE INCOME (I+II)	510,862	182,431

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 31 MARCH 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					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	Profit Reserves					
PRIOR PERIOD 31 March 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	-	-	-	-	-	-	361	-	(267.702)	-	-	-	449.772	-	182.431	182.431
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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.1. Dividends Paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2. Transfers to Reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.3. Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Period End Balance (III+IV+.....+X+XI)	10.350.000	-	-	261.513	-	(127.913)	(1.265)	-	(1.060.758)	-	6.138.132	4.004.497	449.772	-	20.013.978	20.013.978
CURRENT PERIOD 31 March 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	-	-	-	-	-	-	(1.195)	-	(497.658)	-	-	-	1.009.715	-	510.862	510.862
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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.1. Dividends Paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2. Transfers to Reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.3. Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Period end Balance (III+IV+.....+X+XI)	10.350.000	-	-	261.513	-	(135.583)	(2.069)	-	(2.197.127)	-	10.142.629	3.452.822	1.009.715	-	22.881.900	22.881.900

- 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 31 MARCH 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 -31 March 2025	Prior Period 1 January -31 March 2024
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1 Operating profit before changes in operating assets and liabilities)		3.554.030	268.353
1.1.1 Profit Share Income Received		27.745.427	16.242.694
1.1.2 Profit Share Expense Paid		(24.986.676)	(15.636.997)
1.1.3 Dividend Received		-	-
1.1.4 Fees and Commissions Received		1.283.872	748.238
1.1.5 Other Income		274.785	604.550
1.1.6 Collections from Previously Written-off Loans		366.654	453.620
1.1.7 Payments to Personnel and Service Suppliers		(1.375.706)	(848.704)
1.1.8 Taxes Paid		(875.051)	(1.275.573)
1.1.9 Others		1.120.725	(19.475)
1.2 Changes in Operating Assets and Liabilities		(35.093.245)	(19.964.323)
1.2.1 Net (Increase) / Decrease in Financial Assets at Fair Value Through Profit or Loss		(2.483.441)	(3.090.647)
1.2.2 Net (Increase) / Decrease in Due From Banks And Other Financial Institutions		(12.730.031)	(5.577.748)
1.2.3 Net (Increase) / Decrease in Loans		(35.238.105)	5.551.557
1.2.4 Net (Increase) / Decrease in Other Assets		(9.528.634)	(1.292.648)
1.2.5 Net Increase / (Decrease) in Bank Funds		(2.096.057)	1.344.060
1.2.6 Net Increase / (Decrease) in Other Funds		35.643.012	(9.913.444)
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		(5.043.409)	(5.286.789)
1.2.9 Net Increase / (Decrease) in Payables		-	-
1.2.10 Net Increase / (Decrease) in Other Liabilities		(3.616.580)	(1.698.664)
I. Net Cash Provided from Banking Operations		(31.539.215)	(19.695.970)
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net Cash Provided from Investing Activities		(18.777)	(643.660)
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		(381.955)	(630.944)
2.4 Disposals of Tangible Assets		-	538
2.5 Purchase of Financial Assets at Fair Value Through Other Comprehensive Income		(229.783)	(342.140)
2.6 Sale of Financial Assets at Fair Value Through Other Comprehensive Income		152.126	2.983.272
2.7 Purchase of Financial Assets Measured at Amortized Cost		(112.730)	(2.631.886)
2.8 Sale of Financial Assets Measured at Amortized Cost		576.065	-
2.9 Other		-	-
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net Cash Provided from Financing Activities		7.996.269	8.265.528
3.1 Cash Obtained from Funds Borrowed And Securities Issued		18.920.896	12.605.957
3.2 Cash Used For Repayment of Funds Borrowed And Securities Issued		(10.813.121)	(4.287.791)
3.3 Issued Equity Instruments		-	-
3.4 Dividends Paid		-	-
3.5 Payments for Finance Leases		(111.506)	(52.638)
3.6 Other		-	-
IV. Effect Of Change In Foreign Exchange Rate On Cash And Cash Equivalents	(1)	1.121.676	1.068.724
V. Net Increase/ (Decrease) In Cash And Cash Equivalents (I+II+III+IV)	(1)	(22.440.047)	(11.005.378)
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)	59.804.765	30.557.045

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF
31 MARCH 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 31 March 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
31 MARCH 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 recorded at the Bank's foreign exchange buying rates prevailing on the transaction date. At period-end, foreign currency denominated assets and liabilities are remeasured at the Bank's foreign exchange buying rates prevailing at the reporting date, and the resulting exchange differences are recognized under "foreign exchange gains/losses" in the financial statements.

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" ("TFRS 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 31 MARCH 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:

31 March 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 31 March 2025, the subsidiary of the Parent Bank is Katılım Finans Kefalet A.Ş.

EXPLANATIONS ON INVESTMENTS IN ASSOCIATES AND SUBSIDIARIES

Subsidiaries and affiliates denominated in Turkish currency are accounted for at cost in accordance with the "Turkish Accounting Standard for Separate Financial Statements" ("TAS 27") and are reflected in the unconsolidated financial statements after deducting the provision for impairment, if any. As of 22 January 2016, Ziraat Katılım Varlık Kiralama Anonim Şirketi was established as a wholly-owned subsidiary of the Bank with a capital of TRY 50, and as of 19 July 2017, ZKB Varlık Kiralama Anonim Şirketi was established as a wholly-owned subsidiary of the Bank with a capital of TRY 50. 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 on 30 April 2023.

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
31 MARCH 2025**

(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
31 MARCH 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.

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 interest payments on the principal balance at specified dates.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF
31 MARCH 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 (Continued)

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 January 1, 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 31 March 2025.

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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF
31 MARCH 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)

Explanations on Expected Loss Provisions (Continued)

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.

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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF
31 MARCH 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)

Default (Stage 3) (Continued)

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.

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.

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

VIII. EXPLANATIONS ON IMPAIRMENT OF FINANCIAL ASSETS (Continued)

Future Expectations (Continued)

The Bank uses 3 scenarios as base, bad and good for future expectations. All 3 scenarios have predetermined weights. 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 Behavioral 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, behavioral 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.

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 31 March 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.

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

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 31 March 2025, the Parent Bank's non-current assets held for sale are TRY 2.477.238 (31 December 2024: TRY 1.651.596).

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.

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

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.

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".

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XIV. EXPLANATIONS ON LEASING TRANSACTIONS (Continued)

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.

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.

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

**XV. EXPLANATIONS ON PROVISIONS, CONTINGENT ASSETS AND LIABILITIES
(Continued)**

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.

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 31 March 2025, the Bank's employee termination benefit is TRY 323.933 (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 31 March 2025 unused vacation liability of the Bank is TRY 145.400 (31 December 2024: TRY 94.500).

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

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

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

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 Anadolu Bank 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 2002, 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 May 8, 2008 and numbered 26870.

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.

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XVI. EXPLANATIONS ON OBLIGATIONS RELATED TO EMPLOYEE RIGHTS

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

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 31 March 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.

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.

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XVII. EXPLANATIONS ON TAXATION (Continued)

a. Current tax (continued)

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.

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 in the year the sale is made, and the portion of the sale proceeds benefiting from the exemption must be kept in a special reserve account in the liabilities until the end of the fifth year following the year of the sale. The transfer to the reserve account must be made no later than the date on which the corporate tax return for the period in which the income is declared is filed, starting from the beginning of the fiscal year following the year of the sale. However, the sale price must be collected by the end of the second calendar year following the year of the sale. Any unpaid portion of the sale price within this period will result in taxes not being assessed on time, and these taxes will be considered as lost due to the exemption.

Taxes which do not accrue on time because the applying exemption for the transfer of the expemted 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).

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XVII. EXPLANATIONS ON TAXATION (Continued)

a. Current tax (continued)

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. However, based on the authority granted by Article 5/2 of the KVK, amended by Law No. 7491, it was determined as 50% by the Presidential Decree No. 9160, published in the Official Gazette No. 32735, dated 27 November 2024.

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.

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.

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XVII. EXPLANATIONS ON TAXATION (Continued)

a. Current tax (continued)

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 Communique on Corporate Tax No. 23 was published in the Official Gazette No. 32676 on 28 September 2024, addressing this matter.

b. Deferred tax

The Parent Bank calculates and accounts for deferred taxes in accordance with TMS 12 "Turkish Accounting Standard on Income Taxes" for temporary differences between the applied accounting policies and valuation principles and the tax basis determined in accordance with tax legislation. Law No. 7394 on the Valuation of Immovable Properties Owned by the Treasury and Amendments to the Value Added Tax Law, which entered into force after being published in the Official Gazette No. 31810 dated April 15, 2022, and Article 26 of the Law No. 5520 on Amending Certain Laws and Decree Laws. With the paragraph added to the temporary article 13 of the Corporate Tax Law, the Corporate Tax rate has been rearranged for corporate earnings for the 2022 taxation period and it has been stated that the tax rate for banks will be applied as 25%. In accordance with Article 21 of the Law, starting from the declarations that must be submitted as of October 1, 2023; The corporate tax rate to be applied to the earnings of institutions in 2023 and subsequent 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 TMS 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, the Bank, 31 As of December 2023, it has calculated deferred tax based on a 30% rate on its 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.

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XVII. EXPLANATIONS ON TAXATION (Continued)

b. Deferred tax (continued)

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.

As of January 1, 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 31 March 2025, in the financial statements dated 31 March 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 interest-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.

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

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).

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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SECTION FOUR

EXPLANATIONS RELATED TO THE FINANCIAL POSITION AND RISK MANAGEMENT OF THE GROUP

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 31 March 2025, taking into account the latest regulations, is TRY 45.246.604 (31 December 2024: TRY 42.843.530), and the capital adequacy standard ratio is 16,06% (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:

	Current Period 31 March 2025	Prior Period 31 December 2024
COMMON EQUITY TIER 1 CAPITAL		
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	10.142.629	10.142.629
Gains recognized in equity as per TAS	330.740	412.468
Profit	4.462.537	3.452.822
Current Period Profit	1.009.715	3.452.822
Prior Period Profit	3.452.822	-
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	25.285.906	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	1.322.774	1.367.288
Goodwill (net of related tax liability)	-	-
Other intangibles other than mortgage-servicing rights (net of related tax liability)	1.620.008	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 OF THE GROUP (Continued)

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

	Current Period 31 March 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	2.942.782	2.729.897
Total Common Equity Tier I Capital	22.343.124	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	5.425.503	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 Consolidated 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 Consolidated 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	5.425.503	5.267.788
Total Tier I Capital (Tier I Capital=Common Equity+Additional Tier I Capital)	27.768.627	26.895.810
TIER II CAPITAL		
Debt instruments and share issue premiums deemed suitable by the BRSA	16.204.888	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)	1.288.164	787.295
Tier II Capital Before Deductions	17.493.052	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	17.493.052	15.964.196
Total Capital (The sum of Tier I Capital and Tier II Capital)	45.261.679	42.860.006

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

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

	Current Period 31 March 2025	Prior Period 31 December 2024
Total of Original Capital and Supplementary Capital (Total Capital)	45.261.679	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	15.075	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)	45.246.604	42.843.530
Total risk weighted amounts	281.739.758	209.885.672
Capital Adequacy Ratios		
Core Capital Adequacy Ratio (%)	7,93	10,31
Tier I Capital Adequacy Ratio (%)	9,86	12,82
Capital Adequacy Ratio (%)	16,06	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 Consolidated 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 consolidated 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)	1.288.164	787.295
Up to 1,25% of total risk-weighted amount of general reserves for receivables where the standard approach used	1.288.164	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 OF THE GROUP (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 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 OF THE GROUP (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 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 OF THE GROUP (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 noncompliances 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 OF THE GROUP (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)	1.426
Par value of instrument (Million TRY)	2.319
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 incompliance with article number 7 and 8 of “Own fund regulation”	In Compliance with Article number 7

(*) Profit share for participation banks.

(**) The repayment option was not exercised.

