

**ZİRAAT KATILIM BANKASI ANONİM ŞİRKETİ**

**UNCONSOLIDATED FINANCIAL STATEMENTS,  
RELATED EXPLANATIONS AND NOTES  
AS OF 31 DECEMBER 2023 WITH AUDITOR'S REPORT**

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



**CONVENIENCE TRANSLATION INTO ENGLISH OF  
INDEPENDENT AUDITOR'S REPORT ORIGINALLY ISSUED IN TURKISH  
(See Note I b of Section Three)  
INDEPENDENT AUDITOR'S REPORT**

To the General Assembly of Ziraat Katılım Bankası Anonim Şirketi

**A. Audit of the Unconsolidated Financial Statements**

**1. Qualified Opinion**

We have audited the accompanying unconsolidated financial statements of Ziraat Katılım Bankası Anonim Şirketi (the "Bank"), which comprise the statement of unconsolidated balance sheet as at 31 December 2023, unconsolidated statement of profit or loss, unconsolidated statement of profit or loss and other comprehensive income, unconsolidated statement of changes in shareholders' equity, unconsolidated statement of cash flows for the year then ended and the notes to the unconsolidated financial statements and a summary of significant accounting policies and unconsolidated financial statement notes.

In our opinion, except for the effect of the matter on the unconsolidated financial statements described in the basis for qualified opinion section of our report, the unconsolidated financial statements present fairly, in all material respects, the unconsolidated financial position of the Bank as at 31 December 2023, and its unconsolidated financial performance and its unconsolidated cash flows for the year then ended 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 Board and circulars and interpretations published by BRSA and Turkish Financial Reporting Standards ("TFRS") for those matters not regulated by the aforementioned regulations.

**2. Basis for Qualified Opinion**

As explained in Section Five Part II. 8.c.1 of Explanations and Notes to the Unconsolidated Financial Statements; the accompanying unconsolidated financial statements as at 31 December 2023 include a free provision amounting to TRY 500.000 thousand which consist of TRY 1.004.000 thousand provided in prior periods, TRY 96.000 thousand recognized in the current year and TRY 600.000 thousand reversed in the current year by the Bank management which is not within the requirements of BRSA Accounting and Financial Reporting Legislation.

Our audit was conducted in accordance with the "Regulation on Independent Audit of Banks" published by the BRSA on the Official Gazette No.29314 dated 2 April 2015 and the Standards on Independent Auditing (the "SIA") that are part of Turkish Standards on Auditing issued by the Public Oversight Accounting and Auditing Standards Authority (the "POA"). Our responsibilities under these standards are further described in the "Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements" section of our report. We hereby declare that we are independent of the Bank in accordance with the Ethical Rules for Independent Auditors (including Independence Standards) (the "Ethical Rules") and the ethical requirements regarding independent audit in regulations issued by POA that are relevant to our audit of the unconsolidated financial statements. We have also fulfilled our other ethical responsibilities in accordance with the Ethical Rules and regulations. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.



### 3. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the unconsolidated financial statements of the current period. Key audit matters were addressed in the context of our independent audit of the unconsolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Qualified Opinion Section we have determined the matters described below to be key audit matters to be communicated in our report.

<b><i>Key Audit Matters</i></b>	<b><i>How the key audit matter was addressed in the audit</i></b>
<b><i>Expected credit losses for loans and receivables</i></b>  The Bank has total expected credit losses for loans amounting to TRY 3.838.655 thousand in respect to total loans and receivables amounting to TRY 263.609.342 thousand which represent a significant portion of the Bank's total assets in its unconsolidated financial statements as at 31 December 2023. Explanations and notes related to expected credit losses provisions for loans and receivables are presented Section Three VII, Section Three VIII, Section Four II, Section Four IX-3, Section Five I.6 and Section Five II-8 in the accompanying unconsolidated financial statements as at 31 December 2023.  The Bank recognizes provision for impairment in accordance with "TFRS 9 Financial Instruments" ("TFRS 9") requirements effective in line with the "Regulation on the Procedures and Principles for Classification of Loans and Provisions to be Provided" as published in the Official Gazette dated 22 June 2016 numbered 29750. The Bank exercises significant decisions using subjective judgement, interpretation and assumptions over when and how much to record as loan impairment.	 With respect to stage classification of loans and calculation of expected credit losses, we have assessed policy, procedure and management principles of the Bank within the scope of our audit. We tested the design and the operating effectiveness of relevant systems and processes implemented in accordance with these principles.  For important loan portfolios, we checked appropriateness of matters considered in methodology applied by the Bank with TFRS 9 for calculation of the provision amount through stage classification of loans. For forward looking assumptions made by the Bank's management in its expected credit losses calculations, we held discussions with management and evaluated the assumptions using publicly available information. Regarding expected credit losses methodology; we have assessed and tested appropriateness of model segmentation, lifetime probability of default model, loss given default model, and approaches in relation to projection of macroeconomic expectations with our financial risk experts.

<b><i>Key Audit Matters</i></b>	<b><i>How the key audit matter was addressed in the audit</i></b>
<p>The Bank uses complex models to determine significant increase in credit risk and calculate the expected loan loss provision. Information including past events, current conditions and macroeconomic estimates which are taken into account in expected loss provision accounting should be reasonable and supportable.</p> <p>Our audit was focused on this area due to existence of complex estimates and information used in the impairment assessment such as macro-economic expectations, current conditions, historical loss experiences; the significance of the loan balances; the classification of loans as per their credit risk (staging) and the importance of determination of the associated expected credit loss. Timely and correct identification of default event and significant increase in credit risk and level of judgements and estimations made by the management have significant impacts on the amount of impairment provisions for loans. Therefore, this area is considered as key audit matter.</p>	<p>We have assessed expert judgment utilized in interpretation of supportable forward looking expectations (including macroeconomic factors).</p> <p>Together with our financial risk experts, we evaluated and tested reasonableness of the changes in the expected credit loss allowance methodology made within the year and the performance of the impairment models used and the results of validation studies.</p> <p>We have checked selected models used in determination of expected loss provisions for various credit portfolios with our financial risk experts by reperforming on a sample selection basis.</p> <p>We checked key data sources for data used in expected credit losses calculations. We tested reliability and completeness of the data used in expected credit losses calculations with our information systems specialists.</p> <p>For a selected sample, we checked accuracy of resultant expected credit losses calculations.</p> <p>To assess appropriateness of the Bank's determination of staging for credit risk within the framework of current regulations, identification of impairment and timely and appropriate provisioning for impairment we have performed loan review procedures based on a selected sample.</p> <p>We evaluated the adequacy of the disclosures made in the unconsolidated financial statements regarding the provision for impairment of loans.</p>



#### **4. Responsibilities of Management and Those Charged with Governance for the Unconsolidated Financial Statements**

The Bank management is responsible for the preparation and fair presentation of the unconsolidated financial statements in accordance with the BRSA Accounting and Financial Reporting Legislation, and for such internal control as management determines is necessary to enable the preparation of unconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the unconsolidated financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Bank's financial reporting process.

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

Responsibilities of independent auditors in an independent audit are as follows:

Our aim is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an independent auditor's report that includes our opinion. Reasonable assurance expressed as a result of an independent audit conducted in accordance with "Regulation on Independent Audit of Banks" published by the BRSA on the Official Gazette No.29314 dated 2 April 2015 and SIA is a high level of assurance but does not guarantee that a material misstatement will always be detected. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these unconsolidated financial statements.

As part of an independent audit conducted in accordance with "Regulation on Independent Audit of Banks" published by the BRSA on the Official Gazette No.29314 dated 2 April 2015 and SIA, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the unconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Assess the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the unconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our independent auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the unconsolidated financial statements, including the disclosures, and whether the unconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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



## **B. Other Responsibilities Arising From Regulatory Requirements**

1. No matter has come to our attention that is significant according to subparagraph 4 of Article 402 of Turkish Commercial Code ("TCC") No. 6102 and that causes us to believe that the Bank's bookkeeping activities concerning the period from 1 January to 31 December 2023 period are not in compliance with the TCC and provisions of the Bank's articles of association related to financial reporting.
2. In accordance with subparagraph 4 of Article 402 of the TCC, the Board of Directors submitted the necessary explanations to us and provided the documents required within the context of our audit.

### **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 December 2023. Accordingly, the accompanying unconsolidated financial statements are not intended to present fairly the unconsolidated 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 "Zeynep Uras", is positioned above the printed name and title of the auditor.

Zeynep Uras, SMMM  
Independent Auditor

Istanbul, 15 February 2024



**THE UNCONSOLIDATED FINANCIAL REPORT OF  
ZİRAAT KATILIM BANKASI A.Ş AS OF 31 DECEMBER 2023**

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The unconsolidated financial report for the year 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 BANK
- UNCONSOLIDATED FINANCIAL STATEMENTS OF THE BANK
- EXPLANATIONS ON THE ACCOUNTING POLICIES APPLIED IN THE RELATED PERIOD
- INFORMATION ON THE FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE BANK
- EXPLANATIONS AND DISCLOSURES RELATED TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
- OTHER EXPLANATIONS
- AUDITOR'S REPORT

The accompanying unconsolidated financial statements and notes to these financial statements for year 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 audited.

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Alpaslan ÇAKAR  
Chairman of the Board

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

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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 Reporting Manager

Tel No : 0 216 559 22 56

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# ZİRAAT KATILIM BANKASI A.Ş.

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

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

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### SECTION ONE

#### GENERAL INFORMATION ABOUT THE BANK

##### I. HISTORY OF THE 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 at 10 October 2014 which was published in the Official Gazette numbered as 29146 at 15 November 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 14 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 Ordinary General Assembly Meeting held on 20 September 2018, the paid-in capital of the Bank has been raised from TRY 1.250.000 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 March 25, 2022, its paid-in capital was increased by TRY 900.000 in cash to TRY 2.650.000. At the Bank's 2023 Extraordinary General Assembly held on March 31, 2023, its paid-in capital was increased by 4,700,000 TRY in cash to 7.350.000 TRY. At the Bank's Second Extraordinary General Assembly for 2023 held on December 6, 2023, its paid-in capital was increased by 3.000.000 TRY in cash to 10.350.000 TRY.

Main operation field of the Bank is gathering funds by the accounts named as "Private Current Accounts" and "Participation Accounts to Profit and Loss" 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 Banking Regulation and Supervision Agency dated 18 January 2019 and numbered 8210 of, with the framework Ziraat Katılım Bankası A.Ş board of directors decisions no 6/1 dated 21 February 2019, The Parent 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.

All of the shares of the of the Bank, Ziraat Katılım Bankası A.Ş. has been transferred from Republic of Turkey Prime Ministry Undersecretariat of Treasury to the Turkey Wealth Fund according to enactment dated 24 January 2017, no 2017/9756 by the Council of Ministry.

## ZİRAAT KATILIM BANKASI A.Ş.

### NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

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

#### GENERAL INFORMATION ABOUT THE BANK (Continued)

#### II. EXPLANATION ABOUT THE 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 GROUP OF THE BANK

As of 31 December 2023 and 31 December 2022, main shareholders and capital amounts as follows:

Name of Shareholders	31 December 2023		31 December 2022	
	Paid-in Capital	%	Paid-in Capital	%
T.C. Ziraat Bankası A.Ş.	10.350.000	99,99999996	2.650.000	99,99999984
Ziraat Gayrimenkul Yatırım Ortaklığı A.Ş.	-	0,00000001	-	0,00000004
Ziraat İşletme Yönetimi ve Gayrimenkul Geliştirme A.Ş.	-	0,00000001	-	0,00000004
Ziraat Teknoloji A.Ş.	-	0,00000001	-	0,00000004
Ziraat Yatırım Menkul Değerler A.Ş.	-	0,00000001	-	0,00000004
<b>Total</b>	<b>10.350.000</b>	<b>100,00</b>	<b>2.650.000</b>	<b>100,00</b>

#### 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 BANK

Name	Title
<b>Board of Directors</b>	
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, Member of Pricing 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 Credit Committee, Member of Corporate Management Committee
Murat CANGÜL(*)	Member of the BOD, Member of Pricing Committee
<b>Assistant General Manager</b>	
Mehmet Said GÜL	Information Technologies and Operational Processes
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

(\*) He was appointed as a member of the Board of Directors as of August 3, 2023.

(\*\*) He was appointed as Deputy General Manager of Retail Banking as of September 27, 2023.

The Bank's Chairman and Members of the Board of Directors, Members of the Audit Committee, General Manager and Deputy General Managers do not own any shares of the Bank.

## ZİRAAT KATILIM BANKASI A.Ş.

### NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

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

#### GENERAL INFORMATION ABOUT THE BANK (Continued)

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

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

#### V. EXPLANATIONS OF THE BANK'S SERVICES AND FIELD OF OPERATIONS

Operation field of Bank was declared in the prime contract within the scope of Banking Law and other legislation codes. The bank collects funds with the scope of Banking Principles and provide all type of cash, non-cash funds within the scope of Islamic banking principles in any case. Moreover, the Bank operates its participation banking operations to the extent permitted by the Legal Code, for the benefit of the society within the principles of the participation banking such as for the purpose of society.

The Bank sorts out participation accounts and participation accounts based on investment proxy contracts discretely from the other accounts in its account records in terms of their maturity. Participation accounts are opened in 5 maturity groups as maturity to one month, maturity to three months (three months included), maturity to nine months (nine months included), maturity to one year (one year included) and maturity to one year or more (with dividend payment of one month, 3 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 December 31, 2023, the Bank has 189 branches in the country and a total of 191 branches abroad, including the Sudan branch, which started its operations as of August 27, 2020, and the Somali branch, which started its operations as of September 5, 2023 (December 31, 2022: 155 domestic, 1 foreign). operates as. As of 31 December 2023, the Bank's number of personnel is 2,430 (31 December 2022: 1,904).

#### VI. THE DIFFERENCES BETWEEN THE COMMUNIQUE ON THE REGULATION OF THE CONSOLIDATED FINANCIAL STATEMENTS OF BANKS AND THE CONSOLIDATION TRANSACTIONS CONDUCTED IN REQUIREMENT OF TURKISH ACCOUNTING STANDARDS AND THE DIFFERENCES BETWEEN THE COMMUNICATION ON THE REGULATION OF THE CONSOLIDATED FINANCIAL STATEMENTS OF THE BANKS AND THE CONSOLIDATED TRANSACTIONS CONDUCTED IN REQUIREMENT OF THE TURKISH ACCOUNTING STANDARDS AND THESE ITEMS THAT ARE SUBJECT TO FULL CONSOLIDATION OR PROPORTIONAL CONSOLIDATION, DEMOTED FROM EQUITY OR BRIEF DESCRIPTION ABOUT ORGANIZATIONS NOT INCLUDED IN THE METHOD

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 are Ziraat Katılım Varlık Kiralama Şirketi A.Ş., established on 22 January 2016, and ZKB Varlık Kiralama Şirketi A.Ş., established on 8 September 2017. There is no difference since they are included in the scope of full consolidation.

#### 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**

### **THE BANK'S UNCONSOLIDATED FINANCIAL STATEMENTS**

- I.** Unconsolidated Balance sheet (Statement of financial position)
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# ZİRAAT KATILIM BANKASI A.Ş.

## UNCONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION) AS OF 31 DECEMBER 2023

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

ZİRAAT KATILIM BANKASI A.Ş. UNCONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)							
ASSETS	Note (V-I)	Current Period (31 December 2023)			Prior Period (31 December 2022)		
		TRY	FC	Total	TRY	FC	Total
<b>I. FINANCIAL ASSETS (NET)</b>		<b>38.243.744</b>	<b>56.778.131</b>	<b>95.021.875</b>	<b>22.622.345</b>	<b>37.540.469</b>	<b>60.162.814</b>
<b>1.1 Cash And Cash Equivalents</b>		<b>24.310.294</b>	<b>49.348.784</b>	<b>73.659.078</b>	<b>6.424.337</b>	<b>31.780.105</b>	<b>38.204.442</b>
1.1.1 Cash And Balances With Central Bank	(1)	24.206.770	36.433.541	60.640.311	6.310.803	18.663.442	24.974.245
1.1.2 Banks	(2)	114.562	12.915.243	13.029.805	134.657	13.116.663	13.251.320
1.1.3 Money Markets Placements		-	-	-	-	-	-
1.1.4 Provision for Expected Losses (-)		11.038	-	11.038	21.123	-	21.123
<b>1.2 Financial Assets Measured At Fair Value Through Profit/Loss</b>	(3)	<b>-</b>	<b>3.812.067</b>	<b>3.812.067</b>	<b>-</b>	<b>2.133.604</b>	<b>2.133.604</b>
1.2.1 Government Securities		-	3.812.067	3.812.067	-	2.133.604	2.133.604
1.2.2 Equity Securities		-	-	-	-	-	-
1.2.3 Other Financial Assets		-	-	-	-	-	-
<b>1.3 Financial Assets Measured at Fair Value Through Other Comprehensive Income</b>	(4)	<b>13.930.460</b>	<b>3.616.542</b>	<b>17.547.002</b>	<b>16.183.679</b>	<b>3.626.618</b>	<b>19.810.297</b>
1.3.1 Government Securities		13.001.450	3.616.542	16.617.992	15.139.990	3.626.618	18.766.608
1.3.2 Equity Securities		52.913	-	52.913	52.341	-	52.341
1.3.3 Other Financial Assets		876.097	-	876.097	991.348	-	991.348
<b>1.4 Derivative Financial Assets</b>	(5)	<b>2.990</b>	<b>738</b>	<b>3.728</b>	<b>14.329</b>	<b>142</b>	<b>14.471</b>
1.4.1 Derivative Financial Assets Measured at Fair Value Through Profit and Loss		2.990	738	3.728	14.329	142	14.471
1.4.2 Derivative Financial Assets Measured at Fair Value Through Other Comprehensive Income		-	-	-	-	-	-
<b>II. FINANCIAL ASSETS MEASURED AT AMORTIZED COST (NET)</b>		<b>178.139.272</b>	<b>103.461.708</b>	<b>281.600.980</b>	<b>99.369.290</b>	<b>50.812.921</b>	<b>150.182.211</b>
<b>2.1 Loans</b>	(6)	<b>122.689.489</b>	<b>88.274.149</b>	<b>210.963.638</b>	<b>84.712.509</b>	<b>41.627.471</b>	<b>126.339.980</b>
<b>2.2 Lease Receivables</b>	(6)	<b>41.601.878</b>	<b>11.043.826</b>	<b>52.645.704</b>	<b>14.356.192</b>	<b>6.879.132</b>	<b>21.235.324</b>
<b>2.3 Measured at Amortized Cost</b>	(7)	<b>17.374.116</b>	<b>4.456.177</b>	<b>21.830.293</b>	<b>2.715.329</b>	<b>2.608.614</b>	<b>5.323.943</b>
2.3.1 Government Securities		17.374.116	4.456.177	21.830.293	2.715.329	2.608.614	5.323.943
2.3.2 Other Financial Assets		-	-	-	-	-	-
<b>2.4 Expected Credit Losses (-)</b>		<b>3.526.211</b>	<b>312.444</b>	<b>3.838.655</b>	<b>2.414.740</b>	<b>302.296</b>	<b>2.717.036</b>
<b>III. ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)</b>	(8)	<b>427.229</b>	<b>-</b>	<b>427.229</b>	<b>274.644</b>	<b>-</b>	<b>274.644</b>
3.1 Assets Held for Sale		427.229	-	427.229	274.644	-	274.644
3.2 Assets of Discontinued Operations		-	-	-	-	-	-
<b>IV. INVESTMENTS IN ASSOCIATES SUBSIDIARIES AND JOINT VENTURES</b>	(9)	<b>22.600</b>	<b>-</b>	<b>22.600</b>	<b>100</b>	<b>-</b>	<b>100</b>
<b>4.1 Associates (Net)</b>		<b>22.500</b>	<b>-</b>	<b>22.500</b>	<b>-</b>	<b>-</b>	<b>-</b>
4.1.1 Associates Consolidated Under Equity Accounting		-	-	-	-	-	-
4.1.2 Unconsolidated Associates		22.500	-	22.500	-	-	-
<b>4.2 Subsidiaries (Net)</b>		<b>100</b>	<b>-</b>	<b>100</b>	<b>100</b>	<b>-</b>	<b>100</b>
4.2.1 Unconsolidated Financial Investments in Subsidiaries		100	-	100	100	-	100
4.2.2 Unconsolidated Non-Financial Investments in Subsidiaries		-	-	-	-	-	-
<b>4.3 Joint Ventures (Net)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
4.3.1 Joint-Ventures Consolidated Under Equity Accounting		-	-	-	-	-	-
4.3.2 Unconsolidated Joint-Ventures		-	-	-	-	-	-
<b>V. TANGIBLE ASSETS (NET)</b>	(10)	<b>2.159.859</b>	<b>5.840</b>	<b>2.165.699</b>	<b>594.099</b>	<b>843</b>	<b>594.942</b>
<b>VI. INTANGIBLE ASSETS (Net)</b>	(11)	<b>692.634</b>	<b>-</b>	<b>692.634</b>	<b>342.454</b>	<b>-</b>	<b>342.454</b>
6.1 Goodwill		-	-	-	-	-	-
6.2 Other		692.634	-	692.634	342.454	-	342.454
<b>VII. INVESTMENT PROPERTY (NET)</b>	(12)	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>VIII. CURRENT TAX ASSET</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>IX. DEFERRED TAX ASSETS</b>	(13)	<b>2.478.105</b>	<b>-</b>	<b>2.478.105</b>	<b>788.020</b>	<b>-</b>	<b>788.020</b>
<b>X. OTHER ASSETS</b>	(14)	<b>1.505.019</b>	<b>342.464</b>	<b>1.847.483</b>	<b>925.248</b>	<b>73.157</b>	<b>998.405</b>
<b>TOTAL ASSETS</b>		<b>223.668.462</b>	<b>160.588.143</b>	<b>384.256.605</b>	<b>124.916.200</b>	<b>88.427.390</b>	<b>213.343.590</b>

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

# ZİRAAT KATILIM BANKASI A.Ş.

## UNCONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION) AS OF 31 DECEMBER 2023

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

ZİRAAT KATILIM BANKASI A.Ş. UNCONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)							
LIABILITIES	Note (V-II)	Current Period (31 December 2023)			Prior Period (31 December 2022)		
		TRY	FC	Total	TRY	FC	Total
<b>I. FUNDS COLLECTED</b>	(1)	185.040.926	119.331.448	304.372.374	105.446.174	67.693.024	173.139.198
<b>II. FUNDS BORROWED</b>	(2)	12.087.572	22.801.405	34.888.977	5.722.527	4.182.250	9.904.777
<b>III. MONEY MARKETS DEBTS</b>	(3)	435.678	10.528.455	10.964.133	57.003	7.498.996	7.555.999
<b>IV. SECURITIES ISSUED (Net)</b>	(4)	-	-	-	-	-	-
<b>V. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS</b>	(5)	-	-	-	-	-	-
<b>VI. DERIVATIVE FINANCIAL LIABILITIES</b>	(6)	-	153.095	153.095	-	62.998	62.998
6.1 Derivative Financial Liabilities at Fair Value Through Profit or Loss		-	153.095	153.095	-	62.998	62.998
6.2 Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income		-	-	-	-	-	-
<b>VII. LEASE PAYABLES</b>	(7)	785.859	-	785.859	335.946	-	335.946
<b>VIII. PROVISIONS</b>	(8)	1.456.125	1.476.173	2.932.298	1.624.034	541.975	2.166.009
8.1 Restructuring Provisions		-	-	-	-	-	-
8.2 Reserve for Employee Benefits		247.253	-	247.253	154.439	-	154.439
8.3 Insurance Technical Provisions (Net)		-	-	-	-	-	-
8.4 Other Provisions		1.208.872	1.476.173	2.685.045	1.469.595	541.975	2.011.570
<b>IX. CURRENT TAX LIABILITY</b>	(9)	866.770	198	866.968	1.487.212	2	1.487.214
<b>X. DEFERRED TAX LIABILITY</b>	(10)	-	-	-	-	-	-
<b>XI. LIABILITIES FROM PROPERTY AND EQUIPMENT HELD FOR SALE AND RELATED TO DISCONTINUED OPERATIONS (Net)</b>	(11)	-	-	-	-	-	-
11.1 Held for Sale Purpose		-	-	-	-	-	-
11.2 Related to Discontinued Operations		-	-	-	-	-	-
<b>XII. SUBORDINATED DEBT INSTRUMENTS</b>	(12)	1.341.987	4.451.686	5.793.673	1.341.748	2.597.654	3.939.402
12.1 Loans		1.341.987	4.451.686	5.793.673	1.341.748	2.597.654	3.939.402
12.2 Other Debt Instruments		-	-	-	-	-	-
<b>XIII. OTHER LIABILITIES</b>	(13)	2.408.661	1.259.020	3.667.681	2.056.100	1.317.502	3.373.602
<b>XIV. SHAREHOLDERS' EQUITY</b>	(14)	19.863.305	(31.758)	19.831.547	11.496.416	(117.971)	11.378.445
14.1 Paid-in capital		10.350.000	-	10.350.000	2.650.000	-	2.650.000
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		(129.539)	-	(129.539)	(94.077)	-	(94.077)
14.4 Accumulated Other Comprehensive Income or Loss That will not be Reclassified in Profit or Loss		(761.298)	(31.758)	(793.056)	2.540.848	(117.971)	2.422.877
14.5 Profit Reserves		6.138.132	-	6.138.132	2.297.860	-	2.297.860
14.5.1 Legal Reserves		312.264	-	312.264	120.251	-	120.251
14.5.2 Status Reserves		-	-	-	-	-	-
14.5.3 Extraordinary Reserves		5.779.801	-	5.779.801	2.131.542	-	2.131.542
14.5.4 Other Profit Reserves		46.067	-	46.067	46.067	-	46.067
14.6 Profit or (Loss)		4.004.497	-	4.004.497	3.840.272	-	3.840.272
14.6.1 Prior Period Profit / Loss		-	-	-	-	-	-
14.6.2 Current Period Profit / Loss		4.004.497	-	4.004.497	3.840.272	-	3.840.272
<b>TOTAL LIABILITIES</b>		<b>224.286.883</b>	<b>159.969.722</b>	<b>384.256.605</b>	<b>129.567.160</b>	<b>83.776.430</b>	<b>213.343.590</b>

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

**ZİRAAT KATILIM BANKASI A.Ş.****UNCONSOLIDATED STATEMENT OF OFF BALANCE SHEET COMMITMENTS AS OF 31 DECEMBER 2023**

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

ZİRAAT KATILIM BANKASI A.Ş. UNCONSOLIDATED STATEMENT OF OFF BALANCE SHEET							
	Note (V-III)	Current Period (31 December 2023)			Prior Period (31 December 2022)		
		TRY	FC	Total	TRY	FC	Total
<b>A OFF-BALANCE SHEET COMMITMENTS (I+II+III)</b>		<b>44.556.727</b>	<b>56.166.174</b>	<b>100.722.901</b>	<b>28.889.269</b>	<b>34.877.714</b>	<b>63.766.983</b>
<b>I. GUARANTEES AND WARRANTIES</b>	<b>(1)</b>	<b>38.343.405</b>	<b>39.987.128</b>	<b>78.330.533</b>	<b>21.569.718</b>	<b>23.621.764</b>	<b>45.191.482</b>
1.1 Letters of Guarantee		38.324.265	30.767.784	69.092.049	21.211.314	16.733.373	37.944.687
1.1.1 Guarantees Subject to State Tender Law		652.636	21.831.242	22.483.878	370.605	10.953.388	11.323.993
1.1.2 Guarantees Given for Foreign Trade Operations		30.182.880	-	30.182.880	15.639.249	-	15.639.249
1.1.3 Other Letters of Guarantee		7.488.749	8.936.542	16.425.291	5.201.460	5.779.985	10.981.445
1.2 Bank Acceptances		-	414.759	414.759	-	74.133	74.133
1.2.1 Import Letter of Acceptance		-	414.759	414.759	-	74.133	74.133
1.2.2 Other Bank Acceptances		-	-	-	-	-	-
1.3 Letters of Credit		-	7.928.282	7.928.282	846	5.650.093	5.650.939
1.3.1 Documentary Letters of Credit		-	7.928.282	7.928.282	846	5.650.093	5.650.939
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 Turkey		-	-	-	-	-	-
1.5.2 Other Endorsements		-	-	-	-	-	-
1.6 Other Guarantees		10.586	876.303	886.889	340.558	1.164.165	1.504.723
1.7 Other Collaterals		8.554	-	8.554	17.000	-	17.000
<b>II. COMMITMENTS</b>	<b>(1)</b>	<b>6.163.310</b>	<b>1.289.972</b>	<b>7.453.282</b>	<b>2.401.997</b>	<b>428.407</b>	<b>2.830.404</b>
2.1 Irrevocable Commitments		6.163.310	1.289.972	7.453.282	2.401.997	428.407	2.830.404
2.1.1 Forward asset purchase commitments		508.849	1.289.972	1.798.821	292.171	428.407	720.578
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		1.708.702	-	1.708.702	748.093	-	748.093
2.1.7 Tax and Fund Liabilities from Export Commitments		296.293	-	296.293	95.161	-	95.161
2.1.8 Commitments for Credit Card Limits		2.342.967	-	2.342.967	544.655	-	544.655
2.1.9 Commitments for Credit Cards and Banking Services Promotions		2.276	-	2.276	458	-	458
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		1.304.223	-	1.304.223	721.459	-	721.459
2.2 Revocable Commitments		-	-	-	-	-	-
2.2.1 Revocable Loan Granting Commitments		-	-	-	-	-	-
2.2.2 Other Revocable Commitments		-	-	-	-	-	-
<b>III. DERIVATIVE FINANCIAL INSTRUMENTS</b>		<b>50.012</b>	<b>14.889.074</b>	<b>14.939.086</b>	<b>4.917.554</b>	<b>10.827.543</b>	<b>15.745.097</b>
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		50.012	14.889.074	14.939.086	4.917.554	10.827.543	15.745.097
3.2.1 Forward Foreign Currency Buy/Sell Transactions		50.012	44.662	94.674	-	-	-
3.2.1.1 Forward Foreign Currency Transactions-Buy		50.012	-	50.012	-	-	-
3.2.1.2 Forward Foreign Currency Transactions-Sell		-	44.662	44.662	-	-	-
3.2.2 Other Forward Buy/Sell Transaction		-	14.844.412	14.844.412	4.917.554	10.827.543	15.745.097
3.3 Other		-	-	-	-	-	-
<b>B. CUSTODY AND PLEDGES RECEIVED (IV+V+VI)</b>		<b>300.753.601</b>	<b>61.244.711</b>	<b>361.998.312</b>	<b>131.287.786</b>	<b>32.489.349</b>	<b>163.777.135</b>
<b>IV. ITEMS HELD IN CUSTODY</b>		<b>15.313.288</b>	<b>25.398.103</b>	<b>40.711.391</b>	<b>8.152.999</b>	<b>13.565.085</b>	<b>21.718.084</b>
4.1 Customer Fund and Portfolio Balances		-	-	-	-	-	-
4.2 Investment Securities Held in Custody		2.998.906	19.107	3.018.013	3.865.882	4.149.611	8.015.493
4.3 Checks Received for Collection		8.050.832	165.195	8.216.027	3.857.006	247.942	4.104.948
4.4 Commercial Notes Received for Collection		1.022.775	518.334	1.541.109	429.039	26.523	455.562
4.5 Other Assets Received for Collection		-	-	-	-	-	-
4.6 Assets Received for Public Offering		-	-	-	-	-	-
4.7 Other Items Under Custody		3.240.775	6.942.970	10.183.745	1.072	2.940.304	2.941.376
4.8 Custodians		-	17.752.497	17.752.497	-	6.200.705	6.200.705
<b>V. PLEDGES RECEIVED</b>		<b>285.440.313</b>	<b>35.846.608</b>	<b>321.286.921</b>	<b>123.134.787</b>	<b>18.924.264</b>	<b>142.059.051</b>
5.1 Marketable Securities		2.210.399	63.993	2.274.392	1.924.744	50.069	1.974.813
5.2 Guarantee Notes		10.971.967	214.321	11.186.288	8.077.568	171.660	8.249.228
5.3 Commodity		28.617.839	10.953.703	39.571.542	8.401.325	3.859.726	12.261.051
5.4 Warranty		-	-	-	-	-	-
5.5 Properties		200.678.424	20.355.321	221.033.745	86.435.593	12.437.005	98.872.598
5.6 Other Pledged Items		42.961.684	4.259.270	47.220.954	18.295.557	2.405.804	20.701.361
5.7 Pledged Items-Depository		-	-	-	-	-	-
<b>VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)</b>		<b>345.310.328</b>	<b>117.410.885</b>	<b>462.721.213</b>	<b>160.177.055</b>	<b>67.367.063</b>	<b>227.544.118</b>

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



# ZİRAAT KATILIM BANKASI A.Ş.

## UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS 31 DECEMBER 2023

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

ZİRAAT KATILIM BANKASI A.Ş. UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS				
INCOME / EXPENSE ITEMS		Note (V-IV)	Current Period 01 January - 31 December 2023	Prior Period 01 January - 31 December 2022
<b>I.</b>	<b>PROFIT SHARE INCOME</b>	<b>(1)</b>	<b>43.986.005</b>	<b>20.231.260</b>
1.1	Profit Share on Loans		26.168.052	13.852.733
1.2	Profit Share on Reserve Deposits		-	57.944
1.3	Profit Share on Banks		493.733	177.405
1.4	Profit Share on Money Market Placements		-	-
1.5	Profit Share on Marketable Securities Portfolio		7.576.685	4.848.469
1.5.1	Financial Assets Measured at Fair Value Through Profit/Loss		71.248	43.356
1.5.2	Financial Assets Measured at Fair Value Through Other Comprehensive Income		5.659.038	4.557.941
1.5.3	Financial Assets Measured at Amortised Cost		1.846.399	247.172
1.6	Financial Lease Income		9.670.682	1.257.347
1.7	Other Profit Share Income		76.853	37.362
<b>II.</b>	<b>PROFIT SHARE EXPENSE</b>	<b>(2)</b>	<b>38.557.020</b>	<b>12.488.773</b>
2.1	Expense on Profit Sharing Accounts		34.928.340	10.604.501
2.2	Profit Share Expense on Funds Borrowed		2.947.124	1.391.058
2.3	Profit Share Expense on Money Market Borrowings		552.424	431.205
2.4	Expense on Securities Issued		-	-
2.5	Lease Profit Share Expense		108.626	52.128
2.6	Other Profit Share Expenses		20.506	9.881
<b>III.</b>	<b>NET PROFIT SHARE INCOME (I - II)</b>		<b>5.428.985</b>	<b>7.742.487</b>
<b>IV.</b>	<b>NET FEES AND COMMISSIONS INCOME/EXPENSE</b>		<b>2.931.888</b>	<b>245.945</b>
4.1	Fees and Commissions Received		3.701.617	524.704
4.1.1	Non-cash Loans		503.059	292.805
4.1.2	Other		3.198.558	231.899
4.2	Fees and commissions paid		769.729	278.759
4.2.1	Non-cash Loans		-	-
4.2.2	Other		769.729	278.759
<b>V.</b>	<b>DIVIDEND INCOME</b>	<b>(3)</b>	<b>714</b>	<b>774</b>
<b>VI.</b>	<b>NET TRADING INCOME</b>	<b>(4)</b>	<b>2.158.546</b>	<b>1.214.691</b>
6.1	Capital Market Transaction Gains / Losses		(16.693)	909.591
6.2	Gains/ Losses From Derivative Financial Instruments		703.477	144.979
6.3	Foreign Exchange Gains / Losses		1.471.762	160.121
<b>VII.</b>	<b>OTHER OPERATING INCOME</b>	<b>(5)</b>	<b>2.113.854</b>	<b>876.254</b>
<b>VIII.</b>	<b>TOTAL OPERATING PROFIT (III+IV+V+VI+VII)</b>		<b>12.633.987</b>	<b>10.080.151</b>
<b>IX.</b>	<b>EXPECTED CREDIT LOSSES (-)</b>	<b>(6)</b>	<b>3.136.003</b>	<b>1.869.894</b>
<b>X.</b>	<b>OTHER PROVISIONS (-)</b>	<b>(6)</b>	<b>182.212</b>	<b>1.061.736</b>
<b>XI.</b>	<b>PERSONNEL EXPENSES (-)</b>		<b>2.086.880</b>	<b>798.367</b>
<b>XII.</b>	<b>OTHER OPERATING EXPENSES (-)</b>	<b>(7)</b>	<b>2.811.685</b>	<b>886.388</b>
<b>XIII.</b>	<b>NET OPERATING PROFIT/LOSS (VIII-IX-X-XI-XII)</b>		<b>4.417.207</b>	<b>5.463.766</b>
<b>XIV.</b>	<b>INCOME RESULTED FROM MERGERS</b>		-	-
<b>XV.</b>	<b>INCOME/LOSS FROM EQUITY METHOD APPLIED SUBSIDIARIES</b>		-	-
<b>XVI.</b>	<b>GAIN/LOSS ON NET MONETARY POSITION</b>		-	-
<b>XVII.</b>	<b>PROFIT/LOSS BEFORE TAX FROM CONTINUED OPERATIONS (XII+...+XV)</b>	<b>(8)</b>	<b>4.417.207</b>	<b>5.463.766</b>
<b>XVIII.</b>	<b>TAX PROVISION FOR CONTINUED OPERATIONS (±)</b>	<b>(9)</b>	<b>(412.710)</b>	<b>(1.623.494)</b>
18.1	Current Tax Provision		(724.534)	(2.911.395)
18.2	Expense Effect of Deferred Tax (+)		(915.460)	(9.407)
18.3	Income Effect of Deferred Tax (-)		1.227.284	1.297.308
<b>XIX.</b>	<b>NETOPERATING PROFIT/LOSS AFTER TAXES(XVI±XVII)</b>	<b>(10)</b>	<b>4.004.497</b>	<b>3.840.272</b>
<b>XX.</b>	<b>INCOME FROM DISCONTINUED OPERATIONS</b>		-	-
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		-	-
<b>XXI.</b>	<b>EXPENSES FROM DISCONTINUED OPERATIONS (-)</b>		-	-
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		-	-
<b>XXII.</b>	<b>PROFIT/LOSS BEFORE TAXES ON DISCONTINUED OPERATIONS (XIX-XX)</b>		-	-
<b>XXIII.</b>	<b>PROVISION FOR TAXES OF DISCONTINUED OPERATIONS (±)</b>		-	-
23.1	Current Tax Charge		-	-
23.2	Expense Effect of Deferred Tax (+)		-	-
23.3	Income Effect of Deferred Tax (-)		-	-
<b>XXIV.</b>	<b>NET PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XXI±XXII)</b>		-	-
<b>XXV.</b>	<b>NET PROFIT/LOSS (XVIII+XXIII)</b>	<b>(11)</b>	<b>4.004.497</b>	<b>3.840.272</b>
	Earnings per share income/loss (Full TRY)		0,6351	1,6279

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

**ZİRAAT KATILIM BANKASI A.Ş.****UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME AS OF 31 DECEMBER 2023**

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

<b>ZİRAAT KATILIM BANKASI A.Ş. UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME</b>		
	<b>Current Period</b>	<b>Prior Period</b>
	<b>01 January 2023 – 31 December 2023</b>	<b>01 January 2022 – 31 December 2022</b>
<b>I. CURRENT PERIOD PROFIT/LOSS</b>	<b>4,004.497</b>	<b>3,840.272</b>
<b>II. OTHER COMPREHENSIVE INCOME</b>	<b>(3,251.395)</b>	<b>2,316.438</b>
<b>2.1 Other Income/Expense Items not to be Reclassified to Profit or Loss</b>	<b>(35.462)</b>	<b>(87.182)</b>
2.1.1 Revaluation Surplus on Tangible Assets	-	-
2.1.2 Revaluation Surplus on Intangible Assets	-	-
2.1.3 Defined Benefit Plans' Actuarial Gains/Losses	(43.611)	(109.339)
2.1.4 Other Income/Expense Items not to be Recycled to Profit or Loss	(1.915)	289
2.1.5 Deferred Taxes on Other Comprehensive Income not to be Recycled to Profit or Loss	10.064	21.868
<b>2.2 Other Income/Expense Items to be Recycled to Profit or Loss</b>	<b>(3,215.933)</b>	<b>2,403.620</b>
2.2.1 Translation Differences	-	-
2.2.2 Income/Expenses from Valuation and/or Reclassification of Financial Assets Measured at FVOCI	(4,594.190)	3,204.826
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 Deferred Taxes on Other Comprehensive Income to be Recycled to Profit or Loss	1,378.257	(801.206)
<b>III. TOTAL COMPREHENSIVE INCOME (I+II)</b>	<b>753.102</b>	<b>6,156.710</b>

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

# ZİRAAT KATILIM BANKASI A.Ş.

## UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY AS OF 31 DECEMBER 2023

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

					Accumulated Other Comprehensive Income or Expense Not Reclassified through Profit or Loss			Accumulated Other Comprehensive Income or Expense Reclassified through Profit or Loss						
	Paid-in Capital	Share Premium	Share Certificate Cancellation Profits	Other Capital Reserves	1	2	3	4	5	6	Profit Reserves	Prior Period Profit or (Loss)	Current Period Profit or Loss	Total Shareholders' Equity
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY														
PRIOR PERIOD														
31 December 2022														
I. Prior Period End Balance	1.750.000	-	-	261.513	-	(6.895)	-	-	19.257	-	1.739.171	558.689	-	4.321.735
II. Adjustments in Accordance with TAS 8	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1. Effects of Corrections	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2. Effects of Changes in Accounting Policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Adjusted Beginning Balance (I+II)	1.750.000	-	-	261.513	-	(6.895)	-	-	19.257	-	1.739.171	558.689	-	4.321.735
IV. Total Comprehensive Income	-	-	-	-	-	(87.471)	289	-	2.403.620	-	-	-	3.840.272	6.156.710
V. Capital Increase by Cash	900.000	-	-	-	-	-	-	-	-	-	-	-	-	900.000
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	-	-	-	-	-	-	-	-	-	-	558.689	(558.689)	-	-
11.2 Transfers to Reserves	-	-	-	-	-	-	-	-	-	-	558.689	(558.689)	-	-
11.3 Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Period End Balance (III+IV.....+X+XI)	2.650.000	-	-	261.513	-	(94.366)	289	-	2.422.877	-	2.297.860	-	3.840.272	11.378.445
CURRENT PERIOD														
31 December 2023														
I. Prior Period End Balance	2.650.000	-	-	261.513	-	(94.366)	289	-	2.422.877	-	2.297.860	3.840.272	-	11.378.445
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)	2.650.000	-	-	261.513	-	(94.366)	289	-	2.422.877	-	2.297.860	3.840.272	-	11.378.445
IV. Total Comprehensive Income	-	-	-	-	-	(33.547)	(1.915)	-	(3.215.933)	-	-	-	4.004.497	753.102
V. Capital Increase by Cash	7.700.000	-	-	-	-	-	-	-	-	-	-	-	-	7.700.000
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	-	-	-	-	-	-	-	-	-	-	3.840.272	(3.840.272)	-	-
11.2 Transfers to Reserves	-	-	-	-	-	-	-	-	-	-	3.840.272	(3.840.272)	-	-
11.3 Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Period end Balance (III+IV.....+X+XI)	10.350.000	-	-	261.513	-	(127.913)	(1.626)	-	(793.056)	-	6.138.132	-	4.004.497	19.831.547