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2025

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

EXPLANATIONS RELATED TO THE FINANCIAL POSITION AND RISK MANAGEMENT OF THE GROUP (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)	3.756
Par value of instrument (Million TRY)	3.756
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 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 OF THE GROUP (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)	11.269
Par value of instrument (Million TRY)	11.269
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 OF THE GROUP (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 incompliance 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 31 MARCH 2025

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

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

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

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

	Current Period 31 March 2025	Prior Period 31 December 2024
Equity value of balance sheet	22.881.900	22.371.038
Cost of development of operating lease	(1.322.774)	(1.367.288)
Goodwill and other intangible assets and related deferred tax liability	(1.620.008)	(1.362.609)
Debt instruments and premiums approved by BRSA	16.204.888	15.176.901
Tier II Capital (Provisions)	1.288.164	787.295
Debt instruments and premiums approved by BRSA - subordinated loans	5.425.503	5.267.788
Other values deducted from equity	(15.075)	(16.476)
Other	2.404.006	1.986.881
Amount taken into consideration in the calculation of legal equity	45.246.604	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 Parent 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 Parent 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
31.03.2025	37,5622	40,6543	23,5185	5,4215	3,7355	42,5406	25,9667	3,5724	48,6343	9,9391	24,7770
28.03.2025	37,9323	40,8740	23,8825	5,4702	3,7594	42,8155	26,5182	3,5866	48,9378	10,112	25,1028
27.03.2025	37,9287	40,9326	23,9212	5,4781	3,7584	42,8195	26,5749	3,6015	48,8902	10,110	25,1831
26.03.2025	37,9086	40,9489	23,8184	5,4809	3,7541	42,8142	26,4515	3,5996	48,9180	10,105	25,1341
25.03.2025	37,8600	41,0400	23,7737	5,4931	3,7317	42,8296	26,3841	3,5962	48,9551	10,093	25,2400
24.03.2025	37,8502	41,0195	23,7577	5,4903	3,7280	42,7894	26,3774	3,5835	48,8913	10,090	25,2894

- 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
36,6105	39,5246	22,9284	5,2721	3,5864	41,3285	25,2392	3,4074	47,2251	9,6867	24,3195

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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 OF THE GROUP (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	13.009.134	27.291.822	15.068.898	55.369.854
Banks	1.698.562	2.597.608	14.639.266	18.935.436
Financial assets at fair value through profit and loss	205.368	189.806	11.537.904	11.933.078
Money market placements	-	-	-	-
Financial assets at fair value through other comprehensive income	-	2.873.600	-	2.873.600
Loans ^(*)	84.383.170	93.107.084	1.575	177.491.829
Partnership Investments	-	-	-	-
Financial assets measured at amortized cost	1.655.279	-	-	1.655.279
Derivative financial assets for hedging purposes	-	-	-	-
Tangible fixed assets	-	48.930	1.841	50.771
Intangible assets	-	-	-	-
Other assets ^(*****)	24.538	50.259	209.207	284.004
Total assets	100.976.051	126.159.109	41.458.691	268.593.851
Liabilities				
Current account and funds collected from Banks via participation accounts	881	11.152	-	12.033
Current and profit sharing accounts FC	82.714.485	66.162.695	34.706.435	183.583.615
Money market borrowings	273.722	372.140	-	645.862
Funds provided from other financial institutions	12.351.280	9.734.977	-	22.086.257
Marketable securities issued ^(*****)	-	39.021.368	-	39.021.368
Miscellaneous debts	119.186	114.569	1.215	234.970
Derivative financial liabilities for hedging purposes	-	-	-	-
Other liabilities ^(*****)	2.184.095	15.821.750	63.519	18.069.364
Total liabilities	97.643.649	131.238.651	34.771.169	263.653.469
Net balance sheet position	3.332.402	(5.079.542)	6.687.522	4.940.382
Net off-balance sheet position ^(**)	(3.049.073)	3.062.891	(5.899.778)	(5.885.960)
Financial derivative assets	-	3.062.891	-	3.062.891
Financial derivative liabilities	3.049.073	-	5.899.778	8.948.851
Non-cash loans	26.289.630	29.851.104	2.428.927	58.569.661
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 35.638 (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.

(***) 92% of the currencies in the other FC column of the assets section consists of Gold, 1% of GBP, 1% of CHF and the remaining 6% of other currencies. In the FC column of the liabilities section, 92% of the currencies are Gold, 2% of GBP, 1% of CHF and the remaining 5% are other currencies.

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

(*****) Prepaid expenses amounting to TRY 24.605 within other assets are not included in the table.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF
31 MARCH 2025**

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

**EXPLANATIONS RELATED TO THE FINANCIAL POSITION AND RISK MANAGEMENT OF THE
GROUP (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 52.913 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 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 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.

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2025

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

EXPLANATIONS RELATED TO THE FINANCIAL POSITION AND RISK MANAGEMENT OF THE GROUP (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 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 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	225,81	27.03.2025	112,49	08.01.2025
FC	317,55	17.01.2025	108,17	08.01.2025

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

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

**EXPLANATIONS RELATED TO THE FINANCIAL POSITION AND RISK MANAGEMENT OF THE
GROUP (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 31 March 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	-	-	117.511.892	53.202.934
CASH OUTFLOWS				
Real person deposits and retail deposits	143.776.643	66.581.519	13.955.450	6.756.924
Stable deposit	14.517.092	-	725.855	-
Deposit with low stability	129.259.551	66.581.519	13.229.595	6.756.924
Unsecured debts except real person deposits and retail deposits	192.227.825	81.166.092	100.646.781	38.335.115
Operational deposit	-	-	-	-
Non-operational deposits	-	-	-	-
Other unsecured debts	192.227.825	81.166.092	100.646.781	38.335.115
Secured debts	-	-	-	-
Other cash outflows	163.125.309	74.905.631	29.965.442	24.025.443
Derivative liabilities and margin obligations	23.529.184	21.236.886	22.075.314	21.236.886
Debt from structured financial instruments	-	-	-	-
Other off-balance sheet liabilities and commitments for the payment owed to financial markets	3.298.194	523.213	1.075.231	131.280
Revocable off-balance sheet obligations regardless of any other requirement and other contractual obligations	-	-	-	-
Other irrevocable or provisory revocable off- balance sheet liabilities	136.297.930	53.145.532	6.814.897	2.657.277
TOTAL CASH OUTFLOWS	-	-	144.567.673	69.117.481
CASH INFLOWS				
Secured receivables	-	-	-	-
Unsecured claims	66.858.906	36.607.611	45.339.169	30.015.308
Other cash inflows	22.263.858	9.003.297	22.263.858	9.003.297
TOTAL CASH INFLOWS	89.122.764	45.610.908	67.603.027	39.018.605
	Üst Sınır Uygulanmış Değerler			
TOTAL HIGH QUALITY LIQUID ASSET STOCK	-	-	117.511.892	53.202.934
TOTAL NET CASH OUTFLOWS	-	-	76.964.646	30.098.875
LIQUIDITY COVERAGE RATIO (%)	-	-	153	177

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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2025

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

EXPLANATIONS RELATED TO THE FINANCIAL POSITION AND RISK MANAGEMENT OF THE GROUP (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	-	-	112.604.280	44.535.304
CASH OUTFLOWS				
Real person deposits and retail deposits	132.946.930	62.098.399	13.016.663	6.304.302
Stable deposit	11.579.444	-	578.972	-
Deposit with low stability	121.367.486	62.098.399	12.437.691	6.304.302
Unsecured debts except real person deposits and retail deposits	159.202.473	62.516.344	85.195.779	29.730.321
Operational deposit	-	-	-	-
Non-operational deposits	-	-	-	-
Other unsecured debts	159.202.473	62.516.344	85.195.779	29.730.321
Secured debts	-	-	-	-
Other cash outflows	139.811.825	60.122.341	17.728.786	12.604.187
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	125.283.940	49.659.695	6.264.197	2.482.985
TOTAL CASH OUTFLOWS	-	-	115.941.228	48.638.810
CASH INFLOWS				
Secured receivables	-	-	-	-
Unsecured claims	52.146.074	29.949.085	37.004.649	25.658.388
Other cash inflows	10.821.237	8.728.417	10.821.237	8.728.417
TOTAL CASH INFLOWS	62.967.311	38.677.502	47.825.886	34.386.805
	Üst Sınır Uygulanmış Değerler			
TOTAL HIGH QUALITY LIQUID ASSET STOCK	-	-	112.604.280	44.535.304
TOTAL NET CASH OUTFLOWS	-	-	68.115.341	14.252.005
LIQUIDITY COVERAGE RATIO (%)	-	-	165	312

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

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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 OF THE GROUP (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 31 March 2025								
Assets								
Cash (Cash in Vault, Effectives, Money in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Türkiye	40.751.143	54.317.712	-	-	-	-	-	95.068.855
Banks	19.053.125	1.076	-	-	-	-	-	19.054.201
Financial Assets at Fair Value Through Profit and Loss	-	395.176	-	6.062.638	5.475.264	-	-	11.933.078
Money Market Placements	-	-	-	-	-	-	-	-
Financial Assets Available-for- Sale	-	3.237.723	-	359.900	21.989.226	1.848.420	52.913	27.488.182
Loans Given ^(****)	-	36.025.741	28.172.787	128.356.609	153.780.454	19.123.546	1.824.978	367.284.115
Financial Assets Measured at Amortised Cost	-	-	101.450	340.921	13.886.295	4.822.258	-	19.150.924
Other Assets	-	-	-	-	-	-	14.608.959	14.608.959
Total Assets^(*)	59.804.268	93.977.428	28.274.237	135.120.068	195.131.239	25.794.224	16.486.850	554.588.314
Liabilities								
Funds Collected from Banks Via Current and Participation Accounts	26.074	-	-	-	-	-	-	26.074
Current and Participation Accounts	75.507.150	241.397.386	59.893.683	20.469.497	516.712	-	-	397.784.428
Funds Provided from Other Financial Instruments	-	4.441.706	2.072.470	15.505.944	610.404	1.105.511	-	23.736.035
Money Market Borrowings	-	21.359.313	124.767	6.540	-	-	-	21.490.620
Issued Marketable Securities	-	-	-	28.978.931	26.404.344	-	-	55.383.275
Miscellaneous Debts	-	-	-	-	-	-	2.162.343	2.162.343
Other Liabilities ^(***)	-	-	-	-	6.306.396	16.523.926	31.175.217	54.005.539
Total Liabilities	75.533.224	267.198.405	62.090.920	64.960.912	33.837.856	17.629.437	33.337.560	554.588.314
Liquidity Gap	(15.728.956)	(173.220.977)	(33.816.683)	70.159.156	161.293.383	8.164.787	(16.850.710)	-
Net Off-Balance Sheet Position	-	62.777	-	-	-	-	-	62.777
Receivables From Derivative Financial Instruments	-	9.011.628	-	-	-	-	-	9.011.628
Financial Derivative Liabilities	-	8.948.851	-	-	-	-	-	8.948.851
Non-Cash Loans	27.456.462	6.215.952	12.837.148	50.209.155	24.614.690	8.394.494	-	129.727.901

(*) 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 OF THE GROUP (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 Available-for-Sale	-	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 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 OF THE GROUP (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 three-month simple arithmetic average NSFR is 124,24% (Fourth quarter of 2024 137,06%). The average NSFR for the last three months of the current period was 126,39% (Fourth quarter of 2024: 131,81%).

Current Period		a	b	c	d	e
		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	41.658.205	-	-	-	41.658.205
2	Regulatory capital	41.658.205	-	-	-	41.658.205
3	Other capital instruments	-	-	-	-	-
4	Deposits (from retail and small business customers)	42.646.014	38.855.717	71.645.582	-	138.739.389
5	Stable Deposits (from retail and small business customers)	4.556.818	-	13.579.321	-	17.229.332
6	Less Stable Deposits (from retail and small business customers)	38.089.196	38.855.717	58.066.261	-	121.510.057
7	Wholesale funding	77.320.008	258.091.265	32.603.896	-	146.917.039
8	Operational deposits	-	118.702.064	-	-	-
9	Other wholesale funding	77.320.008	139.389.201	32.603.896	-	146.917.039
10	Liabilities with matching interdependent assets					
11	Other liabilities	10.543.934	71.529	-	-	-
12	Net Derivatives Liabilities		71.529		351.277	
13	All other liabilities and equity not included in the above categories	10.543.934	-	-	-	-
14	Total Available Stable Funding					327.314.633
Required Stable Funding						
15	High Quality Liquid Assets (HQLA)					2.857.985
16	Deposits held at other financial institutions for operational purposes	-	-	-	30.427.011	30.427.011
17	Performing loan and securities	-	183.891.400	83.743.900	112.127.175	217.168.680
18	Performing loans to financial institutions secured by Level 1 HQLA	-	-	323.663	-	161.832
19	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	28.232.984	-	-	4.234.948
20	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs	-	155.658.416	83.420.237	105.058.487	207.925.630
21	35% or Lower Risk Weight	-	155.658.416	83.420.237	105.058.487	207.925.630
22	Residential Mortgage Secured Loans	-	-	-	5.810.570	3.776.871
23	35% or Lower Risk Weight	-	-	-	5.810.570	3.776.871
24	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	-	-	-	1.258.118	1.069.399
25	Assets with matching interdependent liabilities					
26	Other Assets	6.645.675	-	-	-	5.648.823
27	Physical traded commodities (including gold)	6.645.675				5.648.823
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		37.362.109	32.181.318	45.416.198	7.345.656
33	Total Required Stable Funding					263.448.155
34	Net Stable Funding Ratio (%)					124,24

(*) 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 OF THE GROUP (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	d	e
		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	35% or Lower Risk Weight	-	139.453.550	68.351.707	91.524.992	180.519.684
22	Residential Mortgage Secured Loans	-	-	-	6.482.290	4.213.488
23	35% or Lower Risk Weight	-	-	-	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 OF THE GROUP (Continued)

V. EXPLANATIONS ON CONSOLIDATED LEVERAGE RATIO

As of 31 March 2025, the leverage ratio of the Bank calculated from quarterly average amounts is 3,59% (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 leverage ratio in the current period and the previous period is that the average total risk amount increase rate is higher than the increase rate in the average Tier 1 capital. The regulation stipulates the minimum leverage ratio as 3%.