- 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.****UNCONSOLIDATED STATEMENT OF CASH FLOWS AS OF 31 DECEMBER 2023**

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

<b>ZİRAAT KATILIM BANKASI A.Ş. UNCONSOLIDATED STATEMENT OF CASH FLOWS</b>			
		<b>Current Period</b>	<b>Prior Period</b>
		<b>01 January 2023 – 31 December 2023</b>	<b>01 January 2022 – 31 December 2022</b>
<b>A. CASH FLOWS FROM BANKING OPERATIONS</b>			
<b>1.1 Operating profit before changes in operating assets and liabilities</b>		<b>6.051.687</b>	<b>7.465.717</b>
1.1.1 Profit Share Income Received		37.366.067	17.118.441
1.1.2 Profit Share Expense Paid		(33.095.831)	(9.244.138)
1.1.3 Dividend Received		714	774
1.1.4 Fees and Commissions Received		4.101.817	786.063
1.1.5 Other Income		1.802.999	1.199.956
1.1.6 Collections from Previously Written-off Loans		652.283	380.055
1.1.7 Payments to Personnel and Service Suppliers		(2.086.880)	(798.367)
1.1.8 Taxes Paid		(4.539.129)	(1.854.974)
1.1.9 Others		1.849.647	(122.093)
<b>1.2 Changes in Operating Assets and Liabilities</b>		<b>21.184.214</b>	<b>15.810.639</b>
1.2.1 Net (Increase) / Decrease in Financial Assets at Fair Value Through Profit or Loss		(1.675.070)	(342.655)
1.2.2 Net (Increase) / Decrease in Due From Banks And Other Financial Institutions		(16.286.538)	(6.902.199)
1.2.3 Net (Increase) / Decrease in Loans		(77.399.439)	(63.868.472)
1.2.4 Net (Increase) / Decrease in Other Assets		(32.266.271)	(12.282.737)
1.2.5 Net Increase / (Decrease) in Bank Funds		(209.618)	(3.735.381)
1.2.6 Net Increase / (Decrease) in Other Funds		121.076.205	95.726.345
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		24.711.294	2.506.334
1.2.9 Net Increase / (Decrease) in Payables		-	-
1.2.10 Net Increase / (Decrease) in Other Liabilities		3.233.651	4.709.404
<b>I. Net Cash Provided from Banking Operations</b>		<b>27.235.901</b>	<b>23.276.356</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>II. Net Cash Provided from Investing Activities</b>		<b>(17.783.502)</b>	<b>(11.853.666)</b>
2.1 Cash Paid For Purchase Jointly Controlled Operations, Associates And Subsidiaries		(22.500)	-
2.2 Cash Obtained from Sale of Jointly Controlled Operations, Associates and Subsidiaries		-	-
2.3 Purchases of Tangible Assets		(1.765.053)	(538.972)
2.4 Disposals of Tangible Assets		5.005	182.994
2.5 Purchase of Financial Assets at Fair Value Through Other Comprehensive Income		(6.249.655)	(13.417.799)
2.6 Sale of Financial Assets at Fair Value Through Other Comprehensive Income		4.892.704	5.651.615
2.7 Purchase of Financial Assets Measured at Amortized Cost		(14.644.003)	(3.731.504)
2.8 Sale of Financial Assets Measured at Amortized Cost		-	-
2.9 Other		-	-
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>III. Net Cash Provided from Financing Activities</b>		<b>9.705.612</b>	<b>1.304.843</b>
3.1 Cash Obtained from Funds Borrowed And Securities Issued		17.924.844	17.006.646
3.2 Cash Used For Repayment of Funds Borrowed And Securities Issued		(15.754.949)	(16.405.696)
3.3 Issued Equity Instruments		7.666.453	812.529
3.4 Dividends Paid		-	-
3.5 Payments for Finance Leases		(130.736)	(108.636)
3.6 Other		-	-
<b>IV. Effect Of Change In Foreign Exchange Rate On Cash And Cash Equivalents</b>	<b>(1)</b>	<b>1.250.021</b>	<b>367.400</b>
<b>V. Net Increase/ (Decrease) In Cash And Cash Equivalents (I+II+III+IV)</b>	<b>(1)</b>	<b>20.408.032</b>	<b>13.094.933</b>
<b>VI. Cash And Cash Equivalents At The Beginning Of The Period</b>	<b>(1)</b>	<b>21.154.391</b>	<b>8.059.458</b>
<b>VII. Cash And Cash Equivalents At The End Of The Period</b>	<b>(1)</b>	<b>41.562.423</b>	<b>21.154.391</b>

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

**ZİRAAT KATILIM BANKASI A.Ş.****UNCONSOLIDATED STATEMENT OF PROFIT DISTRIBUTION AS OF 31 DECEMBER 2023**

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

<b>ZİRAAT KATILIM BANKASI A.Ş. UNCONSOLIDATED PROFIT DISTRIBUTION TABLE</b>		
	<b>Current Period<sup>(*)</sup> (31 December 2023)</b>	<b>Prior Period (31 December 2022)</b>
<b>I. DISTRIBUTION OF PERIOD PROFIT</b>		
1.1 Period Profit	4.417.207	5.463.766
1.2 Taxes Payable and Legal Obligations (-)	412.710	1.623.494
1.2.1 Corporate Tax (Income Tax)	724.534	2.911.395
1.2.2 Income Tax Deduction	-	-
1.2.3 Other Taxes and Legal Obligations	(311.824)	(1.287.901)
<b>A. NET PROFIT (1.1-1.2)</b>	<b>4.004.497</b>	<b>3.840.272</b>
1.3 Previous Periods Loss (-)	-	-
1.4 First Order Legal Reserve (-)	-	-
1.5 Legal Funds Required to Leave and Save at the Bank (-)	-	-
<b>B. DISTRIBUTABLE NET PROFIT [(A- (1.3 + 1.4 + 1.5))]</b>	<b>4.004.497</b>	<b>3.840.272</b>
1.6 First Dividend to Shareholders	-	-
1.6.1 To Shareholders	-	-
1.6.2 To Owners of Privileged Shares	-	-
1.6.3 Participation in Redeemed Certificates	-	-
1.6.4 To Profit Participation Bonds	-	-
1.6.5 To Profit and Loss Sharing Certificate Holders	-	-
1.7 Dividend to Personnel (-)	-	-
1.8 Dividend to Board of Directors (-)	-	-
1.9 Second Dividend to Shareholders (-)	-	-
1.9.1 To Shareholders	-	-
1.9.2 To Owners of Privileged Shares	-	-
1.9.3 Participation in Dividends	-	-
1.9.4 Profit Participation Bonds	-	-
1.9.5 Profit and Loss Sharing Certificate Holders	-	-
1.10 Second Legal Reserve Fund (-)	-	-
1.11 Statutory Reserves (-)	-	-
1.12 Extraordinary Reserves	-	3.648.260
1.13 Other Reserves	-	-
1.14 Special Funds	-	-
<b>II. DISTRIBUTION OF RESERVES</b>		
2.1 Reserves Distributed	-	-
2.2 Second Order Legal Reserves (-)	-	-
2.3 Share to Shareholders (-)	-	-
2.3.1 Shareholders	-	-
2.3.2 To Privileged Stock Owners	-	-
2.3.3 Participation in Redeemable Certificates	-	-
2.3.4 To Profit Participation Bonds	-	-
2.3.5 To Profit and Loss Sharing Certificate Holders	-	-
2.4 Share to Personnel (-)	-	-
2.5 Share to the Board of Directors (-)	-	-
<b>III. EARNINGS PER SHARE</b>		
3.1 Shareholders	-	1,6279
3.2 Shareholders (%)	-	16,2790
3.3 To Privileged Stock Owners	-	-
3.4 To Owners of Privileged Shares (%)	-	-
<b>IV. DIVIDEND PER SHARE</b>		
4.1 Shareholders	-	-
4.2 Shareholders (%)	-	-
4.3 To Privileged Stock Owners	-	-
4.4 To Privileged Stock Owners	-	-

(\*) Dividend distribution is realized with the decision of the General Assembly of the Bank, and as of the date the financial statements were prepared, the 2023 Ordinary General Assembly meeting has not been held yet.

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

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF  
31 DECEMBER 2023**

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

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**SECTION THREE**

**EXPLANATIONS ON ACCOUNTING POLICIES**

**I. EXPLANATIONS ON BASIS OF PRESENTATION**

The unconsolidated financial statements are prepared according to the "Regulation on the Procedures and Principles Regarding Accounting Practices of Banks and Storage of Documents" published in the Official Gazette dated 1 November 2006 and numbered 26333 and other regulations published by the Banking Regulation and Supervision Board regarding the accounting and recording system of banks and the Banking Regulation and Supervision Agency. Circulars and explanations of the Auditing Authority ("BRSA") and the provisions of the Turkish Financial Reporting Standards ("TFRS") put into effect by the Public Oversight, Accounting and Auditing Standards Authority ("POA") on matters not regulated by these (all "BRSA Accounting and Financial Reporting"). It has been prepared in accordance with the "Legislation".

The format and contents of the unconsolidated financial statements to be disclosed to the public and their explanations and footnotes are determined by the "Communiqué on Financial Statements to be Announced to the Public and Related Disclosures and Footnotes" published in the Official Gazette No. 28337 dated 28 June 2012 and Official Gazette No. 29511 dated 23 October 2015. It has been prepared in accordance with the "Communiqué on Disclosures to be Made to the Public by Banks Regarding Risk Management" published in the Gazette and the communiqués that bring amendments and additions to these communiqués. The Bank keeps its accounting records in Turkish currency, in accordance with the Banking Law, Turkish Commercial Code and Turkish tax legislation.

In the unconsolidated 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 as of the balance sheet date or the amounts of contingent assets and liabilities disclosed and the amounts of income and expenses reported to have occurred within the relevant period. While these estimates are based on management's best judgment and information, actual results may differ from these estimates. The assumptions and estimates used and the impact of changes are explained in the relevant footnotes.

The Benchmark Interest Rate Reform, which brings changes to TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16, has been published, effective from January 1, 2021. With the changes made, certain exceptions are provided for the basis used in determining contractual cash flows and hedge accounting provisions. These changes did not have a significant impact on the financial position or performance of the Bank. As of December 31, 2023, the Bank does not have any hedging transactions based on the benchmark interest rate.

In the announcement made by the POA on 23 November 2023, it was decided that the enterprises applying TFRS will apply the "TAS 29 Financial Reporting in Economies with High Inflation" standard in their financial statements starting from the reporting period of 31 December 2023, and also that the institutions or organizations authorized to regulate and audit in their fields will apply the TMS Freedom is given to determine different transition dates for the implementation of the provisions of Article 29. In this context, in accordance with the BRSA's decision dated 12 December 2023 and numbered 10744, the financial statements of banks and financial leasing, factoring, financing, savings financing and asset management companies dated 31 December 2023 will not be subject to the inflation adjustment required within the scope of TMS 29 and will not be subject to the inflation adjustment required as of 11 January 2024. In accordance with the Decision dated 10825, it was decided to implement inflation accounting as of January 1, 2025.

## **ZİRAAT KATILIM BANKASI A.Ş.**

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#### **EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

#### **II. EXPLANATIONS ON USAGE STRATEGY OF FINANCIAL ASSETS AND FOREIGN CURRENCY TRANSACTIONS**

The Bank's main field of activity is; It covers banking services such as opening all kinds of cash and non-cash loans in 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, the majority 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 Bank's liquidity structure is taken into account so that all maturing liabilities can be met.

Foreign currency transactions are reflected in the records based on the Bank's counter foreign exchange buying rates on the date of the transaction. At the end of the period, the balances of foreign currency active and passive accounts were converted into Turkish currency by being evaluated with the end-of-period Bank counter foreign exchange buying rates, and the resulting exchange rate differences were reflected in the records as "foreign exchange transactions profit/loss".

Differences arising from the conversion of securities representing debt and monetary financial assets into Turkish Lira are included in the income statement. There is no exchange rate difference capitalized by the Bank.

The Bank carries out Balance Sheet and Equity management within risk limits by the Asset Liability Committee determined by the Board of Directors, in order to keep liquidity, exchange rate and credit risks within certain limits and to maximize profitability, taking into account market conditions..

#### **III. 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 Individual Financial Statements" ("TMS 27") and are reflected in the unconsolidated financial statements after deducting the provision for impairment, if any. As of January 22, 2016, Ziraat Katılım Varlık Kiralama Anonim Şirketi was established as a wholly-owned subsidiary of the Bank with a capital of 50 TRY, and as of July 19, 2017, ZKB Varlık Kiralama Anonim Şirketi was established as a wholly-owned subsidiary of the Bank with a capital of 50 TRY. 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 22.500 TRY on April 30, 2023.

#### **IV. EXPLANATIONS ON FORWARD AND OPTION CONTRACTS AND DERIVATIVE INSTRUMENTS**

The Bank's derivative transactions mainly consist of forward foreign exchange buy-sale contracts.

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

Liabilities and receivables arising from derivative transactions are recorded in the off-balance sheet accounts based on the contract amounts.

#### **V. EXPLANATIONS ON PROFIT SHARE INCOME AND EXPENSE**

Dividend income is accounted for according to the internal rate of return method, which equates it to the present net value of the future cash flows of the financial asset determined in TFRS 9, and is reflected in the records on an accrual basis..

The bank started calculating rediscount for its non-performing receivables as of January 1, 2018. Rediscount is calculated based on the net book value of non-performing receivables (Gross Book Value - Expected Loss Provision).

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**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

**V. EXPLANATIONS ON PROFIT SHARE INCOME AND EXPENSE (Continued)**

The bank accounts for dividend expenses on an accrual basis. Expense accruals are calculated according to the unit value calculation method through participation accounts, and these amounts are shown in the "Collected Funds" section in the balance sheet.

**VI. EXPLANATIONS ON FEES AND COMMISSION INCOME AND EXPENSES**

From the commission income and expenses, banking, agency and intermediary service income and expenses are recognized as income/expense as soon as they are collected or paid in accordance with TFRS 15 Revenue from Customer Contracts standard. Commission income received from cash loans is transferred to income accounts using the internal yield method on an accrual basis, adhering to the principle of periodicity.

The portions of the commissions received from cash loans for the next period are recorded in the "Unearned Revenues" account and shown in "Other Liabilities" in the balance sheet. Amounts in the nature of prepaid expenses are reflected in the relevant expense accounts on an accrual basis throughout the service period.

**VII. EXPLANATIONS ON FINANCIAL ASSETS**

Financial assets are recorded or removed in accordance with the "Recognition and Derecognition" provisions in the third part of the TFRS 9 standard. Financial assets are measured at fair value when they are first recognized in the financial statements. In the initial measurement of financial assets other than "Financial Assets at Fair Value Reflected in Profit/Loss", transaction costs are added to or deducted from the fair value. Financial instruments are included in the Bank's balance sheet if the Bank is a legal party to these financial instruments.

The Bank classifies and accounts for its financial assets as "Financial Assets at Fair Value Reflected in Profit/Loss", "Financial Assets at Fair Value Reflected in Other Comprehensive Income" or "Financial Assets Measured at Amortized Cost". The classification in question depends on the relevant business model and contractual cash flow characteristics used for the management of financial assets during initial recognition. Financial assets basically constitute the Bank's commercial activities and operations. These tools have the ability to reveal, affect and reduce liquidity and credit risk in financial statements.

**Classification and Measurement Within the Scope of TFRS 9**

Financial assets, within the scope of TFRS 9 Financial Instruments standard; It is classified as measured at amortized cost, measured at fair value difference through other comprehensive income, or measured at fair value difference through profit or loss.

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

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

Financial assets at fair value through profit/loss are financial assets that are managed with a business model other than the business model that aims to hold to collect contractual cash flows and the business model that aims to collect and sell contractual cash flows, based on short-term prices and similar elements in the market. Financial assets that are acquired for the purpose of making a profit from fluctuations or that are part of a portfolio aimed at making profits in the short term, regardless of the reason for acquisition, and financial assets that do not lead to cash flows that include only the principal and dividend payments arising from the principal balance on certain dates.



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**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

**VII. EXPLANATIONS ON FINANCIAL ASSETS (Continued)**

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

Financial assets whose fair value difference is reflected in profit/loss are recorded at their fair value and are valued at their fair value following their registration. Gains and losses resulting from the valuation are included in the profit/loss accounts.

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

**b. Financial assets at fair value through other comprehensive income**

In addition to holding the financial asset within the scope of a business model that aims to collect contractual cash flows and sell the financial asset, the financial asset is measured at fair value if the contractual terms of the financial asset lead to cash flows that include only principal and dividend payments arising from the principal balance on certain dates. The difference is classified as reflected in other comprehensive income.

Financial assets at fair value differences are reflected in other comprehensive income are recorded by adding transaction costs to their acquisition costs, which reflect their fair value. Financial assets whose fair value differences are reflected in other comprehensive income are valued at fair value following their recording. Dividend income calculated by the internal return method of securities whose fair value difference is reflected in other comprehensive income and dividend income of securities representing shares in the capital are reflected in the statement of profit or loss. The difference between the fair values of financial assets whose fair value difference is reflected in other comprehensive income and their amortized costs is "Unrealized profits and losses". It is not reflected in the table and is followed in the "Other Accumulated Comprehensive Income or Expenses to be Reclassified to Profit or Loss" account under shareholders' equity. When the securities in question are collected or disposed of, the accumulated fair value differences reflected in equity are reflected in the statement of profit or loss.

**Equity investments**

At the time of initial recording, the Bank considers the fair value of an investment in an equity instrument within the scope of TFRS 9, which is not held for commercial purposes or is not a contingent consideration recognized in the financial statements of the acquirer in a business combination to which TFRS 3, "Business Combinations" standard is applied, and which arises in subsequent periods. An irrevocable election may be made to include the changes in the statement of other comprehensive income. The bank makes this choice separately for each financial instrument.

The relevant fair value differences recognized in the other comprehensive income statement cannot be transferred to profit or loss in subsequent periods and are transferred to retained earnings. Dividends from such investments are recognized in the financial statements as profit or loss, unless they are clearly the recovery of a portion of the cost of the investment. Equity instruments whose fair value difference is reflected in other comprehensive income are not subject to impairment calculation.

**c. Financial assets measured at amortized cost**

If the financial asset is held within the scope of a business model that aims to collect contractual cash flows and the contractual terms of the financial asset lead to cash flows that include only principal and dividend payments arising from the principal balance on certain dates, the financial asset is measured at amortized cost. is classified.

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**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 first recorded by adding transaction costs to their acquisition cost values, which reflect their fair values, and following their recording, they are measured at "Amortized cost" using the internal rate of return. Dividend income related to financial assets measured at amortized cost is reflected in the statement of profit or loss.

The Bank has lease certificates indexed to consumer prices ("CPI") in its securities portfolio, whose fair value difference is reflected in other comprehensive income and measured at amortized cost. Valuations of these assets during the year are made according to the internal yield method, based on real dividend rates and the index value announced by the treasury.

**Loans**

Loans consist of financial assets created by providing goods or services to the borrower. The initial recording of loans is made at their cost values, and following their recording, they are measured at their amortized value using the "internal rate of return method".

Cash loans; They are accounted for according to their original balances in the accounts specified in the Uniform Chart of Accounts and Prospectus, according to their type, maturity and collateral structures. Foreign currency loans are recorded at a fixed price and are evaluated using the Bank's counter foreign exchange buying rate. Repayments of foreign currency indexed loans, which were disbursed in TRY at the Bank's counter foreign exchange buying rate valid on the date of disbursement, are collected with their TRY equivalents calculated based on the Bank's counter foreign exchange selling rate valid on the installment collection date.

As of December 31, 2023, all of the Bank's loans, including profit-loss sharing (musharakah) and labor-capital partnership (mudaraba) investments, are monitored in the "Measured at Amortized Cost" account. The profit-loss sharing and labor-capital partnership investments that the Bank tracks in the loans account according to the BRSA Uniform Chart of Accounts are those that have been evaluated for the first time as of December 31, 2020, with the BRSA's letter numbered E-43890421-010.07.01-1294, or those that have been evaluated for the first time as of January 1. In accordance with the provision of application of "Interest-Free Finance Accounting Standard 3: Mudaraba Financing" or "Interest-Free Finance Accounting Standard 4: Musharakah Financing" standards for partnership financing in the form of "labor-capital partnership" or "profit-loss partnership" that have been used after 2021. has been accounted for.

**VIII. EXPLANATIONS ON IMPAIRMENT OF FINANCIAL ASSETS**

**Explanations on Expected Loss Provisions**

The Bank has made impairment provisions for its loans and receivables as of January 1, 2018, taking into account the "Regulation on the Procedures and Principles Regarding the Classification of Loans and Provisions to be Set Aside for These" published in the Official Gazette No. 29750 dated June 22, 2016 ("Provisions Regulation"). It allocates in accordance with the provisions of TFRS 9. In this context, the Bank takes into account the general structure of the loan portfolio, customers' financial structures, non-financial data and economic conjuncture when determining its estimates, in line with credit risk policies and the prudence principle.