Leverage ratio disclosure as follows:

	Current Period (*) 31 March 2025	Prior Period (*) 31 December 2024
Balance sheet assets		
Balance sheet assets (Except for derivative financial instruments and credit derivatives, including warranties)	534.347.196	475.599.163
(Assets deducted from main capital)	(5.946.141)	(5.720.340)
Total risk amount of the balance sheet assets	528.401.055	469.878.823
Derivative financial instruments and credit derivatives		
Replacement cost of derivative financial instruments and credit derivatives	108.900	58.007
Potential credit risk amount of derivative financial instruments and credit derivatives	140.404	95.599
Total risk amount of derivative financial instruments and credit derivative	249.304	153.606
Security or secured financing transactions		
Risk amount of security or secured financing transactions (Except balance sheet)	3.127.991	1.818.006
Risk amount due to intermediated transactions		
Total risk amount of security or secured financing transactions	3.127.991	1.818.006
Off-balance sheet transactions		
Gross nominal amount of off-balance sheet transactions	144.028.335	133.122.216
(Adjustment amount resulting from multiplying by credit conversion rates)	-	-
Risk amount of the off-balance sheet transactions	144.028.335	133.122.216
Equity and total risk		
Main capital	24.323.808	22.195.185
Total risk amount	676.604.457	605.279.862
Leverage ratio		
Leverage ratio %	3,59	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 OF THE GROUP (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 OF THE GROUP (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 31 March 2025	Prior Period 31 December 2024	Current Period 31 March 2025
1	Credit risk (excluding counterparty credit risk)	255.819.849	187.927.172	20.465.588
2	Standardized approach	255.819.849	187.927.172	20.465.588
3	Internal rating-based approach	-	-	-
4	Counterparty credit risk	1.315.567	2.773.090	105.245
5	Standardized approach for counterparty credit risk	1.315.567	2.773.090	105.245
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	49.865	36.380	3.989
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 pproach	-	-	-
15	SA/simplified supervisory formula approach	-	-	-
16	Market risk	5.683.467	5.595.063	454.677
17	Standardized approach	5.683.467	5.595.063	454.677
18	Internal model approaches	-	-	-
19	Operational risk	18.871.011	13.553.966	1.509.681
20	Basic Indicator approach	18.871.011	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)	281.739.759	209.885.671	22.539.180

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

VII. EXPLANATIONS ON RISK MANAGEMENT (Continued)

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) 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 31 March 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)

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2025

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

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

VIII. 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 – 31 March 2025	Private Banking	Corporate/ Entrepreneurial Banking	Treasury/ Investment Banking	Other/ Undistributed	Total
OPERATING INCOME/EXPENSES					
Profit Shares Income	459.423	21.479.520	7.204.389	526.241	29.669.573
Profit Shares Expense	(7.350.843)	(12.025.972)	(7.402.724)	(125.390)	(26.904.929)
Net Profit Shares Income/Expense	(6.891.420)	9.453.548	(198.335)	400.851	2.764.644
Net Fees and Commission Income/Expense	309.221	265.743	-	287.437	862.401
Fees and Commission Received	309.221	265.743	-	550.479	1.125.443
Fees and Commission Provided	-	-	-	(263.042)	(263.042)
Dividend Income	-	-	-	-	-
Trading Profit/Loss (Net)	-	-	1.624.655	-	1.624.655
Other Operating Income	-	695.351	-	21.327	716.678
Expected Loss Provisions Expenses	(53.109)	(1.497.192)	-	(143.092)	(1.693.393)
Other Expense	-	(75.192)	-	(2.810.444)	(2.885.636)
Net Operating Profit/Loss	(6.635.308)	8.842.258	1.426.320	(2.243.921)	(1.389.349)
Tax Provision	-	-	-	(379.634)	(379.634)
Net Profit/Loss	(6.635.308)	8.842.258	1.426.320	(2.623.555)	1.009.715
SEGMENT ASSETS (*)					
Financial Assets at FV Through P/L	-	-	11.933.078	-	11.933.078
Banks	-	-	19.054.342	-	19.054.342
Financial Assets Measured at Fair Value Through Other Comprehensive Income	-	-	27.488.182	-	27.488.182
Loans (**)	12.277.336	346.106.953	8.899.826	-	367.284.115
Financial Assets Measured at Amortised Cost	-	-	19.150.924	-	19.150.924
Derivative Financial Assets	-	-	32.627	-	32.627
Associates, Subsidiaries and Joint Ventures	-	-	90.000	-	90.000
Other Assets (*)	-	-	-	109.555.046	109.555.046
TOTAL SEGMENT ASSETS	12.277.336	346.106.953	86.648.979	109.555.046	554.588.314
SEGMENT LIABILITIES					
Funds Collected	149.970.842	247.839.660	-	-	397.810.502
Derivative Financial Liabilities	-	-	-	-	-
Funds Borrowed	-	-	23.736.035	-	23.736.035
Money Market Funds	-	-	21.490.620	-	21.490.620
Securities Issued (Net)	-	-	55.383.275	-	55.383.275
Provisions	-	-	-	1.774.249	1.774.249
Other Liabilities	-	-	-	31.511.733	31.511.733
Shareholders' Equity	-	-	-	22.881.900	22.881.900
TOTAL SEGMENT LIABILITIES	149.970.842	247.839.660	100.609.930	56.167.882	554.588.314

(*) Includes expected loss provisions.

(**) Includes lease receivables.

ZİRAAT KATILIM BANKASI A.Ş.

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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 OF THE GROUP (Continued)

VIII. EXPLANATIONS ON CONSOLIDATED OPERATING SEGMENTS (Continued)

Table for Segment Reporting (Continued):

Prior Period 1 January - 31 March 2024	Private Banking	Corporate/ Entrepreneurial Banking	Treasury/ Investment Banking	Other/ Undistributed	Total
OPERATING INCOME/EXPENSES					
Profit Shares Income	459.323	15.206.156	2.576.683	130.043	18.372.205
Profit Shares Expense	(4.234.391)	(11.451.627)	(2.436.124)	(65.114)	(18.187.256)
Net Profit Shares Income/Expense	(3.775.068)	3.754.529	140.559	64.929	184.949
Net Fees and Commission Income/Expense	315.959	174.540	-	(183.838)	306.661
Fees and Commission Received	315.959	174.540	-	254.805	745.304
Fees and Commission Provided	-	-	-	(438.643)	(438.643)
Dividend Income	-	-	-	-	-
Trading Profit/Loss (Net)	-	-	1.151.175	-	1.151.175
Other Operating Income	-	2.234.543	-	8.965	2.243.508
Expected Loss Provisions Expenses	(68.014)	(1.369.577)	-	(111.386)	(1.548.977)
Other Expense	-	(30.691)	-	(1.668.303)	(1.698.994)
Net Operating Profit/Loss	(3.527.123)	4.763.344	1.291.734	(1.889.633)	638.322
Tax Provision	-	-	-	(188.550)	(188.550)
Net Profit/Loss	(3.527.123)	4.763.344	1.291.734	(2.078.183)	449.772
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 31 MARCH 2025

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

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 31 March 2025		Prior Period 31 December 2024	
	TRY	FC	TRY	FC
Cash	272.666	1.183.908	301.270	1.095.606
Central Bank of the Republic of Türkiye	39.426.410	47.540.552	65.501.747	35.825.283
Other (*)	-	6.645.674	-	705.434
Total	39.699.076	55.370.134	65.803.017	37.626.323

(*) As of 31 March 2025, the entire amount of TRY 6.645.674 consists of precious metals held in custody accounts and is presented under this account (31 December, 2024: TRY 705.434).

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 4% - 30%, and for accounts with exchange rate/price protection support, it is applied in the range of 22% - 33%.

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

	Current Period 31 March 2025		Prior Period 31 December 2024	
	TRY	FC	TRY	FC
Unrestricted Demand Deposit	39.426.410	47.540.552	29.112.700	35.825.283
Unrestricted Time Deposit	-	-	36.389.047	-
Restricted Time Deposit	-	-	-	-
Total (*)	39.426.410	47.540.552	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.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 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 31 March 2025		Prior Period 31 December 2024	
	TRY	FC	TRY	FC
Banks				
Domestic Banks	118.803	2.150.860	4.104.858	2.091.469
Foreign Banks	-	16.784.679	-	14.478.972
Foreign Head Office and Branches	-	-	-	-
Total	118.803	18.935.539	4.104.858	16.570.441

3. Financial assets at fair value through profit or loss

	Current Period 31 March 2025	Prior Period 31 December 2024
Financial Assets at Fair Value Through Profit / Loss	11.884.992	9.428.068
Other Dividends and Income Rediscounts	48.086	55.879
Provision for Impairment (-)	-	-
Total	11.933.078	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 31 March 2025	Prior Period 31 December 2024
Assets Subject to Repurchase Agreements	16.623.239	19.208.447
Assets Blocked/Given as Collateral	3.076.413	2.379.300
Total (*)	19.699.652	21.587.747

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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 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 31 March 2025	Prior Period 31 December 2024
Debt Securities	28.032.466	26.468.037
Quoted in Stock Exchange	28.032.466	26.468.037
Not Quoted in Stock Exchange	-	-
Share Certificates	52.913	52.913
Quoted in Stock Exchange	-	-
Not Quoted in Stock Exchange (*)	52.913	52.913
Provision for Impairment (-)**	597.197	468.413
Total	27.488.182	26.052.537

(*) The mentioned amounts consist of payments to İhracatı Geliştirme A.Ş. in the amount of TRY 41.101 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 31 March 2025		Prior Period 31 December 2024	
	TRY	FC	TRY	FC
Forward Transactions	-	-	-	-
Swap Transactions	15.114	8.175	-	238.236
Futures Transactions	-	-	-	-
Options	-	-	-	-
Other	7.379	1.959	34.675	1.180
Total	22.493	10.134	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 31 March 2025		Prior Period 31 December 2024	
	Cash	Non-Cash	Cash	Non-Cash
Direct Loans Granted to Shareholders	5.449.003	-	3.310.391	-
Corporate Shareholders	5.449.003	-	3.310.391	-
Real Person Shareholders	-	-	-	-
Indirect Loans Granted to Shareholders	-	-	-	-
Loans Granted to Employees	260.886	-	185.399	-
Total (*)	5.709.889	-	3.495.790	-

(*) Includes rediscount amounts.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 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)

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

Current Period 31 March 2025				
Cash Loans	Standard Loans and Other Receivables	Loans Under Close Monitoring		
		Not Under the Scope of Restructuring	Restructured	
Loans (*)			Loans with revised contract terms	Refinancing
Export Loans	49.915.955	625.700	-	-
Import Loans	7.971	-	-	-
Commercial Loans	201.791.014	5.634.957	1.089.446	3.747.273
Consumer Loans	10.359.684	206.656	-	-
Credit Cards	1.631.977	79.019	-	-
Loans Given to Financial Sector	9.435.591	-	-	-
Other (**)	19.224.848	2.055.947	-	-
Other Receivables	-	-	-	-
Total	292.367.040	8.602.279	1.089.446	3.747.273

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

Other Investment Loans	17.984.972
Installment Commercial Loans	2.401.404
Profit and loss sharing investments (***)	683.848
Receivables from Financing of Trade on Credit Terms	6.924
Other Loans	203.647
Total	21.280.795

Prior Period 31 December 2024				
Cash Loans	Standard Loans and Other Receivables	Not Under the Scope of Restructuring or Rescheduling	Loans Under Close Monitoring	
			Restructured or Rescheduled	
Loans (*)			Loans with revised contract terms	Refinancing
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 31 March, 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 31 March, 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).

ZİRAAT KATILIM BANKASI A.Ş.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF
31 MARCH 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)****b) Information on Standard Qualified and Under Close Monitoring (First and Second Group Loans) and Restructured Under Close Monitoring Loans (Continued)**

	Current Period 31 March 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	1.006.955	-	877.239	-
Significant Increase in Credit Risk	-	1.912.221	-	1.296.049

	Current Period 31 March 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 Extensions				
1 or 2 Times Extended	1.552.942	4.486.791	1.501.182	3.032.480
3 - 4 or 5 Times Extended	-	-	-	-
Over 5 Times Extended	-	-	-	-
Total	1.552.942	4.486.791	1.501.182	3.032.480

	Current Period 31 March 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
Extension Periods				
0 - 6 Months	308.318	1.850.536	316.118	1.370.672
6 Months - 12 Months	6.350	300.170	6.350	265.330
1 - 2 Years	736.952	1.217.283	659.942	1.119.643
2 - 5 Years	28.870	1.040.291	34.545	197.616
5 Years and Over	472.452	78.511	484.227	79.219
Total	1.552.942	4.486.791	1.501.182	3.032.480

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

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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 31 March 2025	Short-Term	Medium and Long-Term	Total
Consumer Loans – TRY	970.696	9.346.953	10.317.649
Housing Loans	1.013	8.591.747	8.592.760
Vehicle Loans	277.208	318.205	595.413
Consumer Loans	692.475	437.001	1.129.476
Other	-	-	-
Consumer Loans-FC Indexed	-	-	-
Housing Loans	-	-	-
Vehicle Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Consumer Loans-FC	-	15.790	15.790
Housing Loans	-	15.790	15.790
Vehicle Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Retail Credit Cards-TRY	818.768	745	819.513
With Installment	161.187	-	161.187
Without Installment	657.581	745	658.326
Retail Credit Cards-FC	25	46	71
With Installment	-	-	-
Without Installment	25	46	71
Personnel Loans-TRY	101.092	131.809	232.901
Housing Loans	-	13.413	13.413
Vehicle Loans	-	2.594	2.594
Consumer Loans	101.092	115.802	216.894
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	27.985	-	27.985
With Installment	6.050	-	6.050
Without Installment	21.935	-	21.935
Personnel Credit Cards-FC	-	-	-
With Installment	-	-	-
Without Installment	-	-	-
Overdraft Account-TRY (Real Person)	-	-	-
Overdraft Account-FC (Real Person)	-	-	-
Total (*)	1.918.566	9.495.343	11.413.909

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

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 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)

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.

ZİRAAT KATILIM BANKASI A.Ş.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF
31 MARCH 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 installment commercial loans and corporate credit cards**

Current Period 31 March 2025	Short-Term	Medium and Long-Term	Total
Installment Commercial Loans-TRY	445.460	1.720.626	2.166.086
Business Loans	-	13.714	13.714
Vehicle Loans	445.460	1.706.912	2.152.372
Consumer Loans	-	-	-
Other	-	-	-
Installment Commercial Loans- Indexed to FC	-	-	-
Business Loans	-	-	-
Vehicle Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Installment Commercial Loans -FC	8.419	155.731	164.150
Business Loans	-	-	-
Vehicle Loans	8.419	155.731	164.150
Consumer Loans	-	-	-
Other	-	-	-
Corporate Credit Cards -TRY	863.427	-	863.427
With Installment	-	-	-
Without Installment	863.427	-	863.427
Corporate Credit Cards -FC	-	-	-
With Installment	-	-	-
Without Installment	-	-	-
Overdraft Account-TRY (Legal Entity)	-	-	-
Overdraft Account-FC (Legal Entity)	-	-	-
Total	1.317.306	1.876.357	3.193.663

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

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 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)

g) Breakdown of domestic and international loans

	Current Period 31 March 2025	Prior Period 31 December 2024
Domestic Loans	302.396.563	262.346.995
Foreign Loans	3.409.475	3.104.435
Total^(*)	305.806.038	265.451.430

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

h) Loans granted to subsidiaries and participations

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

i) Expected Loss Provisions for Loans (Third Stage)

	Current Period 31 March 2025	Prior Period 31 December 2024
Loans and receivables with limited collectability	134.403	120.017
Loans and receivables with doubtful collectability	634.706	345.520
Uncollectible loans and other receivables	1.303.750	1.157.940
Total	2.072.859	1.623.477

j) Information on lease receivables

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

	Current Period 31 March 2025		Prior Period 31 December 2024	
	Gross	Net	Gross	Net
Less than 1 year	464.592	408.889	373.680	315.902
1-5 year	62.567.254	48.115.602	59.345.625	44.212.935
More than 5 years	17.812.179	14.047.784	10.773.338	8.785.256
Total	80.844.025	62.572.275	70.492.643	53.314.093

j.2) Information on net investments in financial leasing

	Current Period 31 March 2025	Prior Period 31 December 2024
Gross Financial Lease Receivable	80.844.025	70.492.643
Unearned Financial Income from Financial Lease (-)	(18.271.750)	(17.178.550)
Canceled Rental Amounts	-	-
Total	62.572.275	53.314.093

ZİRAAT KATILIM BANKASI A.Ş.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF
31 MARCH 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)****k) Information on non-performing receivables (net)****k.1) Information on loans and other receivables included in non-performing
receivables which are restructured or rescheduled**

As of 31 March 2025, the Group has loans and other receivables included in non-performing receivables which are restructured or rescheduled amount TRY 27.755 (31 December 2024: TRY 67.997).

k.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 31 March 2025			
Ending balance of prior period	472.364	1.016.525	1.406.066
Additions in the current period (+)	866.642	390.767	156.998
Transfers from other categories of non-performing loans (+)	-	459.029	52.804
Transfers to other categories of non-performing loans (-)	459.029	52.804	-
Collections in the current period (-) ^(*)	373.861	22.909	14.755
Write offs (-)	-	-	-
Corporate and commercial loans	-	-	-
Retail loans	-	-	-
Credit cards	-	-	-
Other	-	-	-
Ending balance of the current period	506.116	1.790.608	1.601.113
Expected Loss Provision (Stage 3) (-)	134.403	634.706	1.303.750
Net balance on balance sheet	371.713	1.155.902	297.363

(*) Includes transfers to first and second group loans amounting to TRY 44.871.

	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.

ZİRAAT KATILIM BANKASI A.Ş.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF
31 MARCH 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)****k) Information on non-performing receivables (net) (Continued)****k.3) Information on foreign currency non-performing loans**

	Group III:	Group IV:	Group V:
	Loans with limited collectability	Loans with doubtful collectability	Uncollectible Loans
Current Period			
31 March 2025			
Ending balance of the current period	8.393	30.220	83.694
Provision for Expected Loss (Stage 3) (-)	2.824	11.627	79.686
Net balance on balance sheet	5.569	18.593	4.008

	Group III:	Group IV:	Group V:
	Loans with limited collectability	Loans with doubtful collectability	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

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

	Group III:	Group IV:	Group V:
	Loans and other receivables with limited collectability	Loans and other receivables with doubtful collectability	Uncollectible loans and other receivables
Current Period (Net)	371.713	1.155.902	297.363
Loans to Real Persons and Legal Entities (Gross)	506.116	1.790.608	1.601.113
Specific Provisions (-)	134.403	634.706	1.303.750
Loans to Real Persons and Legal Entities (Net)	371.713	1.155.902	297.363
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:	Group IV:	Group V:
	Loans with limited collectability	Loans with doubtful collectability	Uncollectible loans
Current Period (Net)	67.540	262.087	77.802
Profit Share Accrual and Valuation Differences			
Provision	93.601	410.301	388.157
Provision Amount (-)	26.061	148.214	310.355
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

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 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)

m) 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.

n) 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 31 March 2025	Prior Period 31 December 2024
Debt Securities	19.150.924	19.413.517
Quoted in Stock Exchange	-	-
Not Quoted in Stock Exchange	19.150.924	19.413.517
Impairment Provision (-)	-	-
Total (*)	19.150.924	19.413.517

(*) The amount of TRY 4.562.134 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 31 March 2025, government debt securities measured at amortized cost of the Group is TRY 19.150.924 (31 December 2024: TRY 19.413.517).

e

	Current Period 31 March 2025	Prior Period 31 December 2024
Balances at Beginning of Period	19.413.517	21.830.293
Foreign Currency Differences on Monetary Assets	200.742	207.561
Purchases during the Period (*)	112.730	794.079
Disposals through Sales/Redemptions	(576.065)	(3.418.416)
Impairment Provision (-)	-	-
Balances at End of Period	19.150.924	19.413.517

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

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 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)

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

As of 31 March 2025, the Bank's assets held for sale amounted to TRY 2.477.238 (31 December 2024: TRY 1.651.596).

	Current Period 31 March 2025	Prior Period 31 December 2024
Beginning Balance (Net)	1.651.596	427.229
Changes During the Period (Net)	825.642	1.224.367
Amount of Depreciation	-	-
Provision for Impairment	-	-
Period End Balance (Net) (*)	2.477.238	1.651.596

(*) The Group has right of reversion on TRY 1.041.438 (31 December 2024: TRY 502.495) and right of preemption on TRY 669.877 (31 December 2024: 540.852) of assets held for sale.

As of 31 March 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: 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 31 March, 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 31 March 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	-	-
Reveluation 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%

a.2) Information on consolidated subsidiaries

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

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 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)

b) Information about in associates (net) (Continued)

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.	İstanbul / TÜRKİYE	100	100
2	ZKB Varlık Kiralama A.Ş.	İstanbul / 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 ^(*)	42.126.025	1.961	-	2.473.489	-	527	898	-	-
2 ^(*)	1.476.985	2.582	-	673	-	272	1.887	-	-

(*) Within the framework of BRSA regulations, the financial statement information of subsidiaries Ziraat Katılım Varlık Kiralama A.Ş., ZKB Varlık Kiralama A.Ş. are taken from the financial statements dated 31 March 2025, which are not subjected to inflation accounting and independently audited.

	Current Period 31 March 2025	Prior Period 31 December 2024
Balance at the beginning of the year	3.744	938
Movements during the year	799	2.806
Additions	-	-
Bonus Share Certificates	-	-
Shares of Current Year Profits	799	2.785
Transfers to available for sale financial assets	-	-
Sales	-	-
Revaluation increase	-	21
Revaluation/Impairment (-)	-	-
Balance at the end of the year	4.543	3.744
Capital commitments	-	-
Share percentage at the end of the year (%)	%100	%100

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 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.2) Sectoral information on consolidated subsidiaries and the related carrying amounts

	Current Period 31 March 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 31 March 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 6.376.091 (31 December 2024: TRY 5.452.332) and the deferred tax liability of TRY 3.588.775 (31 December 2024: TRY 3.373.730) are offset, resulting in a deferred tax asset of TRY 2.787.317 in the financial statements (31 December 2024: TRY 2.078.602. deferred tax asset).

12. Information on other assets:

As of 31 March 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 31 MARCH 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 31 March 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	5,462,354	-	-	-	-	-	-	-	5,462,354
II. Real persons participation accounts non-trade TRY	-	2,959,429	50,281,197	3,369,905	2,150,171	726,946	11,029,741	-	70,517,389
III. Other current accounts-TRY	11,967,073	-	-	-	-	-	-	-	11,967,073
Public sector	1,597,375	-	-	-	-	-	-	-	1,597,375
Commercial sector	9,570,493	-	-	-	-	-	-	-	9,570,493
Other institutions	780,501	-	-	-	-	-	-	-	780,501
Commercial and other institutions	4,663	-	-	-	-	-	-	-	4,663
Banks and participation banks	14,041	-	-	-	-	-	-	-	14,041
Central Bank of Republic of Türkiye	-	-	-	-	-	-	-	-	-
Domestic banks	8,224	-	-	-	-	-	-	-	8,224
Foreign banks	5,637	-	-	-	-	-	-	-	5,637
Participation banks	180	-	-	-	-	-	-	-	180
Others	-	-	-	-	-	-	-	-	-
IV. Participation accounts-TRY	-	17,092,816	91,852,651	9,448,534	6,581,039	379,510	913,486	-	126,268,036
Public sector	-	127,819	7,798,666	561,165	17,639	-	-	-	8,505,289
Commercial sector	-	16,696,943	80,881,749	7,892,002	6,562,113	113,654	913,198	-	113,059,659
Other institutions	-	255,866	3,142,461	947,681	1,287	265,856	282	-	4,613,433
Commercial and other institutions	-	12,188	29,775	47,686	-	-	6	-	89,655
Banks and participation banks	-	-	-	-	-	-	-	-	-
V. Real persons current accounts non-trade FC	17,580,643	-	-	-	-	-	-	-	17,580,643
VI. Real persons participation accounts-FC	-	187,638	25,294,866	480,533	-	494,649	1,780,367	-	28,238,053
VII. Other current accounts-FC	19,459,551	-	-	-	-	-	-	-	19,459,551
Commercial residents in Türkiye	17,634,761	-	-	-	-	-	-	-	17,634,761
Commercial residents in Abroad	1,812,757	-	-	-	-	-	-	-	1,812,757
Banks and participation banks	12,033	-	-	-	-	-	-	-	12,033
Central Bank of Republic of Türkiye	-	-	-	-	-	-	-	-	-
Domestic banks	1	-	-	-	-	-	-	-	1
Foreign banks	12,032	-	-	-	-	-	-	-	12,032
Participation banks	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-
VIII. Participation accounts other-FC	-	2,183,614	74,107,373	4,694,919	3,353,961	638,406	37,599	-	85,015,872
Public sector	-	6,507	1,882,952	-	-	575,936	-	-	2,465,395
Commercial sector	-	1,965,411	70,638,903	4,675,642	3,353,961	62,470	23,301	-	80,719,688
Other institutions	-	11,120	1,006,718	19,277	-	-	8,636	-	1,045,751
Commercial and other institutions	-	200,576	578,800	-	-	-	5,662	-	785,038
Banks and participation banks	-	-	-	-	-	-	-	-	-
IX. Precious metal funds	21,063,603	-	9,611,840	2,202,544	164,419	-	259,125	-	33,301,531
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)(*)	75,533,224	22,423,497	251,147,927	20,196,435	12,249,590	2,239,511	14,020,318	-	397,810,502

(*) As of 31 March 2025, there are no balances related to the 9,020,609 TRY TCMB Exchange Rate Protected Participation Account or the Treasury Exchange Rate Protected Participation Account, and the amount includes 4,881,512 TRY related to Yuvam Account products.