The main principle of the expected credit loss model is to reflect the overall outlook of deterioration or improvement in the credit quality of financial instruments. The amount of expected credit loss, known as loss allowance or allowance, varies depending on the degree of increase in credit risk. According to the general approach, there are two measurements:

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**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

**VIII. EXPLANATIONS ON IMPAIRMENT OF FINANCIAL ASSETS (Continued)**

**Explanations on Expected Loss Provisions (Continued)**

- 12-Month Expected Loss Allowance (stage 1) is valid for all assets unless there is a significant deterioration in credit quality.
- Lifetime Expected Loss Provision (2nd stage and 3rd stage) is applied when a significant increase in credit risk occurs.

**Impairment**

The expected credit loss model applies to instruments recorded in other comprehensive income (such as bank deposits, loans and marketable securities) at amortized cost or fair value, as well as lease receivables, contract assets, loan commitments and financial guarantee agreements.

The guiding principle of the expected credit loss model is to reflect the overall outlook for an increase or improvement in the credit risk of financial instruments. The amount of the loss allowance depends on the degree of increase in credit risk since the loan was first granted.

Although expected credit loss is an estimate of the losses expected from a loan over the life of a financial instrument, the following points are important for measurement:

- A probability-weighted and unbiased amount determined by taking into account possible outcomes,
- The time value of money,
- Reasonable and supportable information about past events, current conditions and forecasts of future economic conditions that can be obtained without undue cost and effort as of the reporting date.

These financial assets are divided into the following three categories, depending on the increase in credit risks observed since they were first included in the financial statements:

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

These are financial assets that do not have a significant increase in credit risk at the time they are first included in the financial statements or after they are first included in the financial statements. Credit risk impairment provision for these assets is recognized as 12-month expected credit loss provision. It is valid for all assets unless there is a significant deterioration in credit quality.

12 Month expected loss values (within 12 months after the reporting date or sooner if the life of a financial instrument is less than 12 months) are part of the lifetime expected loss calculation.

***Significant increase in credit risk (Stage 2)***

Financial assets are transferred to the 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 the 1st stage, the expected loss provision for loans in the stage 2 is calculated by taking into account the entire remaining maturityx

The main criteria taken into consideration in determining whether the credit risk of the financial asset has increased significantly and transferred to the stage 2 are that it is under close monitoring, the number of days of delay is 30 days or more, and the Bank's internal early warning system rating.

***Default (Stage 3)***

It includes financial assets that have objective evidence of impairment as of the reporting date. A lifetime expected credit loss allowance is recorded for these assets.

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**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

**VIII. EXPLANATIONS ON IMPAIRMENT OF FINANCIAL ASSETS (Continued)**

**Impairment (Continued)**

The bank considers the debt to be in default in the following two situations:

- Objective Default Definition: It means that the debt is overdue for more than 90 days. If the debt is 90 days overdue, the state of default begins on the 91st day.
- Subjective Default Definition: It means the belief that the debt will not be paid. If it is determined that the debtor cannot fulfill his debts regarding the loan, the debtor is considered to be in default, regardless of the number of days of delay.

Aggregate evaluation of financial instruments is carried out on the basis of homogeneous group assets resulting from portfolio segmentation based on similar credit risk and product characteristics. This section provides an overview of risk parameter estimation methods related to the approach to calculating expected loss on a common basis for each stage.

Loans with different cash flows or different characteristics than other loans can be evaluated individually instead of collectively. Expected credit loss can be defined as the difference between all contractual cash flows due under the contract and the discounted cash flows expected to be collected.

The following situations are taken into consideration when estimating cash flows.

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

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

**Probability of Default**

Probability of Default refers to the probability that the loan will default within a certain time period.

**Default Amount**

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

**Loss Given Default**

Loss Given Default expresses the relationship of the economic net loss resulting from the default of a loan to the default amount in terms of a ratio. In other words, it expresses the ratio of the net loss incurred due to a loan in default to the balance of the loan at the time of default.

**Future Expectations**

By using scenarios linked to macroeconomic factors, the impact of future expectations is included in the credit risk parameters used in the calculation of expected credit losses. When including macroeconomic information, models and forecasts 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, Unemployment Rate, GDP, Sector Tracking Rates, etc.) are analyzed, and among these, the variables that best reflect the default probabilities of our Bank's customers are used. As of December 31, 2023 and December 31, 2022, the mainly used macroeconomic variables are GDP and sector tracking rates.

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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: base, bad and good in forward-looking expectations. All 3 scenarios have predetermined weights. The bank updates the macroeconomic variables used in the evaluation of a significant increase in credit risk and in the calculation of expected credit loss every 3 months, in March, June, September and December, and applies them to its models. Macroeconomic variables based on expected credit loss calculation as of December 31, 2023 are reflected in the models.

**The Methodology of Behavioral Maturity Calculation**

Expected loss provision; For loans in the stage 1, it is calculated until the end of maturity for loans with a remaining maturity of less than one year, for loans with a remaining maturity of more than one year, it is calculated as one year, and for loans in the stage 2, it is calculated for life (until the end of maturity). In this calculation, the remaining maturity information for each loan is taken as basis. While this information is used for products with real maturity information, behavioral maturity is calculated by analyzing historical data for products without real maturity information. Expected loss provision calculations are made over these maturities depending on the type of loan.

**Write-off Policy**

Within the scope of the provisions of the "Regulation on Amendments to the Regulation on the Procedures and Principles Regarding the Classification of Loans and the Provisions to be Set Aside for These" published by the BRSA in the Official Gazette dated 6 July 2021 and numbered 31533, those classified under the Fifth Group - Loans in the Nature of Loss and whose lifespan is due to the default of the debtor. The portion of the loans for which there are no reasonable expectations regarding the recovery of the loans for which provision for expected credit losses or special provisions has been set is deducted from the records within the period deemed appropriate by the bank, specific to the situation of the debtor, within the scope of TFRS 9, starting from the first reporting period following their classification in this Group. Deleting loans from records is an accounting practice and does not result in giving up the right to receivable. Within the scope of the said change, no loans have 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 included in the balance sheet at their net amounts if the Bank has a legal right and sanction for netting and intends to collect/pay the relevant financial assets and liabilities at their net amounts, or if it has the right to settle the relevant financial assets and liabilities simultaneously. is shown.

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

In order for lease certificates to be subject to open market operations of the Central Bank of the Republic of Turkey in accordance with the principles of participation banking, relevant changes have been made and separate framework agreements have been created for participation banks. With these regulations, a transaction type has been created that allows participation banks to carry out transactions with the Central Bank of the Republic of Turkey within the scope of selling with the promise of rent repurchase or purchasing with the promise of resale in their portfolios in case they need funds or in order to evaluate their excess liquidity. By making bids for the purchase tenders opened by the Central Bank of the Republic of Turkey with different maturities, the lease certificates included in the assets of the balance sheet are subject to sales with the promise of repurchase, and funds are provided within this scope. As of December 31, 2023, the Bank does not have any securities that are subject to loan (December 31, 2022: None). Securities sold within the framework of agreements stipulating their repurchase

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**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

**X. EXPLANATIONS ON SALES AND REPURCHASE AGREEMENTS AND LENDING OF SECURITIES (Continued)**

("Promises") are classified as "Fair Value Difference Profit/Loss" according to the purposes of keeping them in the Bank's portfolio. It is classified in the "Reflected", "Financial Assets with Fair Value Differences Reflected in Other Comprehensive Income" or "Financial Assets Valued at Amortized Cost" portfolios and is subject to valuation according to the principles of the portfolio to which it belongs. The funds obtained in return for the promise contract are accounted in the "Debts to Money Markets" account and the participation share accruals for the period are calculated according to the internal yield method.

Securities transactions purchased with resale commitments are accounted under the "Money Market Receivables" item in the balance sheet, and participation share accruals for the period are calculated according to the internal yield method.

**XI. INFORMATION ON NON-CURRENT ASSETS OR DISPOSAL GROUPS "HELD FOR SALE" AND RELATED TO DISCONTINUED OPERATIONS AND EXPLANATIONS ON LIABILITIES RELATED WITH THESE ASSETS**

Assets acquired by the Bank due to its receivables are accounted in the financial statements in accordance with the provisions of "TFRS 5, Turkish Financial Reporting Standard on Non-Current Assets Held for Sale and Discontinued Operations". Assets that meet the criteria for being classified as held for sale, their book values and the costs to be incurred for sale. They are measured at the lower of their deducted fair values and depreciation is stopped on the assets in question and these assets are presented separately in the balance sheet. In order for an asset to be held for sale, the relevant asset (or group of assets to be disposed of) must be in a position to be sold immediately and have a high probability of sale, under conditions common and customary for the sale of such assets (or group of assets to be disposed of). In order for the probability of sale to be high, a plan for the sale of the asset (or the group of assets to be disposed of) must be made by an appropriate management level and an active program must be initiated to identify buyers and complete the plan. Various events or circumstances may extend the time it takes to complete a sales transaction beyond one year. If the delay in question has occurred due to events or conditions beyond the Bank's control and there is sufficient evidence that the Bank's sales plan for the sale of the relevant asset (or group of assets to be disposed of) is ongoing, the assets in question will be classified as assets held for sale. continues. Real estates acquired by the Bank due to its receivables are shown in the non-current assets held for sale line in the financial statements, depending on the conclusion of a forward sales contract.

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

As of 31 December 2023, the Bank's fixed assets held for sale are 427.229 TRY (31 December 2022: 274.644 TRY).

**XII. EXPLANATIONS ON GOODWILL AND OTHER INTANGIBLE ASSETS**

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

Initial records of other intangible assets are made at cost, which is calculated by adding the acquisition amounts and other direct expenses necessary to make the asset usable. Other intangible assets are valued at their remaining amounts after deducting accumulated depreciation and accumulated value decreases, if any, from their cost in the period following their recording.

Other intangible assets are amortized using the straight-line method over their estimated useful lives. The determination of the useful life of other intangible assets is made by evaluating issues such as the expected useful life of the asset, technical, technological or other types of obsolescence and maintenance costs required to obtain the expected economic benefit from the asset. There has been no change in the depreciation method applied in the current period.

The bank monitors the costs it incurs for computer software in the other intangible assets-intangible rights account and amortizes the development expenses over 3 to 15 years by adding them to the initial cost of the software and taking into account their useful life.

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**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

**XIII. EXPLANATIONS ON TANGIBLE ASSETS**

The initial records of tangible fixed assets are made based on the cost, which is calculated by adding the acquisition amount and other direct expenses necessary to make the asset usable.

Tangible assets are shown in the financial statements at their remaining amounts after deducting accumulated depreciation and any decrease in value from their cost in the period following their recording. Tangible assets are depreciated over their estimated useful lives using the straight-line depreciation method. There has been 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 on a tangible asset are recognized as expenses. Investment expenditures that increase the future benefits to be obtained from the tangible asset by expanding its capacity are added to the cost of the tangible asset. Investment expenditures consist of cost elements such as expenses that extend the useful life of the asset, increase the service capacity of the asset, increase the quality of the goods or services produced or reduce their cost.

Gains or losses arising from the disposal of tangible assets are reflected in the profit or loss accounts as the difference between the net disposal proceeds of the relevant tangible asset and its net book value.

As of the balance sheet date, for tangible assets that have been in existence for less than one accounting period, depreciation is allocated in the amount calculated by proportioning the depreciation amount foreseen for one full year to the duration of the asset's stay in the balance sheet. Operating lease development costs (leasehold costs) are amortized in equal amounts, taking into account the benefit period. However, in any case, the utilization period cannot exceed the rental period.

There are no pledges, mortgages or other measures on tangible fixed assets, or commitments given for their purchase, or anything restricting the exercise of disposition rights over them.

**XIV. EXPLANATIONS ON LEASING TRANSACTIONS**

***Operational Leasing Transactions***

***Transactions as a lessee***

At the beginning of a contract, the bank evaluates whether the contract is a lease or contains a lease. If the contract transfers the right to control the use of the identified asset for a certain period of time in exchange for a consideration, the contract is a lease or includes a lease. The bank reflects a right-of-use asset and a lease liability in its financial statements on the date the lease actually begins.

***Right of use;***

The bank applies the "TFRS 16 - Leases" standard in accounting for leasing transactions.

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**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

**XIV. EXPLANATIONS ON LEASING TRANSACTIONS (Continued)**

***Operational Leasing Transactions (Continued)***

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

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

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

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

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

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

***Lease Liabilities***

At the date of the effective leasing of the lease, the Bank measures its leasing liability at the present value of the lease payments not paid at the time. Lease payments are discounted using the imputed rate of interest 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 ASSET 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 "Turkish Accounting Standard on Provisions, Contingent Liabilities and Contingent Assets Corresponding".



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**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

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

The Bank provides provision in case of an existing liability (legal or implicit) as a result of an incident that took place in the past, there is possibility of disposal of assets that bring economic benefit and the liability is measurable. When a reliable estimate of the amount of obligation cannot be made, it is considered that a “contingent” liability exists and it is disclosed in the related notes to the financial statements. For transactions that can affect financial structure, provisions are provided by using the existing data if they are accurate, otherwise by using the estimates.

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

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

**XVI. EXPLANATIONS ON OBLIGATIONS RELATED TO EMPLOYEE RIGHTS**

**a. Employment termination and vacation benefits**

Liabilities related to severance pay and right to leave calculated according to the regulations of the TAS 19 “Accounting Standard of Employee Benefits” and the Bank’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 Bank 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 Bank 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 December 2023, the Bank’s employee termination benefit is TRY 202.704 (31 December 2022: TRY 125.674).

Communiqué on “Turkish Accounting Standard (“TAS19”) 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 127.913 was classified under shareholders’ equity in the financials. (31 December 2022: TRY 94.366 missing).

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 December 2023 unused vacation liability of the Bank is TRY 44.385 (31 December 2022: TRY 28.175).

The Bank 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. Liability of T.C. Ziraat Bankası and T. Halk Bankası Members Pension and Relief Fund (TZHEMSAN)**

Some of the Bank’s personnel are the members of T.C. Ziraat Bankası and T. Halk Bankası A.Ş. Employees' Pension Fund (“Fund”) which was established by 20th provisional article of Social Security Law Act numbered 506. In accordance with 23rd provisional clause of the Banking Law numbered 5411, the pension fund established within Social Security Law is expected to be transferred to the Social Security Institution by three years following the declaration of the Banking Law numbered 5411. Procedures and principles of the transfer are determined by the decision of Council of Ministers numbered 2006/11345 dated 30 November 2006. However, the 1st paragraph of the 1st article of the 23rd provisional clause of Banking Law numbered 5411 allowing pension funds to be transferred to Social Security Institution (“SSI”) is annulled following the resolution of Constitutional Court declared in the Official Gazette dated 30 June 2007 numbered 26479 E.2005/139, K.2007/13 and K.2007/33.

With the publication of the reasoning of the decision, the Grand National Assembly of Turkey (“GNAT”) started to work on new legal arrangements regarding the transfer of the fund members to SSI and the related articles of the “Law Regarding the Changes in Social Insurance and General Health Insurance Law and Other Related Laws and Regulations” No 5754 (“the New Law”) regulating the transfer of the funds were approved by the GNAT on 17 April 2008. The New Law was published in the Official Gazette dated 8 May 2008, numbered 26870 and came into force.

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.

In accordance with 58th article and 7th provisional article of the Banking Law, restricting banks from transferring any funds to the pension funds in order to compensate the actuarial deficits effective from 1 January 2008, has been delayed up to 5 years.

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

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

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

Lastly, 51st article of Law No.6645 dated 23 April 2015, published on Official Gazette and the first paragraph of the transient 20th article of Law No.5510 related to the transfer of Bank and Insurance Funds to Social Security Institution; “Council of Ministers is the authority to determine the date of transfer of banks, insurance and reinsurance companies, boards of trade, chambers of industry and stock markets or the participants of funds established for their constitute union personnel and the ones that were endowed salary or income and their beneficiaries within the scope of transient 20th article of Law No.506.

## ZİRAAT KATILIM BANKASI A.Ş.

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#### EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

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

###### b. Liability of T.C. Ziraat Bankası and T. Halk Bankası Members Pension and Relief Fund (TZHEMSAN)

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 December 2023 which is prepared in accordance with the new law and the allowance 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

As of December 31, 2023, the corporate tax rate was applied as 30% in the financial statements. In accordance with Law No. 7316 published in the Official Gazette dated April 22, 2021, the corporate tax rate has been increased to 25% for the taxation period of 2021, starting from the declarations that must be submitted as of July 1, 2021 and valid for the taxation period starting from January 1, 2021. and this rate was determined as 23% for the 2022 taxation period. However, with the publication of Law No. 7394 in the Official Gazette dated 15 April 2022, banks, consumer finance companies, factoring and financial leasing companies, electronic payment and money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions and insurance and reinsurance companies. The corporate tax rate for pension companies has been permanently increased to 25%, and this change will be valid for declarations submitted after July 1, 2022. Therefore, the tax rate to be taken into account in the corporate tax calculation as of the first quarter of 2022 is 23%, and the tax rate to be applied to the cumulative earnings of 2022 in the second quarter of 2022 and subsequent periods is taken into account as 25%. In accordance with Article 21 of Law No. 7456 published in the Official Gazette No. 32249 dated 15 July 2023, starting from the declarations that must be submitted as of 1/10/2023; 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. As of December 31, 2023, the corporate tax rate was applied as 30% in the financial statements.

The corporate tax rate is applied to the tax base to be found as a result of adding the expenses that are not accepted as deductions in accordance with the tax laws to the commercial profits of the institutions, and deducting the exemptions (such as the participation earnings exemption) and deductions in the tax laws. No further tax is paid if the profit is not distributed.

There is no withholding tax on dividends paid to non-limited taxpayer institutions that generate income through a workplace or permanent representative in Turkey and to institutions resident in Turkey. Dividend payments made to individuals and institutions other than these are subject to 15% withholding tax. The addition of profit to capital is not considered profit distribution and withholding tax is not applied.

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**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

**XVII. EXPLANATIONS ON TAXATION (Continued)**

**a. Current tax (Continued)**

Institutions calculate provisional tax based on their quarterly financial profits at the rate in force, declare and pay it until the 17th day of the second month following that period until a new determination is made in line with the Tax Procedure Law Circular No. 115 dated March 29, 2019. The provisional tax paid during the year belongs to that year and is deducted from the corporate tax to be calculated on the corporate tax return to be submitted in the following year. Despite the deduction, if the amount of advance tax paid remains, this amount can be refunded in cash or can be offset against other financial debts to the state.

Corporate Tax Law, which is one of the important tax exemptions applied by the bank, 5. 1. e. According to the article; 75% of the profits arising from the sale of participation shares that have been in the assets of corporations for at least two full years (730 days), as well as founding shares, usufruct shares and preemptive rights that they have held for the same period, are exempt from corporate tax (as amended by Article 89 of the Law No. 7061). and is effective as of December 5, 2017. According to Article 3 of the KVK Communiqué No. 14 dated December 23, 2017, it will be applied as 75% for sales made until December 5, 2017 for 2017, and as 50% thereafter).

This exception is applied in the period in which the sale is made, and the part of the sale proceeds benefiting from the exemption is kept in the special funds account in liability until the end of the fifth year following the year in which the sale is made. However, the sales price must be collected by the end of the second calendar year following the year in which the sale was made. Taxes not accrued on time due to the exemption for the sales price not collected within this period are deemed to have been lost.

Taxes that are not accrued on time due to the exemption applied to the part of the exempted income that is transferred to another account in any way other than adding to the capital within five years, or that is withdrawn from the business, or transferred to the head office by non-resident taxpayer institutions, are deemed to have been lost. This provision also applies in case of liquidation of the business within the same period (except for transfers and divisions made in accordance with this Law).

Additionally, Corporate Tax Law 5.1.f. According to the article; In the liquidation of these debts, the revenue obtained from the transfer of immovable properties, participation shares, founder's shares, usufruct shares and priority rights owned by institutions that are under legal follow-up due to their debts to banks or are indebted to the Savings Deposit Insurance Fund and their guarantors and mortgage lenders, to banks or this Fund in return for these debts. All of the profits corresponding to the used part and 50% of the profits arising from the sale of the assets obtained by the banks in this way are exempt from corporate tax.

According to Turkish tax legislation, financial losses shown on the declaration can be deducted from the period corporate income for a period not exceeding 5 years. However financial losses can not be offsetted from last year's profits. Corporate tax returns are submitted to the relevant tax office by the end of the fourth month following the month in which the accounting period closes, and the accrued tax is paid by the end of the same month. However, the authorities authorized for tax inspection may examine the accounting records until the end of the fifth year, and if a faulty transaction is detected, the tax amounts to be paid will be re-assessed. On the other hand, within the framework of the provision of Article 298/A of the Tax Procedure Law, the conditions required for inflation adjustment in the corporate tax calculation have been met as of the end of the 2021 calendar year. However, with the "Law on Amendments to the Tax Procedure Law and the Corporate Tax Law" numbered 7352, published in the Official Gazette numbered 31734 dated January 29, 2022, the temporary article 33 was added to the Tax Procedure Law numbered 213, including provisional tax periods. Financial statements will not be subject to inflation correction, regardless of whether the conditions for inflation adjustment within the scope of Article 298 are met for the 2021 and 2022 accounting periods (as of the accounting periods ending in 2022 and 2023 for those assigned a special accounting period) and the 2023 accounting period provisional tax periods.

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**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

**XVII. EXPLANATIONS ON TAXATION (Continued)**

**a. Current tax (Continued)**

It has become law that the financial statements dated 2023 will be subject to inflation adjustment regardless of whether the conditions for inflation adjustment are met or not, and the profit/loss differences resulting from the inflation adjustment will be shown in the previous years' profit/loss account.