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 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 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- 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, there are no balances related to the 16.370.016 TRY TCMB Exchange Rate Protected Participation Account or the Treasury Exchange Rate Protected Participation Account, and the amount includes 6.080.813 TRY related to Yuvam Account products.

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 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 31 March 2025	Prior Period 31 December 2024	Current Period 31 March 2025	Prior Period 31 December 2024
Real persons current and profit sharing accounts that are not subject to commercial activities	40.140.329	30.478.881	108.082.435	104.186.506
TRY accounts	18.009.857	13.482.653	57.969.856	59.374.715
FC accounts	22.130.472	16.996.228	50.112.579	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 6.625.902 (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 229.984.906 (31 December 2024: TRY 201.068.973).

ii. Amounts which are not within the scope of insurance

Current and Profit Share Accounts of the real persons who are not within the scope of Saving Deposits Insurance Fund

	Current Period 31 March 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	13.462	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	-	-

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 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)

2. Information on funds borrowed

a) Information on the type of borrowing

	Current Period 31 March 2025		Prior Period 31 December 2024	
	TRY	FC	TRY	FC
Syndicated Loans	-	2.932.949	3.035.754	2.893.597
Wakala Loans	-	2.155.702	-	2.120.705
Funds from Issued Lease Certificates (Sukuk)	-	-	-	-
Other	1.649.778	16.997.606	3.877.867	16.576.218
Total	1.649.778	22.086.257	6.913.621	21.590.520

The details of other loans are provided below.

	Current Period 31 March 2025		Prior Period 31 December 2024	
	TRY	FC	TRY	FC
Loans from Domestic Banks	1.649.778	493.918	3.877.866	712.051
Loans from Foreign Banks	-	16.503.688	-	15.864.167
Loan from Foreign Institutions	-	-	-	-
Total	1.649.778	16.997.606	3.877.866	16.576.218

b) Information on banks and other financial institutions

	Current Period 31 March 2025		Prior Period 31 December 2024	
	TRY	FC	TRY	FC
Borrowings from the CBRT	1.178.511	-	1.191.078	-
From Domestic Banks and Institutions	471.267	3.426.867	5.722.543	3.605.648
From Foreign Banks, Institutions and Funds	-	18.659.390	-	17.984.872
Total	1.649.778	22.086.257	6.913.621	21.590.520

c) Information on maturity structure of borrowings

	Current Period 31 March 2025		Prior Period 31 December 2024	
	TRY	FC	TRY	FC
Short-term	116.485	4.834.646	5.390.976	3.859.783
Medium and Long-term	1.533.293	17.251.611	1.522.645	17.730.737
Total	1.649.778	22.086.257	6.913.621	21.590.520

d) Explanation Related to the Concentrations of the Bank's Major Liabilities: Concentrations of the Bank's major liabilities, funder customer, segments or other criteria which are seen risk concentrations

70,93% of The Bank's liabilities consists of current and share profit account
(31 December 2024: 69,42%).

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 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)

3. Information on funds provided by money market transactions

	Current Period 31 March 2025		Prior Period 31 December 2024	
	TRY	FC	TRY	FC
Domestic	20.844.758	645.862	26.163.921	-
Financial Institutions	20.844.758	645.862	26.163.921	-
Abroad	-	-	-	-
Financial Institutions	-	-	-	-
Total	20.844.758	645.862	26.163.921	-

4. Information on securities issued

	Current Period 31 March 2025		Prior Period 31 December 2024	
	TRY	FC	TRY	FC
Bond	-	-	-	-
Asset Backed Securities	16.361.907	39.021.368	14.798.604	29.291.898
Bill	-	-	-	-
Total	16.361.907	39.021.368	14.798.604	29.291.898

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

None (31 December 2024: None).

6. Information on Derivative Financial Liabilities:

The Bank has no derivative financial liabilities as of 31 March, 2025 (31 December, 2024: None).

7. Information on Lease Liabilities:

	Current Period 31 March 2025		Prior Period 31 December 2024	
	Gross	Net	Gross	Net
Less than 1 year	16.341	15.515	19.461	18.415
Between 1-5 years	225.891	174.970	216.049	165.952
More than 5 years	3.196.169	1.601.906	2.866.344	1.474.199
Total	3.438.401	1.792.391	3.101.854	1.658.566

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF
31 MARCH 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

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

As of 31 March 2025, there is no provision for depreciation of foreign currency indexed loans and financial lease receivables (31 December 2024: None).

b) Information on special provisions related with uncompensated and non- liquidated non-cash loans

The expected The expected credit loss for non-compensated and non-cash loans is TRY 44.852 (31 December 2024: TRY 39.114).

c) Information on other provisions

c.1) Information on free provisions for possible risks

As of 31 March, 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 31 March 2025, TRY 543.370 of other provisions is related to provisions for non-cash loans (31 December 2024: TRY 503.944), TRY 719.921 of other provisions (31 December 2024: TRY 737.003) was allocated from profits to be distributed to participation accounts, TRY 585 (31 December 2024: TRY 9.439) was made from provisions for foreign currency purchases and sales, the portion amounting to TRY 2.943 (31 December 2024: TRY 2.861) consists of the provision for promotional practices regarding credit cards and banking services.

c.3) Information on litigations provisions

A provision of TRY 31.524 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).

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 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) 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 31 March 2025, an amount of TRY 323.933 for leave provision (as of 31 December 2024: TRY 286.680) and TRY 145.400 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 31 March 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 31 March 2025	Prior Period 31 December 2024
Balance at the 1 January	286.680	202.704
Paid during the period	37.253	104.264
Severance Pay	-	(27.958)
Actuarial loss/(gain)	-	7.670
Balance at the end of the period	323.933	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 ., 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 31 MARCH 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 31 March 2025, the Bank's corporate tax liability, after deducting the provisional taxes paid during the period from the tax provisions, amounts to TRY 874.463 (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 31 March 2025	Prior Period 31 December 2024
Corporate Tax Payable	874.463	-
Taxation on Income From Securities	619.751	512.575
Property Tax	5.321	3.759
Banking Insurance Transactions Tax (BITT)	326.350	270.583
Foreign Exchange Transactions Tax	11.219	9.107
Value Added Tax Payable	74.263	65.804
Other	61.470	71.659
Total	1.972.837	933.487

c) Information on premiums:

	Current Period 31 March 2025	Prior Period 31 December 2024
Social Security Premiums – Employee	851	907
Social Security Premiums – Employer	1.217	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	3.242	2.454
Unemployment Insurance – Employer	6.466	4.892
Other	-	-
Total	11.776	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
31 MARCH 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 31 March 2025		Prior Period 31 December 2024	
	TRY	FC	TRY	FC
From Domestic Banks	5.725.366	-	5.348.430	-
From Other Domestic Institutions	-	17.104.956	-	15.496.665
From Foreign Banks	-	-	-	-
From Other Institutions Abroad	-	-	-	-
Total	5.725.366	17.104.956	5.348.430	15.496.665

	Current Period 31 March 2025		Prior Period 31 December 2024	
	TRY	FC	TRY	FC
Debt Instruments to be Included in the Additional Capital Calculation:	-	17.104.956	-	15.496.665
Subordinated Loans (*)	-	17.104.956	-	15.496.665
Equity-like Debt Instruments	-	-	-	-
Debt Instruments to be Included in Contribution Capital Calculation:	5.725.366	-	5.348.430	-
Subordinated Loans	5.725.366	-	5.348.430	-
Equity-like Debt Instruments	-	-	-	-
Total	5.725.366	17.104.956	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; and an additional Tier 1 capital subordinated loan amounting to TRY 4.000.000 on a perpetual and non-dividend basis on 30 December 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.

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 31 March 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) Information on share capital increases and their sources; other information on increased capital shares in the current period

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 31 MARCH 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 year end 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 31 March 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 31 March 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	(2.193.183)	(3.944)	(1.685.928)	(13.541)
Revaluation Difference	(3.365.250)	(3.944)	(2.644.711)	(13.541)
Deferred Tax Effect	1.172.067	-	958.783	-
Foreign Exchange Difference	-	-	-	-
Total	(2.193.183)	(3.944)	(1.685.928)	(13.541)

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 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 31 March 2025	Prior Period 31 December 2024
Forward Asset Value Trading Commitments	2.078.686	5.993.801
Guaranteed Loan Allocation Commitments	-	-
Payment Commitments for Cheques	4.497.025	3.122.449
Tax and Fund Liabilities from Export Commitments	716.379	627.241
Commitments for Credit Card Expenditure Limits	7.096.021	5.664.778
Other Irrevocable Commitments	4.872.106	4.704.090
Commitment to Implementation of Promotions for Credit Card and Banking Services	3.680	3.016
Total	19.263.897	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 543.370 (31 December 2024: TRY 503.944).

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

	Current Period 31 March 2025	Prior Period 31 December 2024
Guarantee Letters	114.659.293	105.574.323
Bank Acceptances	650.347	249.113
Letter of Credits	14.299.480	10.507.996
Other Contingencies	118.781	113.998
Total	129.727.901	116.445.430

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

	Current Period 31 March 2025	Prior Period 31 December 2024
Letters of Temporary Guarantees	10.272.167	7.794.155
Letters of Certain Guarantees	67.879.442	59.092.207
Letters of Advance Guarantees	13.579.334	12.017.864
Letters of Guarantees given to Customs Offices	2.325.660	1.856.757
Other Letters of Guarantees	20.602.690	24.813.340
Total	114.659.293	105.574.323

b.3) Total non-cash loans

	Current Period 31 March 2025	Prior Period 31 December 2024
Non-Cash Loans for Providing Cash Loans	20.596.120	24.807.484
With Original Maturity of One Year or Less	737.378	1.688.049
With Original Maturity of More than One Year	19.858.742	23.119.435
Other Non-Cash Loans	109.131.781	91.637.946
Total	129.727.901	116.445.430

ZİRAAT KATILIM BANKASI A.Ş.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF
31 MARCH 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 31 March 2025		Prior Period 31 March 2024	
	TRY	FC	TRY	FC
Profit share on loans ^(*)	15.410.060	2.868.311	10.088.553	1.857.583
Short term loans	7.761.936	1.141.003	5.568.200	890.645
Medium and long term loans ^(**)	7.442.940	1.727.308	4.482.388	966.938
Profit share on non-performing loans	205.184	-	37.965	-
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 31 March 2025		Prior Period 31 March 2024	
	TRY	FC	TRY	FC
Central Bank of the Republic of Türkiye	1.362.679	-	-	-
Domestic Banks	8.111	-	33.448	-
Foreign Banks	-	-	-	-
Head Office and Branches	-	-	-	-
Total	1.370.790	-	33.448	-

c) Information on profit share income from securities portfolio

	Current Period 31 March 2025		Prior Period 31 March 2024	
	TRY	FC	TRY	FC
Financial Assets at Fair Value through Profit and Loss	-	56.528	-	30.866
Financial Assets at Fair Value through Other Comprehensive Income	2.585.985	44.952	1.431.713	56.112
Investments Held-to-Maturity Financial Assets Measured by Amortized Cost	689.553	42.036	921.901	102.643
Total	3.275.538	143.516	2.353.614	189.621

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

None (31 December 2024: None).

ZİRAAT KATILIM BANKASI A.Ş.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF
31 MARCH 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)****2. a) Information on profit share expense on borrowing**

	Current Period 31 March 2025		Prior Period 31 March 2024	
	TRY	FC	TRY	FC
Banks	1.353.235	574.677	630.721	191.003
Central Bank of the Republic of Türkiye	57.377	-	58.788	-
Domestic Banks	1.295.858	121.761	571.933	81.800
Foreign Banks	-	452.916	-	109.203
Head Office and Branches	-	-	-	-
Other Institutions	-	361.599	-	109.924
Total	1.353.235	936.276	630.721	300.927

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

None (31 March 2024: None).

c) Information on profit share expense paid to securities issued

The amount of profit share expense given to associates and subsidiaries is TRY 2.471.707 (31 March 2024: TRY 976.543).

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

Current Period 31 March 2025	Participation Accounts					
Account Name	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	233.161	4.475.151	403.314	268.300	1.090.917	6.470.843
Public Sector Participation Accounts	15.918	625.485	257.960	1.137	-	900.500
Commercial Sector Participation Accounts	1.561.212	7.766.205	592.314	639.062	92.216	10.651.009
Other Institutions Participation Accounts	23.111	321.684	96.176	22.896	184	464.051
Total	1.833.402	13.188.525	1.349.764	931.395	1.183.317	18.486.403
Foreign Currency						
Funds Collected from Banks via Current and Participation Accounts	146	272	-	-	35	453
Real Person's Non Commercial Participation Accounts	465	114.737	2.008	1.953	7.547	126.710
Public Sector Participation Accounts	1	24.356	-	4.617	-	28.974
Commercial Sector Participation Accounts	10.597	622.087	25.438	23.717	98	681.937
Other Institutions Participation Accounts	10.042	32.195	103	-	39	42.379
Public Sector Participation Accounts	9.959	-	-	-	-	9.959
Total	31.210	793.647	27.549	30.287	7.719	890.412
Grand Total	1.864.612	13.982.172	1.377.313	961.682	1.191.036	19.376.815

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 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 31 March 2024	Participation Accounts					
Account Name	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	294.210	15.712	-	-	314.648
Real Person's Non Commercial Participation Accounts	91.606	2.061.578	175.067	156.393	1.385.526	3.870.170
Public Sector Participation Accounts	1.469.158	421.797	692.347	72	6.749	2.590.123
Commercial Sector Participation Accounts	1.108.111	6.603.445	201.813	40.989	465.881	8.420.239
Other Institutions Participation Accounts	12.830	372.061	36.142	3.922	11.627	436.582
Total	2.686.431	9.753.091	1.121.081	201.376	1.869.783	15.631.762
Foreign Currency						
Funds Collected from Banks via Current and Participation Accounts	1	386	-	-	98	485
Real Person's Non Commercial Participation Accounts	7.019	86.227	1.488	1.375	9.295	105.404
Public Sector Participation Accounts	3	2.679	-	-	-	2.682
Commercial Sector Participation Accounts	1.959	61.938	10.274	4	7	74.182
Other Institutions Participation Accounts	33.416	147.406	854	234	43	181.953
Public Sector Participation Accounts	4.198	-	-	-	-	4.198
Total	46.596	298.636	12.616	1.613	9.443	368.904
Grand Total	2.733.027	10.051.727	1.133.697	202.989	1.879.226	16.000.666

3. Information on dividend income:

As of 31 March, 2025, the Bank has no dividend income (31 March 2024: None).

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

	Current Period 31 March 2025	Prior Period 31 March 2024
Income	11.097.544	4.052.154
Foreign exchange gains	4.966	387.656
Gain on derivative financial instruments	1.517.328	520.911
Gain on capital market transactions	9.575.250	3.143.587
Losses (-)	9.472.889	2.900.979
Foreign exchange losses	606	1.146
Losses on derivative financial instruments	290.380	154.804
Losses on capital market transactions	9.181.903	2.745.029
Net	1.624.655	1.151.175

b. Information on Profit/Loss on Derivative Financial Operations

	Current Period 31 March 2025	Prior Period 31 March 2024
Effect of the change in exchange rates on profit/loss	1.226.948	366.107
Total	1.226.948	366.107

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 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)

5. Information on other operating income

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 31 March 2025	Prior Period 31 March 2024
Correction Account for Previous Years Expenses (*)	685.056	2.224.259
Income from the Sale of the Asset	6.147	10.067
Provision for Communication Expenses	14.211	5.650
Checkbook Fees	1.816	1.435
Other	9.448	2.097
Total	716.678	2.243.508

(*) Adjustment to prior year expenses consists of TRY 438.346 from provisions for loans (31 March 2024: TRY 587.488), (31 March 2024: TRY 500.000 from free provisions), TRY 236.040 from provisions for participation accounts (31 March 2024: TRY : 1.071.885), TRY 612 from provisions for impairment of securities (31 March 2024: TRY 429), and TRY 10.058 consists of other provision reversals (31 March 2024: TRY 9.708).

6. Provision expenses for impairment on loans and other receivables

	Current Period 31 March 2025	Prior Period 31 March 2024
Expected Credit Loss	1.693.393	1.548.977
12 month expected credit loss (Stage 1)	434.123	744.160
Significant increase in credit risk (Stage 2)	788.180	563.165
Non-performing loans (Stage 3)	471.090	241.652
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	81.695	60.454
Total	1.775.088	1.609.431

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 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 other operating expenses

	Current Period 31 March 2025	Prior Period 31 March 2024
Reserve for Employee Termination Benefits	30.005	25.157
Bank Social Aid Provision Fund Deficit Provision	-	-
Impairment Expenses of Tangible Assets	-	-
Depreciation Expenses of Tangible Fixed Assets	266.090	160.833
Impairment Expenses of Intangible Assets	-	-
Goodwill Impairment Expense	-	-
Amortization Expenses of Intangible Assets	47.312	21.904
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	437.392	278.251
Leasing Expenses Related to TFRS 16 Exceptions	4.951	3.026
Maintenance Expenses	58.313	35.615
Advertisement Expenses	58.296	31.644
Other Expenses	315.832	207.966
Loss on Sales of Assets	881	56
Other (*)	646.555	303.635
Total	1.428.235	789.836

(*) Of the balance classified under "Other", TRY 221.995 (31 March, 2024: TRY 108.811) consists of SDIF (Savings Deposit Insurance Fund) premiums and audit and consultancy service expenses, while TRY 292.058 (31 March, 2024: TRY 110.747) consists of taxes, duties and levies, and other service expenses.

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

As of 31 March 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 31 March 2025	Prior Period 31 March 2024
Net Profit Share Income	2.764.644	184.949
Net Fees and Commissions Income	862.401	306.661
Dividend Income	-	-
Trading Income/Expense (Net)	1.624.655	1.151.175
Other Operating Income	716.678	2.243.508
Expected Loss Provision (-)	1.693.393	1.548.977
Other Provision Expense (-)	81.695	60.454
Personnel Expense	1.375.706	848.704
Other Operating Expenses (-)	1.428.235	789.836
Income/(Loss) from Continuing Operations	1.389.349	638.322

9. 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 31 March 2025, the Bank has deferred tax income of TRY 710.477 (31 March 2024: TRY 393.794) and deferred tax expense of TRY 215.044 (31 March 2024: TRY 582.344). Current tax provision TRY 875.067 (31 March, 2024: None).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF
31 MARCH 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)**

10. 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 1.009.715 (31 March 2024: 449.772 TRY net profit).

11. 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.

12. 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 (31 March 2024: None).

**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.

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 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

- 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	-	-	5.449.003	-	-	-
Profit share and commission income	-	-	350	-	-	-

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	4.740	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	-	-	65.792	103.355	-	-
Participation Accounts						
Profit Share Expenses	2.471.707	976.543	201.083	11.464	-	-

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 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 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
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	-	-	-	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 14.232 (31 December 2024: TRY 56.793).

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

In accordance with the profit distribution resolution adopted at the Bank's Ordinary General Assembly meeting held on 2 May, 2025, it was resolved to allocate TRY 172.641, corresponding to 5% of the net profit for the year 2024 amounting to TRY 3.452.822, to the legal reserves, and to retain the remaining TRY 3.280.181 within the Bank.

On 11 April 2025, a lease certificate issuance amounting to TRY 3.000.000 was carried out by Ziraat Katılım Varlık Kiralama A.Ş., with ISIN code TRDZKVK72514, a tenor of 91 days, an annual simple yield of 45,00%, and a maturity date of 11 July 2025.

On 25 April 2025, Ziraat Katılım Varlık Kiralama A.Ş. issued a lease certificate with an amount of TRY 2.500.000, ISIN code TRDZKVK72522, a tenor of 96 days, an annual simple yield of 45,50%, and a maturity date of 30 July 2025.

On 28 April 2025, ZKB Varlık Kiralama A.Ş. issued a lease certificate amounting to TRY 120.000, with ISIN code TRDZKBV82512, a tenor of 116 days, an annual simple yield of 49,50%, and a maturity date of 22 August 2025.

On 7 May 2025, ZKB Varlık Kiralama A.Ş. issued a lease certificate amounting to TRY 240.000, with ISIN code TRDZKBV82520, a tenor of 99 days, an annual simple yield of 49,00%, and a maturity date of 14 August 2025.

On 10 April 2025, ZKB Varlık Kiralama A.Ş. issued a lease certificate amounting to TRY 251.000, with ISIN code TRDZKBV72513, a tenor of 112 days, an annual simple yield of 45,50%, and a maturity date of 31 July 2025.

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2025

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

SECTION SIX

EXPLANATIONS ON AUDITOR’S REVIEW REPORT

I. MATTERS TO BE EXPLAINED ON THE INDEPENDENT AUDITOR’S REPORT

The consolidated financial statements for the period ended 31 March 2025 have been reviewed by PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. The auditor’s review report dated 8 May 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
31 MARCH 2025**

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

SECTION SEVEN

INTERIM ACTIVITY REPORT

I. Assessment of Chairman

In the first quarter of 2025, the global economy experienced a period of heightened uncertainty, during which markets sought a new equilibrium. Global trade faced significant challenges amid persistent geopolitical tensions such as the U.S.–China rivalry, trade wars, customs tariffs, and the ongoing Russia–Ukraine conflict. These developments shifted focus away from the inflation control efforts that had dominated the global agenda in recent years. The U.S. Federal Reserve, for instance, chose a cautious stance by pausing its interest rate cut cycle due to changing inflation expectations and prevailing uncertainty. During this period, major global economies reassessed their monetary policy strategies.

In the first quarter of the year, the U.S. administration's new policy steps regarding global trade triggered volatility in the markets. Measures such as increasing import tariffs and partially or entirely withdrawing long-standing support to international organizations were aimed at easing the burden of the country's persistent current account deficit. Concurrently, the new administration's emphasis on domestic production prompted many countries to adopt more protectionist policies. Retaliatory actions from global economic powers such as the European Union and China have significantly increased threats to global trade.

This period was also marked by growing defense and infrastructure budgets reaching record levels worldwide, even as diplomatic efforts continued to resolve regional conflicts. While the United States continued negotiations with both parties to end the Russia–Ukraine war, it maintained its insistence on signing a critical minerals agreement with Ukraine. Meanwhile, European countries, particularly Germany, announced extensive new defense spending packages.

Toward the end of the period, the European Central Bank (ECB) implemented a policy rate cut, having neared its inflation target. This move, alongside increased defense spending, signals the beginning of a phase in which growth in Europe is actively supported. Although the inflationary impact of these expenditures is being closely monitored, it is increasingly evident that countries are prioritizing defense and infrastructure investment. These developments, while raising concerns about the global outlook, also suggest a period in which new economic partnerships may emerge.

During this phase of rising volatility in global markets, gold, valued as a safe haven asset, saw increased demand and reached record-high prices. However, by the end of April, with trade tensions easing somewhat, safe haven demand began to decline, resulting in a partial retreat in gold prices. The EUR/USD exchange rate exhibited volatility, driven by growing concerns of a recession in the U.S. and new tariff announcements. Increasing uncertainty around the future of global trade also affected commodity markets, causing notable price fluctuations. In particular, the potential for declining demand led to a drop in oil prices. As mutual tariff measures are set to be implemented in the second quarter, a slowdown in global growth is expected.

In Türkiye, the economic administration has continued to implement proactive and effective measures in response to both domestic and international developments, while maintaining a firm stance in the fight against inflation. These actions aim to ensure lasting market stability.

Türkiye remains actively engaged with all major stakeholders in the global economy and strives to capitalize on opportunities that emerge amid global crises. In the upcoming period, countries with strong production capacities, especially China, are expected to expand their market shares in various regions. For Türkiye, where China ranks as the second-largest import partner, this shift presents both opportunities and risks. While easier access to certain goods may be possible, the need to protect domestic producers remains a key issue on the country's economic agenda.

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2025

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

INTERIM ACTIVITY REPORT (Continued)

I. Assessment of Chairman (Continued)

As of February 2025, the share of participation banking within the financial sector stood at 8,2%. Enhancing the growth performance of the participation banking sector is of significant importance in terms of strengthening Türkiye’s financial system and increasing its resilience against risks.

As of February 2025, Ziraat Katılım Bankası held a 19% market share within the participation banking sector. As Türkiye’s first state-owned participation finance institution, Ziraat Katılım Bankası will continue to support the national economy, just as it does today, by maintaining its customer-oriented service approach in line with the principles of profitability and efficiency.

Alpaslan ÇAKAR
Chairman of the Board

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF
31 MARCH 2025**

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

INTERIM ACTIVITY REPORT (Continued)

II. Assessment of General Manager

Ziraat Katılım Continues to Strengthen Its Financial Success

Ziraat Katılım continued to progress confidently in the first quarter of 2025 with its strong financial structure and consistent growth performance. As of the end of the period, the Bank’s total assets increased by 9% compared to the end of the previous year, reaching TRY 560.9 billion. Collected funds rose by 11% to TRY 397.8 billion, while cash loans extended grew by 16%, amounting to TRY 368.3 billion. Accordingly, the total amount of cash and non-cash financing provided by Ziraat Katılım to the overall sector reached TRY 498 billion.

Continuing to expand its branch network across Türkiye, Ziraat Katılım reached a total of 211 branches as of the first quarter of 2025, including 209 branches across 63 provinces domestically and 2 branches abroad.

OUR LEASE CERTIFICATE ISSUES REACHED 129 BILLION TRY TOTAL

In the first quarter of 2025, Ziraat Katılım continued to strengthen its presence in the lease certificate market through successful transactions. During this period, the Bank completed 7 lease certificate issuances through Ziraat Yatırım Menkul Değerler A.Ş., securing a total funding of TRY 16.5 billion.