As a result of these transactions, the Tax Procedure Law depreciation figures that will be subject to corporate tax will be calculated based on the revalued current amounts. In accordance with the relevant legislation, the resulting value increase amounts are shown in a special fund account under shareholders' equity.

**b. Deferred tax**

The 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.

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 unconsolidated 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.

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### **NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023**

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#### **EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

#### **XVIII. EXPLANATIONS ON ADDITIONAL DISCLOSURES ON BORROWINGS**

The Bank accounts for its debt instruments in accordance with the provisions of TFRS 9 "Financial Instruments" standard and evaluates all its financial liabilities using the internal return method in the periods following their recording. There are no debts that require the application of risk hedging techniques in terms of accounting and valuation methods of debt instruments and liabilities representing debt. There are no instruments representing debt issued by the Bank itself. Ziraat Katılım Varlık Kiralama A.Ş., a subsidiary of the Bank. and ZKB Varlık Kiralama A.Ş. Lease certificate issuances are made by the Bank in the form of sales to qualified investors without public offering, with the Bank as the fund user.

The Bank received an amount of 300.000 TRY from TC Ziraat Bankası A.Ş. on 28 March 2019; In the amount of 500.000 TRY on April 15, 2021; On 17 November 2021, it provided a loan in the form of contribution capital in the amount of 500.000 TRY.

The Bank received an amount of EUR 100.000 from the Turkey Wealth Fund Market Stability and Balance Sub-Fund on 24 April 2019, with the approval of the BRSA dated 22 April 2019; With the approval of BRSA dated March 9, 2022, a subordinated loan was provided within the scope of additional core capital in the amount of EUR 57.039 on March 9, 2022, with no demand or dividends.

Within the framework of the Capital Markets Board's decision dated 25 October 2023 and numbered 63/1380, the issue certificate for the lease certificate with a nominal amount of 500.000 USD and a three-year maturity to be issued abroad was approved by the Capital Markets Board on 3 November 2023. The maturity of the said issuance has been determined as 12 November 2026. In this context, the sale of the lease certificate was completed on November 6, 2023 and the issuance amount was transferred to our accounts.

#### **XIX. EXPLANATIONS ON SHARE CERTIFICATES ISSUED**

As of the balance sheet date, the Parent Bank has not issued any shares. (December 31, 2022: None).

#### **XX. EXPLANATIONS ON ACCEPTANCES**

Commitments regarding bill guarantees and acceptances of the Bank are presented in the "Off-Balance Sheet" commitments.

#### **XXI. EXPLANATIONS ON GOVERNMENT INCENTIVES**

As of the balance sheet date, the Group does not have any government incentives. (December 31, 2022: None).

#### **XXII. EXPLANATION ON CASH AND CASH EQUIVALENTS**

Cash and cash equivalent items are cash on hand, special current accounts and other short-term investments with high liquidity, with maturities of 3 months or less from the date of purchase, that can be converted into cash immediately and do not carry the risk of significant changes in value. The book value of these assets is their fair value.

"Cash", which is the basis for the preparation of cash flow statements, is defined as cash, cash deposits, gold, money in transit, and special current accounts and participation accounts in banks, including the Central Bank of the Republic of Turkey. "Cash Equivalent Assets" are interbank money market placements and They are defined as time deposits in banks.

## **ZİRAAT KATILIM BANKASI A.Ş.**

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#### **EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

##### **XXIII. EXPLANATION ON SEGMENT REPORTING**

Information regarding the Bank's organizational and internal reporting structure and areas of activity determined in accordance with the provisions of TFRS 8 "Activity Segments" are in Chapter Four, XII. It is presented in footnote no.

##### **XXIV. EXPLANATIONS ON OTHER MATTERS**

None.

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**SECTION FOUR****EXPLANATIONS RELATED TO THE FINANCIAL POSITION AND RISK MANAGEMENT OF THE  
BANK****I. EXPLANATIONS ON 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 28 April 2022 and numbered 10188, the Central Bank's foreign exchange buying rate of 31 December 2022 was used while calculating the valued amounts in foreign currency in calculating the amount subject to credit risk. In case the net valuation differences of the securities held by banks in the "Securities at Fair Value through Other Comprehensive Income" portfolio within the framework of the regulation dated
- 21 December 2021 and numbered 9996 are negative, these differences may not be taken into account in the equity amount. The exception in question was not used in the 31 December 2023 equity calculation.

The current period equity amount calculated as of 31 December 2022, taking into account the latest regulations, is TRY 24.251.951 (31 December 2022: TRY 15.901.345), and the capital adequacy standard ratio is 15,10% (31 December 2022: 15,42%). The capital adequacy standard ratio of the Bank is above the minimum ratio determined by the relevant legislation.

**Information related to the components of shareholders' equity:**

	<b>Current Period 31 December 2023</b>	<b>Prior Period 31 December 2022</b>
<b>Common Equity Tier 1 Capital</b>		
Paid-in capital following all debts in terms of claim in liquidation of the Bank	10.350.000	2.650.000
Share issue premiums	-	-
Reserves	6.138.132	2.297.860
Gains recognized in equity as per TAS	597.284	3.673.072
Profit	4.004.497	3.840.272
Current Period Profit	4.004.497	3.840.272
Prior Period Profit	-	-
Shares acquired free of charge from subsidiaries, affiliates and jointly controlled partnerships and cannot be recognized within profit for the period	-	-
<b>Common Equity Tier 1 Capital Before Deductions</b>	<b>21.089.913</b>	<b>12.461.204</b>
<b>Deductions from Common Equity Tier 1 Capital</b>		
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	1.839.277	282.676
Improvement costs for operating leasing	922.211	98.174
Goodwill (net of related tax liability)	-	-
Other intangibles other than mortgage-servicing rights (net of related tax liability)	692.634	342.454
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	-	-



# ZİRAAT KATILIM BANKASI A.Ş.

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

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

#### I. EXPLANATIONS ON SHAREHOLDERS' EQUITY (Continued)

	Current Period 31 December 2023	Prior Period 31 December 2022
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	-	-
<b>Total Deductions From Common Equity Tier I Capital</b>	<b>3.454.122</b>	<b>723.304</b>
<b>Total Common Equity Tier I Capital</b>	<b>17.635.791</b>	<b>11.737.900</b>
<b>ADDITIONAL TIER I CAPITAL</b>		
Preferred Stock not Included in Common Equity and the Related Share Premiums	-	-
Debt instruments and premiums approved by BRSA	3.681.925	2.257.081
Debt instruments and premiums approved by BRSA(Temporary Article 4)	-	-
<b>Additional Tier I Capital before Deductions</b>	-	-
<b>Deductions from Additional Tier I Capital</b>	-	-
Direct and indirect investments of the Bank in its own Additional Tier I Capital	-	-
Investments of Bank to Banks that invest in Bank's additional equity and components of equity issued by financial institutions with compatible with Article 7.	-	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital	-	-
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital	-	-
Other items to be defined by the BRSA	-	-
<b>Transition from the Core Capital to Continue to deduce Components</b>	-	-
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 (-)	-	-
<b>Total Deductions From Additional Tier I Capital</b>	-	-
<b>Total Additional Tier I Capital</b>	<b>3.681.925</b>	<b>2.257.081</b>
<b>Total Tier I Capital (Tier I Capital=Common Equity+Additional Tier I Capital)</b>	<b>21.317.716</b>	<b>13.994.981</b>
<b>TIER II CAPITAL</b>		
Debt instruments and share issue premiums deemed suitable by the BRSA	1.300.000	1.300.000
Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)	-	-
Provisions (Article 8 of the Regulation on the Equity of Banks)	1.656.901	615.573
<b>Tier II Capital Before Deductions</b>	<b>2.956.901</b>	<b>1.915.573</b>
<b>Deductions From Tier II Capital</b>	-	-
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 (-)	-	-
<b>Total Deductions from Tier II Capital</b>	-	-
<b>Total Tier II Capital</b>	<b>2.956.901</b>	<b>1.915.574</b>
<b>Total Capital (The sum of Tier I Capital and Tier II Capital)</b>	<b>24.274.617</b>	<b>15.910.555</b>

# ZİRAAT KATILIM BANKASI A.Ş.

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

(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)

#### I. EXPLANATIONS ON SHAREHOLDERS' EQUITY (Continued)

	Current Period 31 December 2023	Prior Period 31 December 2022
<b>Total of Original Capital and Supplementary Capital (Total Capital)</b>	<b>24.274.617</b>	<b>15.910.555</b>
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	22.666	9.210
<b>In transition from Total Core Capital and Supplementary Capital (the capital) to Continue to Download Components</b>		
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	-	-
<b>TOTAL CAPITAL</b>		
<b>Total Capital (Total of Original Capital and Supplementary Capital)</b>	<b>24.251.951</b>	<b>15.901.345</b>
Total risk weighted amounts	160.618.174	103.126.415
<b>Capital Adequacy Ratios</b>		
Core Capital Adequacy Ratio	10,98	11,38
Tier 1 Capital Adequacy Ratio	13,27	13,57
Capital Adequacy Ratio	15,10	15,42
<b>BUFFERS</b>		
<b>Total additional Common Equity Tier 1 Capital requirement ratio (a+b+c)</b>	<b>2,50</b>	<b>2,50</b>
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	6,48	6,88
<b>Amounts below the Excess Limits as per the Deduction Principles</b>		
Portion of the total of net long positions of investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	-	-
Portion of the total of investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	-	-
Amount arising from mortgage-servicing rights	-	-
Amount arising from deferred tax assets based on temporary differences	-	-
<b>Limits related to provisions considered in Tier II calculation</b>		
General provisions for standard based receivables (before tenthousandtwentyfive limitation)	1.656.901	615.573
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	1.656.901	615.573
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	-	-
<b>Debt instruments subjected to Article 4 (to be implemented between 1 January 2018 and 1 January 2022)</b>		
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	-	-

## ZİRAAT KATILIM BANKASI A.Ş.

### NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

(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)

##### I. EXPLANATIONS ON 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
<b>Regulatory treatment</b>	
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 (Currency in mil, as of most recent reporting date)	300
Par value of instrument	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	-
<b>Coupons / dividends(*)</b>	
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	-
<b>Convertible or non-convertible</b>	
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	-
<b>Write-down feature</b>	
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.

## ZİRAAT KATILIM BANKASI A.Ş.

### NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

(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)

##### I. EXPLANATIONS ON 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
<b>Regulatory treatment</b>	
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 (Currency in mil, as of most recent reporting date)	500
Par value of instrument	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	-
<b>Coupons / dividends(*)</b>	
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	-
<b>Convertible or non-convertible</b>	
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	-
<b>Write-down feature</b>	
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.

## ZİRAAT KATILIM BANKASI A.Ş.

### NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

(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)

##### I. EXPLANATIONS ON 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
<b>Regulatory treatment</b>	
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 (Currency in mil, as of most recent reporting date)	500
Par value of instrument	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	-
<b>Coupons / dividends(*)</b>	
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	-
<b>Convertible or non-convertible</b>	
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	-
<b>Write-down feature</b>	
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.

## ZİRAAT KATILIM BANKASI A.Ş.

### NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

(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)

##### I. EXPLANATIONS ON SHAREHOLDERS’ EQUITY (Continued)

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

Issuer	Türkiye Varlık Fonu Yönetimi 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
<b>Regulatory treatment</b>	
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 (Currency in mil, as of most recent reporting date)	2.541
Par value of instrument	3.255
Accounting classification	Liabilities/Subordinated Loan
Original date of issuance	24 April 2019
Perpetual or dated	Undated
Original maturity date	24 April 2019
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	-
<b>Coupons / dividends(*)</b>	
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	-
<b>Convertible or non-convertible</b>	
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	-
<b>Write-down feature</b>	
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)	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”	It meets the conditions stated in Article 8.
Details of incompliances with article number 7 and 8 of “Own fund regulation”	-

(\*) Profit share for participation banks.

## ZİRAAT KATILIM BANKASI A.Ş.

### NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

(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)

##### I. EXPLANATIONS ON SHAREHOLDERS’ EQUITY (Continued)

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

Issuer	Türkiye Varlık Fonu Yönetimi 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
<b>Regulatory treatment</b>	
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 (Currency in mil, as of most recent reporting date)	1.141
Par value of instrument	1.857
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, (no conditional refund)
Subsequent call dates, if applicable	-
<b>Coupons / dividends(*)</b>	
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	-
<b>Convertible or non-convertible</b>	
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	-
<b>Write-down feature</b>	
If write-down, write-down trigger(s)	In case the Core Capital adequacy ratio or unconsolidated 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”	It meets the conditions stated in Article 7.
Details of incompliances with article number 7 and 8 of “Own fund regulation”	It meets the conditions stated in Article 7.

(\*) Profit share for participation banks.

## ZİRAAT KATILIM BANKASI A.Ş.

### NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

(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)

##### I. EXPLANATIONS ON SHAREHOLDERS’ EQUITY (Continued)

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

	<b>Current Period 31 December 2023</b>	<b>Prior Period 31 December 2022</b>
<b>Balance sheet equity value</b>	<b>19.831.547</b>	<b>11.378.445</b>
Equity value of balance sheet	(922.211)	(98.174)
Cost of development of operating lease	(692.634)	(342.454)
Goodwill and other intangible assets and related deferred tax liability	1.300.000	1.300.000
Debt instruments and premiums approved by BRSA	1.656.901	615.573
Debt instruments deemed appropriate by the Agency and their related issue premiums- Subordinated debts	3.681.925	2.257.081
Debt instruments and premiums approved by BRSA - subordinated loans	(22.666)	(9.210)
Other values deducted from equity	(580.911)	800.084
<b>Amount taken into consideration in the calculation of legal equity</b>	<b>24.251.951</b>	<b>15.901.345</b>

##### II. EXPLANATIONS ON CREDIT RISK

Credit risk is the possibility of loss that the bank may be exposed due to the partial or complete default of the debtor by not complying to the obligations of the agreement made, or due to the decrease in credit worthiness.

The authority to allocate loans mainly belongs to the Board of Directors, and the limits of the loan customers are determined within the framework of the credit authorization limits of the Head Office Credit Committee and the Board of Directors pursuant to the authority given by the Board of Directors. Limits are allocated by evaluating many factors such as financial and non-financial data of loan customers, loan needs, sectoral and geographical characteristics.

In terms of credit risk, the debtor or group of debtors are subject to risk limitations. The debtor and group of debtors and the risk limitations of the sectors are monitored weekly within the scope of their risk appetite.

The limits for the loan portfolio are determined with the approval of the Board of Directors and revised when necessary. The determined limits are distributed by the relevant Head Office units, taking into account the existing portfolio structure, customer and loan potential, regional and sectoral characteristics, and the competence of the staff.

After the limit is allocated to customers in the commercial portfolio, companies continue to be monitored, and changes in the financial structures and market relations of the companies with funds are monitored.

Documents to be obtained during limit allocation and fund utilization are clearly stated in the legislation, and whether the said documents are obtained in accordance with the legislation is controlled by the inspection units. The Bank considers the collateral important in terms of minimizing the risk and its liquidation. As a result of the credit policies and processes based on obtaining reliable and robust guarantees, the Bank is believed to significantly reduce the credit risk.

The Bank implements the internal rating procedures for the analysis of the credit worthiness of its Corporate/ Entrepreneurial loan customers as a decision support system in loan allocation.

The Bank makes provision in conformity with the “Communiqué on Methods and Principles for Determining the Nature of Loans and Other Receivables and Allocation of Provisions”.



## ZİRAAT KATILIM BANKASI A.Ş.

### NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

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

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

##### II. EXPLANATIONS ON CREDIT RISK (Continued)

Identification of limits for domestic and foreign banks are done by rating which is determined by considering the needs of clients and departments together with financial and economic conditions of the banks and their countries.

Treasury operations are executed in the frame of pre-determined authorization and limits, these authorization and limits are monitored.

The expected loss provision (third stage) is calculated for loans belonging to customers classified as non-performing loans in accordance with the the “Communiqué on Methods and Principles for Determining the Nature of Loans and Other Receivables and Allocation of Provisions”, taking into account the guarantees received from the relevant customer.

The percentage of top 100 and top 200 cash loans in the total cash loan portfolio is 39,17% and 50,05% respectively (31 December 2022: 44,48% and 56,41%).

The percentage of top 100 and top 200 non-cash loans in the total non-cash loan portfolio is 46,46% and 56,75% respectively (31 December 2022: 46,44% and 57,74%).

The percentage of top 100 and top 200 cash and non-cash loans in the total cash and non-cash loan portfolio is 35,43% and 45,75% respectively (31 December 2022: 39,59% and 50,82%).

TFRS 9 expected loss provisions for the loans for the Stage 1 and Stage 2 are amounted TRY 2.156.5649 (31 December 2022: TRY 1.121.590)

# ZİRAAT KATILIM BANKASI A.Ş.

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

(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)

#### II. EXPLANATIONS ON CREDIT RISK (Continued)

##### The Profile of Important Risks of Important Regions

Current Period 31.12.2023	Conditional and unconditional receivables from central governments or central banks	Conditional and unconditional receivables from regional or local governments	Conditional and unconditional receivables from administrative units and non- commercial enterprises	Conditional and unconditional receivables from multilateral development banks	Conditional and unconditional receivables from international organisations	Conditional and unconditional receivables from banks and brokerage houses	Conditional and unconditional corporate receivables	Conditional and unconditional retail receivables	Conditional and unconditional receivables secured by mortgages	Past due receivables	Receivables defined in high risk category by BRSA	Securities collateralised by mortgages	Securitisation positions	Short-term receivables from banks, brokerage houses and corporates	Investments similar to collective investment funds	Other receivables	Total
Domestic	78.969.631	-	2.731.331	-	-	6.152.897	121.501.437	25.069.109	16.790.198	191.059	6.681.193	-	-	-	-	3.761.475	261.848.330
European Union Countries	-	-	-	-	-	6.057.356	162.169	25.604	10.545	1	97	-	-	-	-	-	6.255.772
OECD Countries (*)	-	-	-	-	-	46.407	-	1	359	-	-	-	-	-	-	-	46.767
Off-shore Banking Regions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
USA, Canada	-	-	-	-	-	349.829	-	35	-	-	-	-	-	-	-	-	349.864
Other Countries	-	-	-	-	-	412.217	796.443	3.828	36.662	-	377.291	-	-	-	-	-	1.626.441
Subsidiaries, Associates and Joint Ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unallocated Assets/Liabilities (**)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	22.600	22.600
Total	78.969.631	-	2.731.331	-	-	13.018.706	122.460.049	25.098.577	16.837.764	191.060	7.058.581	-	-	-	-	3.784.075	270.149.774

Prior Period 31.12.2022	Conditional and unconditional receivables from central governments or central banks	Conditional and unconditional receivables from regional or local governments	Conditional and unconditional receivables from administrativ e units and non- commercial enterprises	Conditional and unconditional receivables from multilateral development banks	Conditional and unconditional receivables from international organisations	Conditional and unconditional receivables from banks and brokerage houses	Condi- tional and unconditional corporate receivables	Conditional and unconditional retail receivables	Conditional and unconditional receivables secured by mortgages	Past due receivables	Receivables defined in high risk category by BRSA	Securities collateralised by mortgages	Securitisation positions	Short-term receivables from banks, brokerage houses and corporates	Investments similar to collective investment funds	Other receivables	Total
Domestic	39.418.257	-	353.890	-	-	8.765.418	73.578.416	13.634.937	10.570.286	209.536	5.632.639	-	-	-	-	2.163.774	154.327.153
European Union Countries	-	-	-	-	-	1.578.899	1.180	26.763	14.272	1	14	-	-	-	-	-	1.621.129
OECD Countries (*)	-	-	-	-	-	212.669	-	-	-	-	-	-	-	-	-	-	212.669
Off-shore Banking Regions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
USA, Canada	-	-	-	-	-	107.874	-	94	-	-	-	-	-	-	-	-	107.968
Other Countries	-	-	-	-	-	49.760	455.828	7.331	6.517	-	261.706	-	-	-	-	-	781.142
Subsidiaries, Associates and Joint Ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	100
Unallocated Assets/Liabilities (**)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	100
Total	39.418.257	-	353.890	-	-	10.714.620	74.035.424	13.669.125	10.591.075	209.537	5.894.359	-	-	-	-	2.163.874	157.050.161

Prepared with the numbers after conversion rate to credit and before Credit Risk Reduction.

(\*) OECD Countries other than EU countries, USA and Canada.

(\*\*) Assets and liabilities that could not be distributed on a consistent basis.

# ZİRAAT KATILIM BANKASI A.Ş.

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

(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)

#### II. EXPLANATIONS ON CREDIT RISK (Continued)

##### Risk Profile by Sectors or Counterparties

Current Period 31.12.2023	Risk Classes																		
	Conditional and unconditional receivables from central governments or central banks	Conditional and unconditional receivables from regional or local governments	Conditional and unconditional receivables from administrative units and non-commercial enterprises	Conditional and unconditional receivables from multilateral development banks	Conditional and unconditional receivables from international organisations	Conditional and unconditional receivables from banks and brokerage houses	Conditional and unconditional corporate receivables	Conditional and unconditional retail receivables	Conditional and unconditional receivables secured by mortgages	Past due receivables	Receivables defined in high risk category by BRSA	Securities collateralised by mortgages	Securitisation positions	Short-term receivables from banks, brokerage houses and corporates	Investments similar to collective investment funds	Other receivables	TRY	FC	Total
Sectors/Counter Parties																			
Agriculture	-	-	-	-	-	-	1.544.430	808.482	634.592	281	41.674	-	-	-	-	-	2.767.385	262.074	3.029.459
Farming and Stockbreeding	-	-	-	-	-	-	1.492.859	678.478	620.465	280	28.327	-	-	-	-	-	2.562.722	257.687	2.820.409
Forestry	-	-	-	-	-	-	46.508	110.794	9.448	1	-	-	-	-	-	-	162.741	4.010	166.751
Fishing	-	-	-	-	-	-	5.063	19.210	4.679	-	13.347	-	-	-	-	-	41.922	377	42.299
Manufacturing	-	-	938.578	-	-	-	61.444.806	7.755.180	3.668.637	88.302	1.927.678	-	-	-	-	-	40.714.754	35.108.427	75.823.181
Mining and Quarrying Production	-	-	-	-	-	-	2.842.771	161.862	162.493	85	79.417	-	-	-	-	-	1.996.417	1.250.211	3.246.628
Manufacturing Industry	-	-	938.578	-	-	-	54.198.436	7.446.007	3.453.577	78.497	1.692.134	-	-	-	-	-	36.557.362	31.249.867	67.807.229
Electric, Gas and Water	-	-	-	-	-	-	4.403.599	147.311	52.567	9.720	156.127	-	-	-	-	-	2.160.975	2.608.349	4.769.324
Construction	-	-	11	-	-	-	18.694.807	3.771.292	3.093.511	35.102	1.687.262	-	-	-	-	-	20.224.547	7.057.438	27.281.985
Services	78.969.631	-	1.789.263	-	-	13.018.706	39.873.886	9.849.740	3.941.789	65.523	2.888.860	-	-	-	-	780.200	100.980.435	50.197.163	151.177.598
Wholesale and Retail Trade	-	-	1.087	-	-	-	26.432.292	7.360.335	2.547.140	51.354	1.856.208	-	-	-	-	-	31.268.938	6.979.478	38.248.416
Hotel Food and Beverage Services	-	-	-	-	-	-	1.778.081	319.401	195.061	801	63.280	-	-	-	-	-	1.968.150	388.474	2.356.624
Transportation and Telecommunication	-	-	1.472.168	-	-	-	1.808.308	651.787	302.808	9.615	54.278	-	-	-	-	-	2.101.320	2.197.644	4.298.964
Financial Institutions	78.969.631	-	187	-	-	13.018.706	2.053.979	21.467	179	-	377.291	-	-	-	-	780.200	56.019.673	39.201.967	95.221.640
Real Estate and Leasing Services	-	-	258.890	-	-	-	6.242.887	1.195.466	729.249	3.713	491.697	-	-	-	-	-	7.728.648	1.193.254	8.921.902
Self Employment Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Education Services	-	-	95	-	-	-	319.227	51.449	88.089	2	504	-	-	-	-	-	442.866	16.500	459.366
Health and Social Services	-	-	56.836	-	-	-	1.239.112	249.835	79.263	38	45.602	-	-	-	-	-	1.450.840	219.846	1.670.686
Other	-	-	3.479	-	-	-	902.120	2.913.883	5.499.235	1.852	513.107	-	-	-	-	3.003.875	9.680.050	3.157.501	12.837.551
Total	78.969.631	-	2.731.331	-	-	13.018.706	122.460.049	25.098.577	16.837.764	191.060	7.058.581	-	-	-	-	3.784.075	174.367.171	95.782.603	270.149.774

Prepared with the numbers after conversion rate to credit and before Credit Risk Reduction.

# ZİRAAT KATILIM BANKASI A.Ş.

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

(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)

#### II. EXPLANATIONS ON CREDIT RISK (Continued)

##### Risk Profile by Sectors or Counterparties(Continued)

Prior Period 31.12.2022	Risk Classes																	TRY	FC	Total
	Conditional and unconditional receivables from central governments or central banks	Conditional and unconditional receivables from regional or local governments	Conditional and unconditional receivables from administrative units and non-commercial enterprises	Conditional and unconditional receivables from multilateral development banks	Conditional and unconditional receivables from international organisations	Conditional and unconditional receivables from banks and brokerage houses	Conditional and unconditional corporate receivables	Conditional and unconditional retail receivables	Conditional and unconditional receivables secured by mortgages	Past due receivables	Receivables defined in high risk category by BRSA	Securities collateralised by mortgages	Securitisation positions	Short-term receivables from banks, brokerage houses and corporates	Investments similar to collective investment funds	Other receivables				
Sectors/Counter Parties																				
Agriculture	-	-	-	-	-	-	463.775	270.596	81.260	597	75	-	-	-	-	-	755.893	60.410	816.303	
Farming and Stockbreeding	-	-	-	-	-	-	358.405	197.899	75.245	594	75	-	-	-	-	-	611.649	20.569	632.218	
Forestry	-	-	-	-	-	-	33.832	67.028	3.807	3	-	-	-	-	-	-	103.452	1.218	104.670	
Fishing	-	-	-	-	-	-	71.538	5.669	2.208	-	-	-	-	-	-	-	40.792	38.623	79.415	
Manufacturing	-	-	271.833	-	-	-	42.055.506	4.145.362	2.159.074	27.791	2.743.668	-	-	-	-	-	29.214.659	22.188.575	51.403.234	
Mining and Quarrying Production	-	-	-	-	-	-	1.546.978	90.293	66.853	59	38.869	-	-	-	-	-	1.039.886	703.166	1.743.052	
Manufacturing Industry	-	-	118.042	-	-	-	36.126.307	3.979.163	2.073.245	20.125	2.419.663	-	-	-	-	-	25.412.867	19.323.678	44.736.545	
Electric, Gas and Water	-	-	153.791	-	-	-	4.382.221	75.906	18.976	7.607	285.136	-	-	-	-	-	2.761.906	2.161.731	4.923.637	
Construction	-	-	11	-	-	-	10.268.715	1.852.258	1.396.645	77.513	592.660	-	-	-	-	-	9.552.530	4.635.272	14.187.802	
Services	38.628.919	-	80.140	-	-	10.714.620	21.056.521	4.972.698	2.504.529	101.997	2.491.052	-	-	-	-	-	50.514.030	30.036.446	80.550.476	
Wholesale and Retail Trade	-	-	161	-	-	-	11.962.553	3.674.240	1.634.780	91.826	1.337.377	-	-	-	-	-	16.335.315	2.365.622	18.700.937	
Hotel Food and Beverage Services	-	-	-	-	-	-	1.170.005	128.824	231.491	3.901	19.560	-	-	-	-	-	1.315.954	237.827	1.553.781	
Transportation and Telecommunication	-	-	-	-	-	-	1.556.151	405.415	109.555	3.625	46.785	-	-	-	-	-	828.559	1.292.972	2.121.531	
Financial Institutions	38.628.919	-	133	-	-	10.708.624	1.238.452	4.076	157	-	389.233	-	-	-	-	-	26.006.183	24.963.411	50.969.594	
Real Estate and Leasing Services	-	-	27.783	-	-	5.996	4.279.925	563.949	427.726	2.626	614.063	-	-	-	-	-	5.034.464	887.604	5.922.068	
Self Employment Services	-	-	-	-	-	-	35.863	41.064	28.355	-	19	-	-	-	-	-	96.270	9.031	105.301	
Education Services	-	-	53	-	-	-	52.660	36.094	41.687	19	371	-	-	-	-	-	114.185	16.699	130.884	
Health and Social Services	-	-	52.010	-	-	-	760.912	119.036	30.778	-	83.644	-	-	-	-	-	783.100	263.280	1.046.380	
Other	789.338	-	1.906	-	-	-	190.907	2.428.211	4.449.567	1.639	66.904	-	-	-	-	-	6.972.975	3.119.371	10.092.346	
Total	39.418.257	-	353.890	-	-	10.714.620	74.035.424	13.669.125	10.591.075	209.537	5.894.359	-	-	-	-	-	97.010.087	60.040.074	157.050.161	

Prepared with the numbers after conversion rate to credit and before Credit Risk Reduction.

**ZİRAAT KATILIM BANKASI A.Ş.****NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF  
31 DECEMBER 2023**

(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)****II. EXPLANATIONS ON CREDIT RISK (Continued)****Analysis of maturity-bearing exposures according to remaining maturities:**

Current Period	Term to Maturity				
	1 Month	1-3 Months	3-6 Months	6-12 Months	Over 1 Year
Exposure Classifications:					
Conditional and unconditional exposures to central governments or central banks	43.734.387	-	-	-	35.235.244
Conditional and unconditional exposures to regional governments or local authorities	-	-	-	-	-
Conditional and unconditional receivables from administrative units and non-commercial enterprises	-	-	-	-	2.731.331
Conditional and unconditional exposures to multilateral development banks	-	-	-	-	-
Conditional and unconditional exposures to international organisations	-	-	-	-	-
Conditional and unconditional exposures to banks and brokerage houses	7.867.604	62.788	16.238	329.880	4.742.196
Conditional and unconditional exposures to corporates	-	-	-	-	122.460.049
Conditional and unconditional retail exposures	-	-	-	-	25.098.577
Conditional and unconditional exposures secured by real estate property	-	-	-	-	16.837.764
Past due receivables	191.060	-	-	-	-
Receivables defined in high risk category by BRSA	372.617	-	-	-	6.685.963
Exposures in the form of bonds secured by mortgages	-	-	-	-	-
Securitization Positions	-	-	-	-	-
Short term exposures to banks, brokerage houses and corporates	-	-	-	-	-
Exposures in the form of collective investment undertakings	-	-	-	-	-
Other receivables	3.784.075	-	-	-	-
<b>Grand Total</b>	<b>55.949.743</b>	<b>62.788</b>	<b>16.238</b>	<b>329.880</b>	<b>213.791.124</b>

Prepared with the numbers after conversion rate to credit and before Credit Risk Reduction.

Prior Period	Term to Maturity				
	1 Month	1-3 Months	3-6 Months	6-12 Months	Over 1 Year
Exposure Classifications:					
Conditional and unconditional exposures to central governments or central banks	16.591.284	266.243	362.832	2.282.495	19.915.403
Conditional and unconditional exposures to regional governments or local authorities	-	-	-	-	-
Conditional and unconditional receivables from administrative units and non-commercial enterprises	231	19.822	196.145	31.176	106.516
Conditional and unconditional exposures to multilateral development banks	-	-	-	-	-
Conditional and unconditional exposures to international organisations	-	-	-	-	-
Conditional and unconditional exposures to banks and brokerage houses	10.691.293	-	11.197	883	11.247
Conditional and unconditional exposures to corporates	14.658.943	10.410.927	9.544.206	14.911.035	24.510.313
Conditional and unconditional retail exposures	1.822.919	1.068.392	1.517.479	4.187.067	5.073.268
Conditional and unconditional exposures secured by real estate property	562.736	445.205	467.280	1.583.067	7.532.787
Past due receivables	209.537	-	-	-	-
Receivables defined in high risk category by BRSA	1.438.429	1.100.496	1.611.721	1.287.363	456.350
Exposures in the form of bonds secured by mortgages	-	-	-	-	-
Securitization Positions	-	-	-	-	-
Short term exposures to banks, brokerage houses and corporates	-	-	-	-	-
Exposures in the form of collective investment undertakings	-	-	-	-	-
Other receivables	2.163.874	-	-	-	-
<b>Grand Total</b>	<b>48.139.246</b>	<b>13.311.085</b>	<b>13.710.860</b>	<b>24.283.086</b>	<b>57.605.884</b>

Prepared with the numbers after conversion rate to credit and before Credit Risk Reduction.

## ZİRAAT KATILIM BANKASI A.Ş.

### NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

(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)

##### II. EXPLANATIONS ON CREDIT RISK (Continued)

For the foreign banks, the ratings of the Fitch Ratings International Rating Agency is used for determining the risk weights for the risk classes by using a rating grade from the risk classes specified in Article 6 of the Regulation on Measurement and Evaluation of Capital Adequacy of Banks. While the international rating score is taken into consideration for the entire risk class receivables from central governments or central banks, the ratings of the Islamic International Rating Agency (IIRA) are used. The country risk classification published by the Organization for Economic Cooperation and Development (OECD) is taken as basis for unclassified central government and central banks. The counter parties residing domestically are accepted as "Gradeless" and take the risk weight which is appropriate for the "Gradeless" category in the related risk class.

Rating grades;

1. Receivables from Central Governments or Central Banks
2. Receivables from Regional Governments or Local Governments
3. Receivables from Administrative Units and Non-Commercial Enterprises
4. Receivables from Banks and Intermediary Institutions

are used in risk classes.

In the risk classes of Receivables from Central Governments or Central Banks, Receivables from Regional Governments or Local Governments, and Receivables from Administrative Units and Non-Commercial Initiatives, the grade given by Fitch Ratings International Rating Agency corresponds to the credit quality level 3, while the grades used in the Credit from Banks and Intermediary Institutions risk class match with all credit quality levels from 1 to 6.

In order to determine the risk weight of regarding items that export or issuer rating not included to purchase/sale accounts is firstly considered to export rating, and also issuer's credit rating is considered in the absence of export rating.

##### Exposures by risk weights:

Current Period													
	Risk Weights	0%	10%	20%	35%	50%	75%	100%	150%	200%	250%	Other Risk Weights	Deductions from Equity
1	Exposures before Credit Risk Mitigation	88.321.480	-	12.771.948	7.613.818	10.557.702	24.908.802	127.673.296	867.077	5.795.622	-	395.882	1.614.845
2	Exposures after Credit Risk Mitigation	110.199.464	-	13.961.064	7.613.818	11.460.391	19.433.473	109.178.837	867.077	5.795.622	-	395.882	1.614.845

Prepared with the numbers after conversion rate to credit.

Prior Period													
	Risk Weights	0%	10%	20%	35%	50%	75%	100%	150%	200%	250%	Other Risk Weights	Deductions from Equity
1	Exposures before Credit Risk Mitigation	55,193,139	-	10,088,701	5,378,280	5,445,517	13,653,511	76,407,094	324,150	5,566,567	-	3,642	440,628
2	Exposures after Credit Risk Mitigation	61,333,990	-	10,987,130	5,378,280	5,445,517	11,730,807	71,290,518	324,150	5,566,567	-	3,642	440,628

Prepared with the numbers after conversion rate to credit.

**ZİRAAT KATILIM BANKASI A.Ş.****NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF  
31 DECEMBER 2023**

(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)****II. EXPLANATIONS ON CREDIT RISK (Continued)****Information in terms of major sectors and type of counter parties**

**Impaired Loans;** These are loans that are overdue for more than 90 days as of the end of the reporting period or are deemed to be impaired due to their credibility. For these loans, "Expected Credit Loss" (Third Stage) calculation is made within the scope of TFRS 9.

**Non-Performing Loans;** Loans that are overdue up to 90 days as of the end of the reporting period, but are not impaired. For these loans, "Expected Credit Loss" (Second Stage) calculation is made within the scope of TFRS 9.

	Loans		Provisions
	Impaired (TFRS 9)		
Current Period 31.12.2023	Significant Increase in Credit Risk (Stage 2)	Non-performing loans (Stage 3)	2nd and 3rd Stage Loan Provisions
<b>Agriculture</b>	34.400	14.615	15.712
Farming and Stockbreeding	28.661	10.882	11.139
Forestry	5.739	3.151	4.050
Fishery	-	582	523
<b>Manufacturing</b>	2.311.500	769.856	1.004.542
Mining and Quarrying	648.899	18.514	107.141
Production	1.464.699	735.191	852.123
Electricity, Gas and Water	197.902	16.151	45.278
<b>Construction</b>	1.366.726	570.208	705.600
<b>Services</b>	1.040.217	579.589	782.551
Wholesale and Retail Trade	498.956	511.145	665.069
Accommodation and Dining	190.849	2.400	30.450
Transportation and Telecom.	11.896	33.297	28.500
Financial Institutions	99.243	1.238	1.090
Real Estate and Rental Services	233.778	22.038	54.285
Professional Services	70	140	101
Educational Services	4.753	37	941
Health and Social Services	672	9.294	2.115
<b>Other</b>	160.116	6.682	30.492
<b>Total</b>	<b>4.912.959</b>	<b>1.940.950</b>	<b>2.538.897</b>

	Loans		Provisions
	Impaired (TFRS 9)		
Prior Period 31.12.2022	Significant Increase in Credit Risk (Stage 2)	Non-performing loans (Stage 3)	2nd and 3rd Stage Loan Provisions
<b>Agriculture</b>	5.613	17.124	13.850
Farming and Stockbreeding	5.507	12.293	9.627
Forestry	-	4.371	3.763
Fishery	106	460	460
<b>Manufacturing</b>	1.153.464	617.186	749.774
Mining and Quarrying	736.560	12.474	114.361
Production	416.904	590.702	629.011
Electricity, Gas and Water	-	14.010	6.402
<b>Construction</b>	543.390	711.116	638.706
<b>Services</b>	818.150	526.559	612.052
Wholesale and Retail Trade	347.139	473.099	515.633
Accommodation and Dining	165.262	2.828	26.422
Transportation and Telecom.	9.390	24.362	21.063
Financial Institutions	126.355	5.577	22.554
Real Estate and Rental Services	120.746	20.533	19.196
Professional Services	331	90	100
Educational Services	6.089	26	876
Health and Social Services	42.838	44	6.208
<b>Other</b>	86.576	3.756	19.651
<b>Total</b>	<b>2.607.193</b>	<b>1.875.741</b>	<b>2.034.033</b>

**ZİRAAT KATILIM BANKASI A.Ş.****NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF  
31 DECEMBER 2023**

(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)****II. EXPLANATIONS ON CREDIT RISK (Continued)****Information about Value Adjustment and Change in Provisions:**

<b>Current Period (*) 31.12.2023</b>		<b>Opening Balance</b>	<b>Provision for Period</b>	<b>Provision Reversals</b>	<b>Other Adjustments</b>	<b>Closing Balance</b>
1	Stage 3 Provisions	1.595.446	404.148	(317.588)	-	1.682.006
2	Stage 1 and 2 Provisions	1.121.590	1.376.373	(341.314)	-	2.156.649

<b>Prior Period (*) 31.12.2022</b>		<b>Opening Balance</b>	<b>Provision for Period</b>	<b>Provision Reversals</b>	<b>Other Adjustments</b>	<b>Closing Balance</b>
1	Stage 3 Provisions	1.337.712	426.273	(168.539)	-	1.595.446
2	Stage 1 and 2 Provisions	397.184	812.062	(87.656)	-	1.121.590

(\*) Provisions for expected losses allocated for financial lease receivables are included.

The table below shows the maximum credit sensitivity of the financial statement items.

	<b>Current Period 31.12.2023</b>	<b>Prior Period 31.12.2022</b>
Financial Assets at Fair Value Through Profit / Loss	3.812.067	2.133.604
Banks	13.029.805	13.251.320
Money Markets Receivables	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	17.494.089	19.757.956
Financial Assets Measured at Amortised Cost	21.830.293	5.323.943
Loans Given	207.124.983	123.622.944
Financial lease receivables	52.645.704	21.235.324
Other Assets	68.319.664	28.018.499
<b>Credit risk sensitivity of balance sheet items</b>	<b>384.256.605</b>	<b>213.343.590</b>
Guarantees and Sureties	78.330.533	45.191.482
Commitments	7.453.282	2.830.404
<b>Credit risk sensitivity of off-balance sheet items</b>	<b>85.783.815</b>	<b>48.021.886</b>
<b>Total credit risk sensitivity</b>	<b>470.040.420</b>	<b>261.365.476</b>

**Information on credit quality by financial asset class:**

	<b>Current Period 31.12.2023</b>			<b>Prior Period 31.12.2022</b>		
	<b>Not Overdue and Not Impaired</b>	<b>Overdue and Not Impaired</b>	<b>Total</b>	<b>Not Overdue and Not Impaired</b>	<b>Overdue and Not Impaired</b>	<b>Total</b>
<b>Financial Assests</b>						
Banks	13.029.805	-	13.029.805	13.251.320	-	13.251.320
Financial Assets at Fair Value Through Profit / Loss	3.812.067	-	3.812.067	2.133.604	-	2.133.604
Loans Given:	256.755.432	4.912.960	261.668.392	143.092.370	2.607.193	145.699.563
Corporate / Entrepreneurial Loans	243.756.361	4.757.337	248.513.698	133.618.887	2.523.906	136.142.793
Personal Loans	12.999.071	155.623	13.154.694	9.473.483	83.287	9.556.770
Specialized Loans	-	-	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	17.547.002	-	17.547.002	19.810.297	-	19.810.297
Financial Assets Measured at Amortised Cost	21.830.293	-	21.830.293	5.323.943	-	5.323.943



## ZİRAAT KATILIM BANKASI A.Ş.

### NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

(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)

#### III. RISKS INCLUDED CAPITAL CAPACITY BUFFER CALCULATIONS

According to the Board decision published by the BRSA, the transactions between banks are not included in the Cyclical Capital Buffer rate calculation. In this context, as of December 31, 2023, the cyclical capital buffer ratio, which is calculated as a result of the Bank's receivables from abroad, other than Banks, is 0%. The geographical distribution of receivables from the private sector, which is taken into account in the calculation of the cyclical capital buffer specific to the bank, is explained in the table below:

Current Period 31.12.2023			
Country	Banking accounts RWA	Trading accounts RWA	Total
Marshall Island	529.617	-	529.617
Liberia	98.501	-	98.501
United Arab Emirates	21.982	-	21.982
Germany	14.413	-	14.413
England	6.475	-	6.475
Holland	4.937	-	4.937
Saudi Arabia	4.515	-	4.515
Macedonia	1.333	-	1.333
Kazakhstan	888	-	888
Bosnia and Herzegovina	523	-	523
Other	1.597	-	1.597

Prior Period 31.12.2022			
Country	Banking accounts RWA	Trading accounts RWA	Total
Marshall Island	339.350	-	339.350
United Arab Emirates	21.602	-	21.602
Germany	15.448	-	15.448
England	7.259	-	7.259
Holland	3.950	-	3.950
Saudi Arabia	3.353	-	3.353
Bosnia and Herzegovina	2.370	-	2.370
Macedonia	1.232	-	1.232
Kazakhstan	975	-	975
Qatar	467	-	467
Other	1.503	-	1.503

#### IV. EXPLANATIONS ON CURRENCY RISK

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

The Bank's policy is to avoid carrying significant position by means of foreign currency management. Therefore, the Bank is not exposed to significant currency risks. In addition to monitoring the currency risk through the currency risk table created within the scope of the standard method, the "Value at Risk" ("VAR") is calculated for the purpose of monitoring the foreign currency position at the Bank.