As Türkiye’s first state-owned participation bank, Ziraat Katılım commenced operations in 2015 and has since reinforced its strong position in the participation finance market by completing a total of 185 lease certificate issuances, reaching a cumulative volume of TRY 129 billion.

STRONG GROWTH IN OUR CUSTOMER BASE IN THE FIRST QUARTER OF 2025

Reflecting the Bank’s customer-centric approach and its efforts to enhance service quality across digital channels, Ziraat Katılım achieved a significant increase in its customer base in the first quarter of 2025. Compared to the last quarter of 2024, the number of newly acquired customers rose by 77%, while the number of active customers increased by 21%.

In line with legal requirements regarding identity verification and transaction security in electronic banking services, the Bank successfully completed its compliance initiatives and implemented secure digital contracting capabilities. Within this scope, customers are now able to establish contractual relationships electronically in a secure manner. In addition, the “Request to Pay” service, which enables the creditor customer to request payment from the debtor, and the debtor to respond accordingly, has been made available via the Katılım Mobil platform.

**ENHANCED DIGITIZATION AND PROACTIVE MONITORING CAPABILITIES IN
FOREIGN TRADE TRANSACTIONS**

The Bank implemented significant improvements aimed at digitizing foreign trade transactions and enhancing customer satisfaction. Intermediary Bank Export Proceeds Acceptance Certificate (İBKB) notifications are now entered into the system via robotic process automation, which has increased operational efficiency and accelerated processing times. Moreover, the newly introduced “Incoming Remittance Tracking” feature at our branches enables the monitoring of foreign currency transfers initiated abroad, even before the funds are received by the Bank.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF
31 MARCH 2025**

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

INTERIM ACTIVITY REPORT (Continued)

II. Assessment of General Manager (Continued)

**DELIVERING ADDED VALUE TO OUR CUSTOMERS THROUGH STRATEGIC
PARTNERSHIPS AND NEW PRODUCTS**

As part of our efforts to strengthen the participation finance ecosystem and offer value-added financing solutions to our customers, several new partnerships and products have been introduced. Within the scope of the main protocol signed between our Bank and Katılım Finans Kefalet A.Ş. regarding equity guarantees, the Equity-Based Operating Expense Support Package has been launched for our customers.

In addition, a cooperation agreement was established between our Bank and Türk Eximbank for the Interest-Free Pre-Shipment Export Financing and Interest-Free Financial Leasing Financing programs, thereby expanding our range of interest-free financing solutions for exporters. Furthermore, the Vendor Contribution-Based Financial Leasing Product was introduced to enable customers purchasing equipment from vendors with Contribution-Based Financing Protocols to access financing at more favorable profit rates.

**SECURE PAYMENT SYSTEM – “OPERATOR BANK” PROJECT SUCCESSFULLY
COMPLETED**

The “Secure Payment System – Operator Bank” project, which ensures the simultaneous and secure transfer of vehicle ownership and the sale price in second-hand motor vehicle transactions, has been developed in integration with the Turkish Notaries Union Information System and made available to our customers.

Additionally, a new guarantee solution tailored for exporters, and compliant with participation finance principles, was launched. The Participation-Based Trade Credit Insurance product, developed in collaboration with Eximbank, has been included in our insurance product portfolio. This product helps secure exporters’ commercial receivables, thereby supporting the establishment of a safer and more sustainable structure in foreign trade operations.

ADAS PLAN DEVELOPED FOR POTENTIAL DISASTERS AND EMERGENCIES

To ensure that the Bank can take rapid, effective, and coordinated action in the event of potential disasters or emergencies, the Disaster/Emergency Action Process (ADAS) Plan was prepared and shared with all branches and business units.

The ADAS Plan aims to predefine the duties, responsibilities, and actions of Bank units under various natural disaster and emergency scenarios. This plan is of critical importance in managing potential risks with minimal impact.

**STRONG GROWTH IN CARD PAYMENT SYSTEMS CONTINUED IN THE FIRST
QUARTER OF 2025**

In the first quarter of 2025, Ziraat Katılım continued to grow its card payment systems and merchant network volume. Our POS transaction volume exceeded TRY 6 billion, while debit card transactions increased by 11%. A strong upward trend was also observed in the credit card segment, with a 14% increase in credit card transaction volume.

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

INTERIM ACTIVITY REPORT (Continued)

II. Assessment of General Manager (Continued)

2025 DECLARED AS “THE YEAR OF THE FAMILY” BY THE PRESIDENCY

Following the declaration of 2025 as “The Year of the Family” by the Presidency of the Republic of Türkiye, Ziraat Katılım has aligned its operations with this national vision. In this context, two new funds were introduced to our portfolio in collaboration with Ziraat Portfolio Management: ZK1 – Ziraat Portfolio Başak Participation Free Fund (FX–US Dollar) and ZK2 – Ziraat Portfolio Başak Participation Free Fund (FX–Euro), offering customers alternative return opportunities.

As part of our “Family Banking” approach, discounted car rental consultancy services were introduced for our customers and their family members. In addition, through a strategic collaboration with Türkiye Katılım Sigorta, privileged insurance products were made available to our Private Banking customers and their family members.

INCENTIVE MONITORING APPLICATION LAUNCHED UNDER THE SME VALUE PROPOSITION PROJECT

As part of the SME Value Proposition Project, the Incentive Monitoring Application was developed and made available for use by our branches. This initiative has paved the way for delivering more effective, proactive, and needs-based advisory services to our customers.

During the same period, significant progress was also made in the field of agricultural banking in line with our strategic priorities. As of the first quarter of 2025, the number of customers utilizing agricultural loans increased by 65% compared to the previous period, while the total exposure in this segment rose by 80%. These developments clearly demonstrate the Bank’s strengthened financial contribution to the agricultural sector and its reinforced identity as a pioneering participation finance institution that supports rural development.

At Ziraat Katılım, we continue to work with dedication in line with the solid values and ethical principles inherited from our well-established corporate culture, with the aim of contributing to the real economy and supporting sustainable development. Guided by this vision, we successfully concluded the first quarter of 2025 with a stable financial performance, in line with our mission to provide value-added financial solutions to our customers and to support the real economy.

Best Regards,

Metin ÖZDEMİR
General Manager

ZİRAAT KATILIM BANKASI A.Ş.

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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 – İstanbul to Finanskent Mahallesi Finans Cad. B Blok No: 44b İç Kapı No: 29 34764 Ümraniye – İstanbul. 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 367.284.115 Thousand with 66%, Cash Values and Cash Equivalents with TRY 114.123.056 Thousand with 21%, Securities with TRY 68.519.271 Thousand with 11%, Other Assets with TRY 14.661.872 Thousand with 2%. gets a share.

Assets (Thousand TRY)	31 March 2025	31 December 2024	Variance (%)
Cash Values and Cash Equivalents	114.123.056	124.103.824	(8)
Securities	58.519.271	54.897.088	7
Loans	367.284.115	317.863.713	16
Other Assets	14.661.872	13.293.703	10
Total Assets	554.588.314	510.158.328	9

Funds Collected in Bank Liabilities with TRY 397.810.502 Thousand with 72%, Non-Funds Collected Resources with TRY 123.440.252 Thousand with 22%, Shareholders' Equity with TRY 22.881.900 Thousand with 4% and Other Liabilities with TRY 10.455.660 Thousand with 2%. takes.

Liabilities (Thousand TRY)	31 March 2025	31 December 2024	Variance (%)
Funds Collected	397.810.502	357.652.703	11
Non- Funds Collected Resources	123.440.252	119.603.659	3
Other Liabilities	10.455.660	10.530.928	(1)
Equity	22.881.900	22.371.038	2
Total Liabilities	554.588.314	510.158.328	9

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2025

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

INTERIM ACTIVITY REPORT (Continued)

V. Main Financial Indicators (Continued)

Selected Income-Expenses (Thousand TRY)	31 March 2025	31 March 2024
Profit Share Income	29.669.573	18.372.205
Profit Share Expense	26.904.929	18.187.256
Net Profit Share Income	2.764.644	184.949
Net Fee and Commission Income	862.401	306.661
Dividend Income	-	-
Net Trading Income	1.624.655	1.151.175
Other Operating Income	716.678	2.243.508
Expected Loss Provision	1.693.393	1.548.977
Other Provision Expense	81.695	60.454
Personel Expense	1.375.706	848.704
Other Operating Expense	1.428.235	789.836
Profit / Loss Before Tax	1.389.349	638.322
Tax Provision	(379.634)	(188.550)
Net Profit/Loss	1.009.715	449.772

RATIOS (%)	31 March 2025	31 December 2024
Capital Adequacy Ratio	16,1	20,4
Equity / Total Assets	4,1	4,3
Total Loans / Total Assets	65,5	61,4
Borrowings/Total Assets	71,7	70,1
Non-Performing Loans (Gross)/Loans	1,1	0,9

(*) Includes Leasing Receivables, excluding Non-Performing Receivables.

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 / İSTANBUL.

As of 31 March 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

ZİRAAT KATILIM BANKASI A.Ş.

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(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.	TRDZKVK42517	2.000.000.000,00	10.01.2025	11.04.2025	91	43,00%
Ziraat Katılım Bankası A.Ş.	TRDZKVK42525	2.000.000.000,00	22.01.2025	25.04.2025	93	41,75%
Ziraat Katılım Bankası A.Ş.	TRDZKVK52524	1.000.000.000,00	4.02.2025	26.05.2025	111	42,00%
Ziraat Katılım Bankası A.Ş.	TRDZKVK52532	2.500.000.000,00	14.02.2025	16.05.2025	91	41,00%
Ziraat Katılım Bankası A.Ş.	TRDZKVK62523	2.000.000.000,00	12.03.2025	13.06.2025	93	39,00%
Ziraat Katılım Bankası A.Ş.	TRDZKVK32617	5.000.000.000,00	17.03.2025	16.03.2026	364	36,00%
Ziraat Katılım Bankası A.Ş.	TRDZKVK62531	2.000.000.000,00	27.03.2025	27.06.2025	92	44,00%

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.	TRDZKVK32518	2.000.000.000,00	22.03.2024	21.03.2025	364	917.479.400,00
Ziraat Katılım Bankası A.Ş.	TRDZKVK12510	2.000.000.000,00	3.10.2024	10.01.2025	99	249.534.200,00
Ziraat Katılım Bankası A.Ş.	TRDZKVK12528	2.000.000.000,00	11.10.2024	22.01.2025	103	259.616.400,00
Ziraat Katılım Bankası A.Ş.	TRDZKVK22519	1.000.000.000,00	17.10.2024	4.02.2025	110	137.123.300,00
Ziraat Katılım Bankası A.Ş.	TRDZKVK22527	2.500.000.000,00	6.11.2024	14.02.2025	100	308.219.250,00
Ziraat Katılım Bankası A.Ş.	TRDZKVK32526	2.000.000.000,00	12.12.2024	12.03.2025	90	216.986.400,00
Ziraat Katılım Bankası A.Ş.	TRDZKVK32534	2.000.000.000,00	20.12.2024	27.03.2025	97	233.863.000,00

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 March 31, 2025, the company does not have any employees.

Shareholders	Address	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

ZİRAAT KATILIM BANKASI A.Ş.

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INTERIM ACTIVITY REPORT (Continued)

VI. Information Regarding the Consolidated Subsidiary (Continued)

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
FASDAT	TRDZKBV52531	105.000.000,00	16.01.2025	15.05.2025	119	42,50%
GSM2 İNOVASYON	TRDZKBV22617	100.000.000,00	19.02.2025	18.02.2026	364	40,75%
TIRYAKI AGRO	TRDZKBV52523	300.000.000,00	8.01.2025	7.05.2025	119	46,00%
TIRYAKI AGRO	TRDZKBV62514	155.000.000,00	7.02.2025	13.06.2025	126	42,00%

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	Profit Share
FASDAT	TRDZKBV12519	100.000.000,00	16.09.2024	16.01.2025	122	48,00%	16.043.840,00
FASDAT	TRDZKBV22518	150.000.000,00	25.10.2024	26.02.2025	124	47,50%	24.205.485,00
FUZUL GYO	TRDZKBV22526	300.000.000,00	14.11.2024	28.02.2025	106	49,00%	42.690.420,00

VII. 2025 First Interim Period Activities

Corporate, Commercial, and Private Banking Activities

Ziraat Katılım Bank continued its operations in Corporate, Commercial, and Private Banking during the first quarter of 2025 with a customer-centric service approach, expanding its range of financial products, and enhancing service quality through digitalization and innovative solutions.

In Corporate Banking, the Bank served through 6 corporate branches in 3 different cities, aiming to achieve high customer satisfaction by offering tailored solutions to customer needs. It provided value propositions to corporate clients through appropriate channels and products. The bank supported its digital transformation by switching to the domestic software system PARDUS, and facilitated financing access for clients through solutions such as Supplier Financing System (SFS) and Direct Debit System (DBS). Additionally, an agency agreement was made for the Eximbank Participation-Based Receivables Insurance to secure the receivables of export clients. Investment and financing solutions for the public and private sectors will continue throughout 2025, supported by the Islamic Development Bank and KFK resources.