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:**

Periodic "Liquidity Gap Analysis" is carried out to determine liquidity risks in US Dollar and Euro, the most important foreign currencies in which the Bank operates. In addition, Foreign Currency Net General Position/Equity ratio and Foreign Currency Liquidity Position are regularly monitored within the scope of daily VaR analyzes and legal reporting to monitor exchange rate risk.

## ZİRAAT KATILIM BANKASI A.Ş.

### NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

(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)

##### IV. EXPLANATIONS ON CURRENCY RISK (Continued)

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

	USD	EUR	AUD	DKK	SEK	CHF	CAD	NOK	GBP	SAR	100JPY
31.12.2023	29,4201	32,5510	19,9384	4,3464	2,9107	35,0134	22,0229	2,8884	37,4496	7,7867	20,5800
29.12.2023	29,4201	32,5510	19,9384	4,3464	2,9107	35,0134	22,0229	2,8884	37,4496	7,7867	20,5800
28.12.2023	29,3427	32,5729	19,9758	4,3489	2,9349	35,0623	22,0175	2,8840	37,4643	7,7664	20,6390
27.12.2023	29,3350	32,5586	19,9677	4,3460	2,9245	34,4226	22,0134	2,8866	37,4721	7,7636	20,3660
26.12.2023	29,2739	32,2741	19,8358	4,3082	2,8991	34,1661	21,9393	2,8531	37,1892	7,7466	20,3550
25.12.2023	28,8167	31,7354	19,5145	4,2362	2,8611	33,5775	21,5201	2,8066	36,5852	7,6248	20,0380

###### 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
28,8680	31,5198	19,2382	4,2074	2,8028	33,3457	21,3280	2,7324	36,5390	7,6384	19,8800

##### Information on the foreign currency risk of the Bank

	EUR	USD	Other FC <sup>(*)</sup>	Total
<b>Current Period</b>				
<b>Assets</b>				
Cash (Cash in vault, effectives, money in transit, cheques purchased) and balances with Central Bank of the Republic of Turkey	12,953.165	19,932.499	3,547.877	36,433.541
Banks	2,404.978	1,227.671	9,282.594	12,915.243
Financial assets at fair value through profit and loss	-	-	3,812.067	3,812.067
Money market placements	-	-	-	-
Financial assets at fair value through other comprehensive income	489.671	3,126.871	-	3,616.542
Loans <sup>(*)</sup>	44,211.373	54,901.088	1,228	99,113.689
Partnership Investments	-	-	-	-
Financial assets measured at amortised cost	4,456.177	-	-	4,456.177
Derivative financial assets for hedging purposes	-	-	-	-
Tangible fixed assets	-	4,405	1,435	5,840
Intangible assets	-	-	-	-
Other assets <sup>(****)</sup>	86.827	41,252	181,651	309,730
<b>Total assets</b>	<b>64,602.191</b>	<b>79,233.786</b>	<b>16,826.852</b>	<b>160,662.829</b>
<b>Liabilities</b>				
Current account and funds collected from Banks via participation accounts	660	8,154	-	8,814
Current and profit sharing accounts FC	47,424.771	55,534.535	16,363.328	119,322.634
Money market borrowings	-	10,528.455	-	10,528.455
Funds provided from other financial institutions	5,389.913	17,411.492	-	22,801.405
Marketable securities issued	-	-	-	-
Miscellaneous Payables	718.487	338.764	3,573	1,060.824
Derivative financial liabilities for hedging purposes	-	-	-	-
Other liabilities <sup>(****)</sup>	5,420.801	660.897	197.650	6,279.348
<b>Total liabilities</b>	<b>58,954.632</b>	<b>84,482.297</b>	<b>16,564.551</b>	<b>160,001.480</b>
<b>Net balance sheet position</b>	<b>5,647.559</b>	<b>(5,248.511)</b>	<b>262.301</b>	<b>661.349</b>
<b>Net off-balance sheet position<sup>(**)</sup></b>	<b>(5,533.670)</b>	<b>5,358.368</b>	<b>-</b>	<b>(175.302)</b>
Financial derivative assets	976.530	6,380.356	-	7,356.886
Financial derivative liabilities	6,510.200	1,021.988	-	7,532.188
<b>Non cash loans</b>	<b>17,170.349</b>	<b>21,151.158</b>	<b>1,665.621</b>	<b>39,987.128</b>
<b>Prior Period</b>				
Total assets	34,862.521	46,065.145	7,663.457	88,591.123
Total liabilities	31,644.082	44,780.856	7,469.463	83,894.401
<b>Net balance sheet position</b>	<b>3,218.439</b>	<b>1,284.289</b>	<b>193.994</b>	<b>4,696.722</b>
<b>Net off-balance sheet position</b>	<b>(2,993.145)</b>	<b>(1,964.608)</b>	<b>-</b>	<b>(4,957.753)</b>
Financial derivative assets	-	2,934.895	-	2,934.895
Financial derivative liabilities	2,993.145	4,899.503	-	7,892.648
<b>Non cash loans</b>	<b>10,299.536</b>	<b>12,324.700</b>	<b>997.528</b>	<b>23,621.764</b>

(\*) Foreign currency indexed loans amounting to 108,158 TRY (31 December 2022: 163,733 TRY) followed in TRY in the unconsolidated financial statements are shown with the relevant foreign currency code. Includes receivables from leasing transactions.

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

(\*\*\*) 88% of the currencies in the other FC column of the Assets section consist of Gold, 2% consists of GBP, 1% consists of CHF and the remaining 9% consists of other currencies. 89% of the foreign currencies in the FC column of the Liabilities section consists of Gold, 2% consists of GBP, 1% consists of CHF and the remaining 8% consists of other currencies. (\*\*\*\*) Provisions and liabilities from lease transactions are included. (\*\*\*\*\*) Prepaid expenses amounting to 33,472 TRY within other assets are not included in the table.

##### V. 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 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 2022: TRY 52.341).

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

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

**VI. 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 Bank performs Remaining Maturity Analysis for the observation of the maturity structure of the balance sheet, 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. The main subject of the liquidity stress test is "Sudden Participation Fund Draws" and "Exchange Rate Changes". 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 Bank calculates and reports the liquidity adequacy ratio to BRSA on weekly unconsolidated basis in accordance with "Regulation for Regulation on Banks' Liquidity Coverage Ratio Calculation" issued in Official Gazette numbered 28948 and dated 21 March 2014. The liquidity coverage of the Bank is over the limit values specified in the mentioned regulation.

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

**1) LIQUIDITY RISK:**

**a) Basis for the current liquidity risk of the 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 Banks 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 bank, TRY and FC liquidity meets its needs mostly from the funds collected, internal and external sources that can be used in an emergencies 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.

**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.

## ZİRAAT KATILIM BANKASI A.Ş.

### NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

(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)

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

###### 1) LIQUIDITY RISK (Continued)

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

Although 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 banks 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

The "Liquidity Coverage Ratio", which was established to ensure that banks maintain a high-quality liquid asset stock sufficient to cover their net cash outflows, is calculated within the framework of the "Regulation on the Calculation of the Liquidity Coverage Ratio of Banks" published by the BRSA. Liquidity Coverage Ratio is directly affected by the level of liquid assets of the Bank that can be converted into cash at any time and not subject to any collateral, and the possible net cash inflows and outflows arising from the Bank's assets, liabilities and off-balance sheet transactions.

The Bank's high quality liquid asset stock; In addition to cash assets and accounts at the CBRT, it mainly consists of debt securities issued by the Turkish Treasury and Finance Bank and not subject to sales with the promise of repurchase or collateral.

The Bank's main funding source is the participation fund. Among non-participation fund borrowing items; Funds obtained from sales transactions with promise of repurchase and borrowings obtained from financial institutions are included.

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 in the fourth quarter of 2023 are listed in the table below.

Current Period	Highest	Date	Lowest	Date
TRY+FC	175,76	15.12.2023	102,66	05.11.2023
FC	454,47	12.12.2023	179,98	15.10.2023

**ZİRAAT KATILIM BANKASI A.Ş.****NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF  
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**EXPLANATIONS RELATED TO THE FINANCIAL POSITION AND RISK MANAGEMENT  
OF THE BANK (Continued)****VI. 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 day basis time slots.

Current Period 31 December 2023	Consideration Ratio Not Applied Total Value (*)		Consideration Ratio Applied Total Value (*)	
	TRY+FC	FC	TRY+FC	FC
<b>HIGH QUALITY LIQUID ASSETS</b>				
High quality liquid assets	-	-	70.703.465	42.033.221
<b>CASH OUTFLOWS</b>				
Real person deposits and retail deposits	112.038.491	50.097.825	11.026.437	5.119.128
Stable deposit	9.168.921	-	458.446	-
Deposit with low stability	102.869.570	50.097.825	10.567.991	5.119.128
Unsecured debts except real person deposits and retail deposits	150.275.922	57.215.325	72.784.603	25.862.898
Operational deposit	-	-	-	-
Non-operational deposits	-	-	-	-
Other unsecured debts	150.275.922	57.215.325	72.784.603	25.862.898
Secured debts	-	-	-	-
Other cash outflows	91.960.822	47.907.822	14.212.213	11.304.423
Derivative liabilities and margin obligations	10.486.000	8.952.470	9.276.982	8.952.470
Debt from structured financial instruments	-	-	-	-
Other off-balance sheet liabilities and commitments for the payment owed to financial markets	2.915.298	1.476.225	1.007.255	477.997
Revocable off-balance sheet obligations regardless of any other requirement and other contractual obligations	-	-	-	-
Other irrevocable or provisory revocable off- balance sheet liabilities	78.559.524	37.479.127	3.927.976	1.873.956
<b>TOTAL CASH OUTFLOWS</b>	-	-	<b>98.023.253</b>	<b>42.286.449</b>
<b>CASH INFLOWS</b>				
Secured receivables	-	-	-	-
Unsecured claims	49.675.741	28.616.257	35.159.703	23.567.452
Other cash inflows	9.686.586	5.190.446	9.686.586	5.190.446
<b>TOTAL CASH INFLOWS</b>	<b>59.362.327</b>	<b>33.806.703</b>	<b>44.846.289</b>	<b>28.757.898</b>
	Applied maximum rate values			
<b>TOTAL HIGH QUALITY LIQUID ASSET STOCK</b>	-	-	<b>70.703.465</b>	<b>42.033.221</b>
<b>TOTAL NET CASH OUTFLOWS</b>	-	-	<b>53.176.965</b>	<b>13.528.552</b>
<b>LIQUIDITY COVERAGE RATIO (%)</b>	-	-	<b>133</b>	<b>311</b>

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

**ZİRAAT KATILIM BANKASI A.Ş.****NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF  
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**EXPLANATIONS RELATED TO THE FINANCIAL POSITION AND RISK MANAGEMENT  
OF THE BANK (Continued)****VI. EXPLANATIONS RELATED TO LIQUIDITY RISK MANAGEMENT AND LIQUIDITY  
COVERAGE RATIO (Continued)****2) LIQUIDITY COVERAGE RATIO (Continued)**

Prior Period 31 December 2022	Consideration Ratio Not Applied Total Value (*)		Consideration Ratio Applied Total Value (*)	
	TRY+FC	FC	TRY+FC	FC
<b>HIGH QUALITY LIQUID ASSETS</b>				
High quality liquid assets	-	-	35.399.664	20.894.954
<b>CASH OUTFLOWS</b>				
Real person deposits and retail deposits	54.779.081	30.878.410	5.491.139	3.199.219
Stable deposit	5.247.141	-	262.357	-
Deposit with low stability	49.531.940	30.878.410	5.228.782	3.199.219
Unsecured debts except real person deposits and retail deposits	77.363.285	31.097.487	36.300.319	13.932.045
Operational deposit	-	-	-	-
Non-operational deposits	-	-	-	-
Other unsecured debts	77.363.285	31.097.487	36.300.319	13.932.045
Secured debts	-	-	-	-
Other cash outflows	47.951.276	26.986.674	7.527.606	6.128.931
Derivative liabilities and margin obligations	5.782.112	4.479.030	4.828.082	4.479.030
Debt from structured financial instruments	-	-	-	-
Other off-balance sheet liabilities and commitments for the payment owed to financial markets	1.738.426	1.829.199	677.987	615.979
Revocable off-balance sheet obligations regardless of any other requirement and other contractual obligations	-	-	-	-
Other irrevocable or provisory revocable off-balance sheet liabilities	40.430.738	20.678.445	2.021.537	1.033.922
<b>TOTAL CASH OUTFLOWS</b>	-	-	<b>49.319.064</b>	<b>23.260.195</b>
<b>CASH INFLOWS</b>				
Secured receivables	-	-	-	-
Unsecured claims	25.309.625	14.469.279	17.867.325	12.302.886
Other cash inflows	4.893.249	2.500.647	4.893.249	2.500.647
<b>TOTAL CASH INFLOWS</b>	<b>30.202.874</b>	<b>16.969.926</b>	<b>22.760.574</b>	<b>14.803.533</b>
	<b>Applied maximum rate values</b>			
<b>TOTAL HIGH QUALITY LIQUID ASSET STOCK</b>	-	-	<b>35.399.664</b>	<b>20.894.954</b>
<b>TOTAL NET CASH OUTFLOWS</b>	-	-	<b>26.558.490</b>	<b>8.456.663</b>
<b>LIQUIDITY COVERAGE RATIO (%)</b>	-	-	<b>133</b>	<b>247</b>

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

# ZİRAAT KATILIM BANKASI A.Ş.

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

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

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

##### 2) LIQUIDITY COVERAGE RATIO (Continued)

##### 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
<b>Current Period 31 December 2023</b>								
<b>Assets</b>								
Cash (Cash in Vault, Effectives, Money in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey	28.525.911	32.105.103	-	-	-	-	-	60.631.014
Banks	13.028.064	-	-	-	-	-	-	13.028.064
Financial Assets at Fair Value Through Profit and Loss	-	-	396.317	2.633.306	782.444	-	-	3.812.067
Money Market Placements	-	-	-	-	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	-	16.408	646.029	3.283.336	12.031.106	1.517.210	52.913	17.547.002
Loans Given (***)	-	27.104.688	38.666.646	83.201.885	93.869.002	16.669.522	258.944	259.770.687
Financial Assets Measured at Amortised Cost	-	-	54.350	3.364.067	14.205.227	4.206.649	-	21.830.293
Other Assets	-	-	-	-	-	-	7.637.478	7.637.478
<b>Total Assets(*)</b>	<b>41.553.975</b>	<b>59.226.199</b>	<b>39.763.342</b>	<b>92.482.594</b>	<b>120.887.779</b>	<b>22.393.381</b>	<b>7.949.335</b>	<b>384.256.605</b>
<b>Liabilities</b>								
Funds Collected from Banks Via Current and Participation Accounts	3.553.912	-	2.555.514	-	-	-	-	6.109.426
Current and Participation Accounts	55.898.828	165.885.221	41.458.742	34.178.918	841.239	-	-	298.262.948
Funds Provided from Other Financial Instruments	-	6.749.210	6.809.545	1.999.807	18.108.590	1.221.825	-	34.888.977
Money Market Borrowings	-	10.964.133	-	-	-	-	-	10.964.133
Issued Marketable Securities (***)	-	-	-	-	-	-	-	-
Miscellaneous Payables	-	-	-	-	-	-	1.906.544	1.906.544
Other Liabilities	-	-	-	-	-	1.341.987	30.782.590	32.124.577
<b>Total Liabilities</b>	<b>59.452.740</b>	<b>183.598.564</b>	<b>50.823.801</b>	<b>36.178.725</b>	<b>18.949.829</b>	<b>2.563.812</b>	<b>32.689.134</b>	<b>384.256.605</b>
<b>Liquidity Gap</b>	<b>(17.898.765)</b>	<b>(124.372.365)</b>	<b>(11.060.459)</b>	<b>56.303.869</b>	<b>101.937.950</b>	<b>19.829.569</b>	<b>(24.739.799)</b>	<b>-</b>
<b>Net Off-Balance Sheet Position</b>	<b>-</b>	<b>(796)</b>	<b>(129.591)</b>	<b>5.097</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(125.290)</b>
Receivables From Derivative Financial Instruments	-	976.530	6.388.495	41.873	-	-	-	7.406.898
Financial Derivative Liabilities	-	977.326	6.518.086	36.776	-	-	-	7.532.188
<b>Non-Cash Loans</b>	<b>16.599.290</b>	<b>6.620.773</b>	<b>6.937.164</b>	<b>25.513.580</b>	<b>15.004.322</b>	<b>7.655.404</b>	<b>-</b>	<b>78.330.533</b>

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

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

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

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

# ZİRAAT KATILIM BANKASI A.Ş.

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

(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)

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

##### 2) LIQUIDITY COVERAGE RATIO (Continued)

##### 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
<b>Prior Period</b>								
<b>31 December 2022</b>								
<b>Assets</b>								
Cash (Cash in Vault, Effectives, Money in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey	10.739.314	14.214.562	-	-	-	-	-	24.953.876
Banks	10.393.954	2.856.612	-	-	-	-	-	13.250.566
Financial Assets at Fair Value Through Profit and Loss	-	-	-	-	2.133.604	-	-	2.133.604
Money Market Placements	-	-	-	-	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	-	30.499	627.092	3.681.833	13.146.001	2.272.531	52.341	19.810.297
Loans Given (****)	-	11.892.416	22.170.993	48.174.367	47.655.682	14.684.515	280.295	144.858.268
Financial Assets Measured at Amortised Cost	-	-	-	-	2.037.537	3.286.406	-	5.323.943
Other Assets	-	-	-	-	-	-	3.013.036	3.013.036
<b>Total Assets(*)</b>	<b>21.133.268</b>	<b>28.994.089</b>	<b>22.798.085</b>	<b>51.856.200</b>	<b>64.972.824</b>	<b>20.243.452</b>	<b>3.345.672</b>	<b>213.343.590</b>
<b>Liabilities</b>								
Funds Collected from Banks Via Current and Participation Accounts	4.139.193	654.156	-	-	-	-	-	4.793.349
Current and Participation Accounts	34.372.356	76.477.299	46.038.191	11.347.111	110.892	-	-	168.345.849
Funds Provided from Other Financial Instruments	-	2.854.424	3.357.591	2.184.951	1.507.811	-	-	9.904.777
Money Market Borrowings	-	7.555.999	-	-	-	-	-	7.555.999
Issued Marketable Securities (***)	-	-	-	-	-	-	-	-
Miscellaneous Payables	-	-	-	-	-	-	2.059.991	2.059.991
Other Liabilities	-	-	-	-	-	1.341.748	19.341.877	20.683.625
<b>Total Liabilities</b>	<b>38.511.549</b>	<b>87.541.878</b>	<b>49.395.782</b>	<b>13.532.062</b>	<b>1.618.703</b>	<b>1.341.748</b>	<b>21.401.868</b>	<b>213.343.590</b>
<b>Liquidity Gap</b>	<b>(17.378.281)</b>	<b>(58.547.789)</b>	<b>(26.597.697)</b>	<b>38.324.138</b>	<b>63.354.121</b>	<b>18.901.704</b>	<b>(18.056.196)</b>	<b>-</b>
<b>Net Off-Balance Sheet Position</b>	<b>-</b>	<b>(40.199)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(40.199)</b>
Receivables From Derivative Financial Instruments	-	7.852.449	-	-	-	-	-	7.852.449
Financial Derivative Liabilities	-	7.892.648	-	-	-	-	-	7.892.648
<b>Non-Cash Loans</b>	<b>7.551.694</b>	<b>3.602.090</b>	<b>4.642.768</b>	<b>18.453.750</b>	<b>9.017.797</b>	<b>1.923.383</b>	<b>-</b>	<b>45.191.482</b>

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

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

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

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



## ZİRAAT KATILIM BANKASI A.Ş.

### NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

(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)

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

##### Presentation of liabilities according to their remaining maturities

Current Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Total
Banks special current account and participation accounts	3.553.912	2.555.514	-	-	-	6.109.426
Other special current account and participation accounts	221.784.049	41.458.742	34.178.918	841.239	-	298.262.948
Funds borrowed from other financial institutions	6.749.210	6.809.545	1.999.807	18.108.590	1.221.825	34.888.977
Funds borrowed from Interbank money market	10.964.133	-	-	-	-	10.964.133
<b>Total</b>	<b>243.051.304</b>	<b>50.823.801</b>	<b>36.178.725</b>	<b>18.949.829</b>	<b>1.221.825</b>	<b>350.225.484</b>
<b>Prior Period</b>						
Banks special current account and participation accounts	4.793.349	-	-	-	-	4.793.349
Other special current account and participation accounts	110.849.655	46.038.191	11.347.111	110.892	-	168.345.849
Funds borrowed from other financial institutions	2.854.424	3.357.591	2.184.951	1.507.811	-	9.904.777
Funds borrowed from Interbank money market	7.555.999	-	-	-	-	7.555.999
<b>Total</b>	<b>126.053.427</b>	<b>49.395.782</b>	<b>13.532.062</b>	<b>1.618.703</b>	<b>-</b>	<b>190.599.974</b>

#### VII. EXPLANATIONS ON LEVERAGE RATIO

As of 31 December 2023, the leverage ratio of the Bank calculated from the average of three months is 4,38% (31 December 2021: 5,39%). The relevant ratio is above the minimum rate specified by the Regulation on Measurement and Assessment of Leverage Level of Banks. The reason for the change between the current period and the previous period's leverage ratio is that the average total risk increase rate is higher than the increase in average capital. The regulation stipulated the minimum leverage ratio as 3%.