In Commercial Banking, the Bank provided services through 17 commercial branches across 11 different provinces, offering services to both commercial and corporate segment clients in areas without corporate branches. Customer needs were met through fund and financing marketing activities, taking into account legal regulations, with the aim of controlling funding costs and increasing segment profitability. Six products were implemented under the Commercial Banking Value Proposition, including contributory leasing, payment requests, bulk payments, renewable energy insurance, fuel collection systems, and cash/cheque collection. The system integrations for contributory financial leasing products were completed. Product and customer activity were increased in areas such as financial leasing, DBS, SFS, KFK-funded financing, treasury products, and agricultural financing.

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INTERIM ACTIVITY REPORT (Continued)

VII. 2025 First Interim Period Activities (Continued)

In the Private Banking segment, with 2025 being declared the "Year of the Family," a holistic service approach focusing on customers and their families was highlighted. Ziraat Portfolio, in collaboration with Ziraat Katılım Bank, added ZK1 – Ziraat Portfolio Başak Participation Fund (USD) and ZK2 – Ziraat Portfolio Başak Participation Fund (Euro) to its portfolio offerings, providing customers with alternative return opportunities. Within the framework of Family Banking, car leasing consulting and advantageous insurance products through Türkiye Katılım Sigorta were offered to customers, and a new corner office was opened in Yalova to increase customer touchpoints.

Through these activities, Ziraat Katılım Bank focused on improving customer experience across all segments, diversifying its financial solutions, and delivering performance focused on sustainable growth.

Retail Banking, Digital Solutions, and Agricultural Financing Activities

In the first quarter of 2025, Ziraat Katılım Bank strengthened its customer-centric service approach by conducting comprehensive activities in Retail Banking, Digital Banking, and Agricultural Financing in line with the principles of participation banking.

In Retail Banking, the bank reached a total of 186 branches in 63 provinces, and its branch expansion strategy was firmly maintained. Through the Participation Digital product, fast, secure, and interest-free banking solutions were provided to customers. The Incentive Tracking Application, developed under the SME Value Proposition, enhanced the advisory capabilities of branches and provided special support to SME customers. In agricultural banking, subsidized and state-supported loans were provided to rural producers, resulting in a 65% increase in the number of customers and an 80% increase in total risk size in this sector. In individual banking, products and services were diversified according to customer needs, digital channels were developed, and an experience-focused approach was adopted.

In the field of Digital Banking and Card Payment Systems, the "Payment Request" function was activated through Katılım Mobil, and a secure payment system for the buying and selling of second-hand motor vehicles was introduced for customers. Additionally, Eximbank Participation-Based Receivables Insurance has been added to our product portfolio. Furthermore, the launch of the Premium Refund Life Insurance product in cooperation with Türkiye Hayat Emeklilik is planned for the second quarter. Discussions were held with Coface Insurance regarding international commercial information and collection services, and system integrations were initiated with intermediary institutions providing digital platform services under supplier financing.

A strong performance was also demonstrated in card payment systems. In the first quarter of 2025, debit card turnover increased by 11%, credit card numbers by 9%, and credit card turnover by 14%. Additionally, the number of commercial credit cards, which were made available to our customers in 2024, increased by 35%.

In line with the agricultural potential of our country, sustainable production was supported, and financing solutions focused on agricultural mechanization, modernization, and productivity were offered. Both subsidized and unsubsidized Agricultural Financing products were made available to farmers in accordance with participation banking principles, and the Bank continued to resolutely pursue its vision of being a financial partner contributing to a sustainable agricultural ecosystem.

Through these activities, Ziraat Katılım Bank continued to produce inclusive, innovative, and participation-based solutions, addressing a wide customer base, ranging from individual and SME customers to farmers, digital users, and traditional branch customers.

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2025

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INTERIM ACTIVITY REPORT (Continued)

VII. 2025 First Interim Period Activities (Continued)

Participation-Based Financing Supports and International Collaborations

In the first quarter of 2025, Ziraat Katılım Bank provided a broad support network to its clients with financing solutions that support the real sector and are structured in accordance with the principles of participation banking. Protocols signed with Katılım Finans Kefalet A.Ş., collaborations with international organizations, and KOSGEB support programs have facilitated the access to financing for many businesses, from SMEs to large-scale firms, increasing sustainable growth and competitiveness.

Under the equity guarantee protocols made with Katılım Finans Kefalet A.Ş., support packages were created for various sectors and implemented. Equity Support Packages were launched and actively used to increase the access to financing for export companies and businesses in foreign currency-earning service sectors. Additionally, different packages were implemented to support the sustainable growth of SMEs and non-SME firms.

Within the framework of collaborations with KOSGEB, the "Capacity Development Support Program" was launched to support the digitalization, growth, and institutionalization processes of SMEs, and applications continue to be received. To increase global competitiveness, the "Global Competitiveness Support Program" was launched, focusing on strategic goals such as innovative product development, supply chain management, production optimization, and integration of new technologies.

In the defense industry financing models, special financing solutions were developed for supplier companies through the "Defense Industry Supplier Financing" product. Moreover, resources were provided to companies in this field through the "Defense Industry Support Package."

In the field of financial leasing, a "TLREFK Indexed Financial Leasing" product was introduced, which is in line with participation banking, featuring a medium-to-long-term structure with variable installments. Additionally, in collaboration with Eximbank, the "Interest-Free Financial Leasing Financing Program" was launched for companies engaged in foreign currency-earning activities. Through vendor contributions, the "Vendor Contributory Financial Leasing Product" offered advantageous profit margins on equipment purchases, providing additional cost advantages to firms.

All these developments demonstrate that Ziraat Katılım Bank continues to strongly pursue its vision of strengthening the real sector and expanding the interest-free financing ecosystem.

Operational Developments

In the first quarter of 2025, Ziraat Katılım Bank made significant operational and systemic improvements in foreign trade operations, digitalization, and customer satisfaction. As part of these efforts, both training activities were carried out to enhance employee competence, and technological infrastructure improvements were implemented to increase efficiency in business processes.

In the field of Robotic Process Automation (RPA), the system entries for Export Proceeds Acceptance Certificates (İBKB) were processed through robotic software, thereby enhancing operational efficiency. As part of the system improvements, the feature "G4C Incoming Remittance Customer Notification" was added as the 25th notification in the Foreign Trade Information Package, enabling real-time notifications to customers via SMS and/or email when a transfer is initiated.

These efforts have been a tangible demonstration of Ziraat Katılım Bank's vision to improve service quality, empower its employees, and maximize customer satisfaction.

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INTERIM ACTIVITY REPORT (Continued)

VIII. Expectations for the Period After the First Interim of 2025

In the first quarter of 2025, the global economic agenda was dominated by the aggressive tariff policies initiated by the new U.S. administration. These policies, which targeted many countries, particularly China and the European Union, increased uncertainty around global trade flows. Trade policies played a decisive role in the first quarter of 2025, not only impacting economic growth dynamics but also directly affecting investor confidence. On the other hand, regional issues, such as the escalating Israel-Palestine tension in the Middle East and the Russia-Ukraine war, have remained significant geopolitical events with global implications during this period.

Following the trade tensions in the first quarter of 2025, the basic scenarios for the global economy are expected to shape according to the trajectory of uncertainties for the remainder of the year. If the U.S.'s protectionist policies intensify again, there may be a contraction in global trade volume and new market fluctuations. In response to potential growth pressures, central banks, especially the U.S. Federal Reserve (FED) and the European Central Bank (ECB), are likely to implement interest rate cuts or adopt expansionary measures. During this period, commodity prices are expected to experience high volatility, depending on the developments of geopolitical risks.

According to the International Monetary Fund (IMF) World Economic Outlook Report, global economic growth is projected to be 3,30% in 2024. When comparing this with the growth forecasts of 3,10% by the OECD and 2,70% by the World Bank, all expectations indicate a growth rate below the 20-year average of 3,70%.

Brent oil opened the year at \$75, showing a fluctuating trend throughout the quarter and ending the first quarter at the same level. Meanwhile, in response to global economic uncertainties and rising geopolitical tensions, many central banks, particularly in emerging economies, continued to increase their gold reserves. This trend led to a steady increase in the share of gold in total reserves. As demand for safe-haven assets rose, the price of gold increased from \$2,657 at the start of the year to \$3,123 by the end of the first quarter.

In 2024, for the U.S. economy, the focus was on achieving supply-side recovery, moving closer to inflation targets, and maintaining high-interest rate policies. In the last quarter of the year, in line with the slowdown in economic activity and gradual decline in inflation, the Federal Reserve (Fed) took its first steps toward easing monetary policy by implementing two interest rate cuts. During this period, the economy grew at an annual rate of 2,40%. However, in the first quarter of 2025, the rate-cutting process was temporarily paused. At the FOMC meetings in January and March, the interest rate was held steady at the 4,25%-4,50% range. In the statement after the March meeting, it was indicated that more confidence in inflation was needed before further rate cuts could be made, with inflation progress being slowed due to tariffs, suggesting that the disinflation process could take longer than initially expected. On the other hand, despite the Fed's 2,00% inflation target, the annual inflation rate was 2,80% in February, falling below market expectations. However, the year-end inflation forecast rose to 3,60%, the highest level in 18 months, indicating ongoing uncertainties about price stability. As a result, the expectation of maintaining a cautious monetary stance has strengthened, with expectations that interest rates will remain stable for a while. The 10-year U.S. Treasury bond yield stood at 4,37%. The market's expectations for the first interest rate cut are primarily pointed to June.

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INTERIM ACTIVITY REPORT (Continued)

VIII. Expectations for the Period After the First Interim of 2025 (Continued)

In the case of the European economy, 2024 was marked by disinflation in parallel with the global economic environment, and this trend continued into the first quarter of 2025. The European Central Bank (ECB) had already implemented two interest rate cuts in the first quarter, and despite the continued risks of tension in global trade, it stated that inflation in the Eurozone was on track to reach its 2% target this year. However, vulnerabilities in energy supply, geopolitical risks arising from the Russia-Ukraine War, and uncertainties related to trade policies remain major risks that could lead to deviations in key macroeconomic targets, such as inflation, growth, and external trade balances. The German parliament took an important step to increase defense spending by applying an exception to the constitutional "debt brake" rule, which restricts public borrowing to no more than 0,35% of GDP. This allowed for a law to be passed enabling defense budgets to exceed 1% of GDP. Additionally, an agreement was reached to create a special fund worth €500 billion to increase defense spending and renew infrastructure.

In the first quarter of 2025, emerging market economies were impacted by regional wars, supply chain issues, and rising energy and commodity prices. However, the share of emerging economies in the global GDP is rapidly increasing compared to developed countries. The Manufacturing PMI index, one of the leading indicators of economic activity, showed that China's manufacturing sector expanded slightly, remaining above the 50 threshold in March at 50.50. China's economy showed better-than-expected performance in 2024, growing by 5,40% annually, supported by domestic demand recovery and improved export performance. Meanwhile, China has yet to impose retaliatory tariffs against the U.S. Despite these developments, international credit rating agency S&P Global revised its economic growth forecast for emerging economies down from 4,30% to 4,10% for 2025, keeping it at 4,10% for 2026. On the other hand, Japan's economy grew by 0,60% on a quarterly basis in the first quarter of 2025, marking the fourth consecutive quarter of positive growth.

Türkiye, while leaving behind 2024 with a heavy agenda driven by its geopolitical position alongside efforts to combat inflation, saw the interest rate cuts following the steps taken in the fight against inflation become one of the prominent economic policy topics of the year. The new economic policy framework initiated in the previous period has been steadfastly continued in the first quarter of 2025. The Central Bank of the Republic of Türkiye (CBRT) decided to gradually ease its stance in the Monetary Policy Committee meetings and took steps to balance aggregate demand by shifting interest rates to a downward trend. The process, which started with a 250 basis point cut in the last quarter of 2024, continued into the first quarter of 2025, with the policy rate being lowered to 42,50%. However, in light of recent developments, it has been emphasized that tight monetary policy will continue until a permanent decline in inflation is achieved. As part of this, the overnight lending rate was raised to 46,00%. Additionally, the CBRT announced that, for the first time in nearly 18 years, it would begin issuing liquidity securities with maturities of up to 91 days, marking an important step in diversifying the monetary policy toolkit and increasing flexibility in liquidity management. Parallel to global trends, the demand for gold has continued to rise in Türkiye as well. During the same period, an upward movement was observed in the consumer confidence index, while the unemployment rate reached its lowest level in the last four months, standing at 8,20%. In the new period, strengthening the Medium-Term Program (OVP) and accelerating structural reforms are expected. According to the World Bank's Economic Outlook Report for Europe and Central Asia, Türkiye's economy is projected to grow by 2,60% in 2025 and by 3,80% in 2026.

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