##### Leverage ratio disclosure as follows:

	Current Period <sup>(*)</sup> 31 December 2023	Prior Period <sup>(*)</sup> 31 December 2022
<b>Balance sheet assets</b>		
Balance sheet assets (Except for derivative financial instruments and credit derivatives, including warranties)	366.459.646	201.004.200
(Assets deducted from main capital)	(2.841.169)	(665.966)
Total risk amount of the balance sheet assets	363.618.477	200.338.234
<b>Derivative financial instruments and credit derivatives</b>		
Replacement cost of derivative financial instruments and credit derivatives	20.393	9.749
Potential credit risk amount of derivative financial instruments and credit derivatives	85.902	42.533
Total risk amount of derivative financial instruments and credit derivative	106.295	52.282
<b>Security or secured financing transactions</b>		
Risk amount of security or secured financing transactions (Except balance sheet)	12.392.818	6.848.604
Risk amount due to intermediated transactions	-	-
Total risk amount of security or secured financing transactions	12.392.818	6.848.604
<b>Off-balance sheet transactions</b>		
Gross nominal amount of off-balance sheet transactions	83.884.553	45.415.562
(Adjustment amount resulting from multiplying by credit conversion rates)	-	-
Risk amount of the off-balance sheet transactions	83.884.553	45.415.562
<b>Equity and total risk</b>		
Main capital	20.156.171	13.603.083
Total risk amount	460.044.660	252.675.595
<b>Leverage ratio</b>		
Leverage ratio %	4,38	5,39

(\*) Three month average of the amounts in the table are taken into account

## ZİRAAT KATILIM BANKASI A.Ş.

### NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

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

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

##### VIII. EXPLANATIONS ON SECURITIZATION POSITIONS

None.

##### IX. 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 our bank, our 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 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.

**ZİRAAT KATILIM BANKASI A.Ş.****NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF  
31 DECEMBER 2023**

(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)****IX. EXPLANATIONS ON RISK MANAGEMENT (Continued)****1. Explanations on Risk Management and Risk Weighted Assets****Overview of Risk Weighted Assets**

		Risk Weighted Amount		Minimum Capital Requirement
		Current Period 31 December 2023	Prior Period 31 December 2022	Current Period 31 December 2023
1	Credit risk (excluding counter party credit risk)	149.737.660	98.465.952	11.979.013
2	Standardized approach	149.737.660	98.465.952	11.979.013
3	Internal rating-based approach	-	-	-
4	Counter party credit risk	107.754	108.268	8.620
5	Standardized approach for counter party credit risk	107.754	108.268	8.620
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	-	-	-
10	Investments made in collective investment companies - 1250% weighted risk approach	-	-	-
11	Settlement risk	-	-	-
12	Securitization positions in banking accounts	-	-	-
13	IRB ratings-based approach	-	-	-
14	IRB supervisory formula approach	-	-	-
15	SA/simplified supervisory formula approach	-	-	-
16	Market risk	2.348.348	918.455	187.868
17	Standardized approach	2.348.348	918.455	187.868
18	Internal model approaches	-	-	-
19	Operational risk	8.424.411	3.633.740	673.953
20	Basic indicator approach	8.424.411	3.633.740	673.953
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	<b>Total (1+4+7+8+9+10+11+12+16+19+23+24)</b>	<b>160.618.173</b>	<b>103.126.415</b>	<b>12.849.454</b>

# ZİRAAT KATILIM BANKASI A.Ş.

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

(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)

#### IX. EXPLANATIONS ON RISK MANAGEMENT (Continued)

##### 2. Connections Between Financial Statements and the Risk Amounts

##### a) Differences between accounting consolidation and legal consolidation and matching of the subject

Current Period 31.12.2023	Valued amount according to TAS within legal consolidation (*)	Subject to credit risk framework	Carrying values of items		
			Subject to counter party credit risk framework	Subject to the market risk framework	Not subject to capital requirements or subject to deduction from capital
<b>Assets</b>					
Cash and Balances at Central Bank	60.629.273	60.629.273	-	36.433.541	-
Derivative Financial Assets	3.728	-	3.728	-	-
Financial Assets Measured At Fair Value To Profit Or Loss	3.812.067	-	-	3.812.067	-
Banks	13.029.805	13.029.805	-	12.915.243	-
Receivables From Money Markets	-	-	-	-	-
Financial Assets Measured At Fair Value To Other Comprehensive Income	17.547.002	17.547.002	8.362.367	3.616.542	-
Loans and Receivable	207.124.983	207.124.983	-	87.961.705	-
Factoring Receivable	-	-	-	-	-
Financial Assets Measured At Amortised Cost	21.830.293	21.830.293	502.977	4.456.177	-
Investments in Associates (Net)	22.500	22.500	-	-	-
Investments in Subsidiaries (Net)	100	100	-	-	-
Jointly Controlled Partnerships (Joint Ventures) (Net)	-	-	-	-	-
Receivables form Leasing Transactions	52.645.704	52.645.704	-	11.043.826	-
Derivative Financial Assets for Hedging Purposes	-	-	-	738	-
Tangible Assets (Net)	2.165.699	2.165.699	-	5.840	922.211
Intangible Assets (Net)	692.634	-	-	-	692.634
Investment Properties (Net)	-	-	-	-	-
Tax Asset	2.478.105	2.478.105	-	-	-
Non-Currents Assets Or Disposal Groups "Held For Sale" And "From Discontinued Operations (Net)	427.229	427.229	-	-	-
Other Assets	1.847.483	1.847.485	-	342.464	-
<b>Total Assests</b>	<b>384.256.605</b>	<b>379.748.178</b>	<b>8.869.072</b>	<b>160.588.143</b>	<b>1.614.845</b>
<b>Liabilities</b>					
Deposits	304.372.374	-	-	119.331.448	-
Derivative Financial Liabilities	153.095	-	-	153.095	-
Funds Borrowed	34.888.977	-	-	22.801.405	-
Money Markets	10.964.133	-	10.964.133	10.528.455	-
Securities Issued (Net)	-	-	-	-	-
Funds	-	-	-	-	-
Other Liabilities	3.667.681	-	-	1.259.020	-
Factoring Liabilities	-	-	-	-	-
Leasing Liabilities	785.859	-	-	-	-
Derivative Financial Liabilities for Hedging Purposes	-	-	-	-	-
Provisions	2.932.298	-	-	1.476.173	-
Tax Liability	866.968	-	-	198	-
Non-Currents Liabilities Or Disposal Groups "Held For Sale" And "From Discontinued Operations (Net)	-	-	-	-	-
Subordinated Debt Instruments	5.793.673	-	-	4.451.686	-
Equity	19.831.547	-	-	(31.758)	-
<b>Total Liabilities</b>	<b>384.256.605</b>	<b>-</b>	<b>10.964.133</b>	<b>159.969.722</b>	<b>-</b>

(\*) It represents the Bank's unconsolidated financial statements.

# ZİRAAT KATILIM BANKASI A.Ş.

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

(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)

#### IX. EXPLANATIONS ON RISK MANAGEMENT (Continued)

##### 2. Connections Between Financial Statements and the Risk Amounts (Continued)

##### a) Differences between accounting consolidation and legal consolidation and matching of the subject (Continued)

Prior Period 31.12.2022	Valued amount according to TAS within legal consolidation (*)	Subject to credit risk framework	Carrying values of items		
			Subject to counter party credit risk framework	Subject to the market risk framework	Not subject to capital requirements or subject to deduction from capital
<b>Assets</b>					
Cash and Balances at Central Bank	24.953.122	24.953.122	-	18.663.442	-
Derivative Financial Assets	14.471	-	14.471	-	-
Financial Assets Measured At Fair Value To Profit Or Loss	2.133.604	-	-	2.133.604	-
Banks	13.251.320	13.251.320	-	13.116.663	-
Receivables From Money Markets	-	-	-	-	-
Financial Assets Measured At Fair Value To Other Comprehensive Income	19.810.297	19.810.297	14.928.992	3.626.618	-
Loans and Receivable	123.622.944	123.622.944	-	41.325.175	-
Factoring Receivable	-	-	-	-	-
Financial Assets Measured At Amortised Cost	5.323.943	5.323.943	-	2.608.614	-
Investments In Associates (Net)	-	-	-	-	-
Investments In Subsidiaries (Net)	100	100	-	-	-
Jointly Controlled Partnerships (Joint Ventures) (Net)	-	-	-	-	-
Receivables Form Leasing Transactions	21.235.324	21.235.324	-	6.879.132	-
Derivative Financial Assets for Hedging Purposes	-	-	-	142	-
Tangible Assets (Net)	594.942	594.942	-	843	98.174
Intangible Assets (Net)	342.454	-	-	-	342.454
Investment Properties (Net)	-	-	-	-	-
Tax Asset	788.020	788.020	-	-	-
Non-Currents Assets Or Disposal Groups "Held For Sale" And "From Discontinued Operations (Net)	274.644	274.644	-	-	-
Other Assets	998.405	998.405	-	73.157	-
<b>Total Assests</b>	<b>213.343.590</b>	<b>210.853.061</b>	<b>14.943.463</b>	<b>88.427.390</b>	<b>440.628</b>
<b>Liabilities</b>					
Deposits	173.139.198	-	-	67.693.024	-
Derivative Financial Liabilities	62.998	-	-	62.998	-
Funds Borrowed	9.904.777	-	-	4.182.250	-
Money Markets	7.555.999	-	-	7.498.996	-
Securities Issued (Net)	-	-	-	-	-
Funds	-	-	-	-	-
Other Liabilities	3.373.601	-	-	1.317.502	-
Factoring Liabilities	-	-	-	-	-
Leasing Liabilities	335.946	-	-	-	-
Derivative Financial Liabilities for Hedging Purposes	-	-	-	-	-
Provisions	2.166.009	-	-	541.975	-
Tax Liability	1.487.215	-	-	2	-
Non-Currents Liabilities Or Disposal Groups "Held For Sale" And "From Discontinued Operations (Net)	-	-	-	-	-
Subordinated Debt Instruments	3.939.402	-	-	2.597.654	-
Equity	11.378.445	-	-	(117.971)	-
<b>Total Liabilities</b>	<b>213.343.590</b>	<b>-</b>	<b>-</b>	<b>83.776.430</b>	<b>-</b>

(\*) It represents the Bank's unconsolidated financial statements

**ZİRAAT KATILIM BANKASI A.Ş.****NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF  
31 DECEMBER 2023**

(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)****IX. EXPLANATIONS ON RISK MANAGEMENT (Continued)****2. Connections Between Financial Statements and the Risk Amounts (Continued)****b) The main sources of the differences between the risk amounts and the amounts assessed  
in accordance with TAS in the financial statements**

<b>Current Period 31.12.2023</b>	<b>Total</b>	<b>Subject to credit risk framework</b>	<b>Securitization position</b>	<b>Subject to counter party credit risk framework</b>	<b>Subject to the market risk framework</b>
<b>Asset carrying value amount under scope of regulatory consolidation</b>	<b>384.256.605</b>	<b>379.748.174</b>	<b>-</b>	<b>8.869.072</b>	<b>160.588.143</b>
Liabilities carrying value amount under regulatory scope of consolidation	10.964.134	-	-	10.964.134	159.969.722
<b>Total net amount under regulatory scope of consolidation</b>	<b>373.292.471</b>	<b>379.748.174</b>	<b>-</b>	<b>(2.095.061)</b>	<b>618.421</b>
Differences in valuations	100.722.899	47.754.656	-	16.737.907	-
Valuation Differences	-	-	-	-	-
Differences due to different netting rules (other than those already included in row 2)	-	-	-	-	-
Differences due to consideration of provisions	-	-	-	-	-
Differences due to prudential filters	-	-	-	-	-
<b>Amount of risk</b>	<b>474.015.370</b>	<b>427.502.830</b>	<b>-</b>	<b>14.642.846</b>	<b>618.421</b>

<b>Prior Period 31.12.2022</b>	<b>Total</b>	<b>Subject to credit risk framework</b>	<b>Securitization position</b>	<b>Subject to counter party credit risk framework</b>	<b>Subject to the market risk framework</b>
<b>Asset carrying value amount under scope of regulatory consolidation</b>	<b>213.343.590</b>	<b>210.853.059</b>	<b>-</b>	<b>14.943.464</b>	<b>88.427.391</b>
Liabilities carrying value amount under regulatory scope of consolidation	7.555.999	-	-	-	-
<b>Total net amount under regulatory scope of consolidation</b>	<b>205.787.591</b>	<b>210.853.059</b>	<b>-</b>	<b>14.943.464</b>	<b>88.427.391</b>
Differences in valuations	63.766.983	47.301.309	-	16.465.675	-
Valuation Differences	-	-	-	-	-
Differences due to different netting rules (other than those already included in row 2)	-	-	-	-	-
Differences due to consideration of provisions	-	-	-	-	-
Differences due to prudential filters	-	-	-	-	-
<b>Amount of risk</b>	<b>269.554.574</b>	<b>258.154.368</b>	<b>-</b>	<b>31.409.139</b>	<b>88.427.391</b>

***Explanations on differences between risk amounts and valued amounts in accordance with the  
Turkish Accounting Standards***

There is no significant difference between financial statement values of assets and liabilities and values included in capital adequacy calculation.

# ZİRAAT KATILIM BANKASI A.Ş.

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

(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)

#### IX. EXPLANATIONS ON RISK MANAGEMENT (Continued)

##### 3. Credit Risk Disclosures

##### 3.1) General information on credit risk

###### a) General qualitative information on credit risk

Effective management of credit risk is one of the important elements of a comprehensive approach to risk management. Corporate, retail and SME loans, financial lease receivables, other elements of bank assets and non-cash transactions, which are provided in connection with the activities of our bank, constitute the basis of the items that constitute credit risk. It is important to take into account the risk appetite of our bank in the activities carried out in this direction, in terms of effective credit risk management.

Credit risk limits; It has been designed in accordance with the risk levels the Bank may take, its activities, the size and complexity of its products and services, and was determined by taking the opinions and suggestions of the General Manager, the Audit Committee and the relevant Senior Managers. Limits are regularly reviewed and monitored periodically, adapted according to changes in market conditions, Bank strategy and risk appetite. In addition to taking into account our legal requirements while creating credit risk policies, our current credit performance was reviewed and a policy was created in line with the Bank's strategies and objectives.

Credit risk calculations are made carefully and meticulously and controls are carried out in accordance with the legislation. Currently, calculations are made with the standard method, and infrastructure studies are ongoing for the use of advanced methods. Credit risk calculations and applied methods are also monitored by internal control and audit units, and legal requirements are taken into account at every stage.

Detailed reports including the credit risk exposure and its relations with other risks are periodically shared with the Board of Directors and Senior Managers, and the credit risk is effectively monitored by the risk management unit.

###### b) Credit quality of assets

	Current Period 31.12.2023	Defaulted	Non-defaulted	Allowances/Amortisation and impairments	Net values
1	Loans (*)	1.940.950	261.668.393	3.838.655	259.770.688
2	Debt securities	-	43.595.716	406.354	43.189.362
3	Off-balance sheet exposures	-	83.984.992	23.035	83.961.957
4	<b>Total</b>	<b>1.940.950</b>	<b>389.249.101</b>	<b>4.268.044</b>	<b>386.922.007</b>

(\*) Financial lease amounting to TRY 52.645.70 is included in the table.

	Prior Period 31.12.2022	Defaulted	Non-defaulted	Allowances/Amortisation and impairments	Net values
1	Loans (*)	1.875.741	145.699.564	2.717.036	144.858.269
2	Debt securities	-	27.402.140	134.295	27.267.845
3	Off-balance sheet exposures	-	47.301.309	23.253	47.278.056
4	<b>Total</b>	<b>1.875.741</b>	<b>220.403.013</b>	<b>2.874.584</b>	<b>219.404.170</b>

(\*) Financial lease amounting to TRY 21.235.324 is included in the table.

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### NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

(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)

##### IX. EXPLANATIONS ON RISK MANAGEMENT (Continued)

##### 3. Credit Risk Disclosures (Continued)

##### 3.1) General information on credit risk (Continued)

##### c) Changes on defaulted loans and debt securities

Current Period		
1	Defaulted loans and debt securities at end of the previous reporting period	1.875.741
2	Loans and debt securities that have defaulted since the last reporting period	731.252
3	Returned to non-defaulted status	13.760
4	Amounts written off	-
5	Other changes	(679.803)
6	Defaulted loans and debt securities at end of the reporting period (1+2-3-4±5) definitions	1.940.950

  

Prior Period		
1	Defaulted loans and debt securities at end of the previous reporting period	1.698.976
2	Loans and debt securities that have defaulted since the last reporting period	621.007
3	Returned to non-defaulted status	45.171
4	Amounts written off	19.016
5	Other changes	(470.397)
6	Defaulted loans and debt securities at end of the reporting period (1+2-3-4±5) definitions	1.875.741

##### i. Differences between definitions and explanations of "deferred" receivables and receivables for which "provision was allocated", and definitions of "deferred" and "provision of allocation", if any

The Bank classifies its credits and other receivables and allocates expected loss provisions pursuant to the "Communiqué on Methods and Principles for Determining the Nature of Loans and Other Receivables and Allocation of Provisions" published in the Official Gazette no. 29750 dated 22 June 2016. The term "Deferred Receivables" is used for credits named "Loans under Close Monitoring" whose maturity is deferred for up to 90 days as of the end of period without any impairments as well as for credits named "Non-Performing Loans" whose maturity is deferred for more than 90 days or subject to impairment. In practice, the Bank sets expected credit loss provisions for the stage 1 and stage 2 for credits classified as "Standard Credits" and "Under Close Monitoring" and expected loss provisions for the loans for the stage 3 for credits classified as "Non-Performing Loans".

##### ii. The portion that is not considered within the scope of "allocation of provision" among deferred receivables (over 90 days) and reasons for this practice

The Bank automatically transfers the loans over 90 days past due to the follow-up accounts in accordance with the provisions of the Regulation on Provisions and allocates the provision for the relevant class.



## ZİRAAT KATILIM BANKASI A.Ş.

### NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

(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)

##### IX. EXPLANATIONS ON RISK MANAGEMENT (Continued)

##### 3. Credit Risk Disclosures (Continued)

##### 3.1) General information on credit risk (Continued)

##### iii. Definitions of methods used for determining provision amount

The Bank allocates provisions for expected losses for loans and other receivables within the framework of the "Regulation on the Procedures and Principles for the Classification of Loans and Provisions to be Set Aside for These" published in the Official Gazette dated 22 June 2016 and numbered 29750. However, there is no provision in the relevant Regulation and the relevant statements of the BRSA that prevents the setting aside of more provisions than required by the minimum amounts.

##### iv. Definitions of restructured receivable

Natural/legal persons using credit may, from time to time, due to reasons beyond the control of other businesses they do business with or their own businesses; It may encounter the usual risks of commercial life, such as excessive increases in costs not being reflected in sales prices, market loss and decrease in turnover, unexpected expenses occurring, problems in the collection of receivables, and as a result, it may experience temporary liquidity difficulties. It is the re-maturity of the loan repayment terms in line with the cash flows of our businesses that do not have a significant credit worthiness problem and continue their income-generating activities, but cannot make their loan repayments on time due to the temporary liquidity shortage, or it is already known that they will not be able to do so.

##### v. Breakdown of receivables according to geographical regions, sector and remaining maturity, amount of receivables provided on the basis of geographical regions and sector, related provisions and amount written off from assets.

	Credits		
	Impaired (TFRS 9)		
Current Period 31.12.2023	Significant Increase in Credit Risk (Stage 2)	Significant Increase in Credit Risk (Stage 2)	Significant Increase in Credit Risk (Stage 2)
Domestic	4.908.795	1.940.950	3.822.323
European Union Countries	4.164	-	2.514
USA, Canada	-	-	-
OECD Countries	-	-	-
Off-Shore Banking Regions	-	-	-
Other Countries	-	-	13.818
<b>Total</b>	<b>4.912.959</b>	<b>1.940.950</b>	<b>3.838.655</b>

	Credits		
	Impaired (TFRS 9)		
Prior Period 31.12.2022	Significant Increase in Credit Risk (Stage 2)	Significant Increase in Credit Risk (Stage 2)	Significant Increase in Credit Risk (Stage 2)
Domestic	2.606.211	1.875.741	2.716.709
European Union Countries	947	-	299
USA, Canada	-	-	-
OECD Countries	-	-	-
Off-Shore Banking Regions	-	-	-
Other Countries	35	-	28
<b>Total</b>	<b>2.607.193</b>	<b>1.875.741</b>	<b>2.717.036</b>

**ZİRAAT KATILIM BANKASI A.Ş.****NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF  
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(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TRY"))

**EXPLANATIONS RELATED TO THE FINANCIAL POSITION AND RISK MANAGEMENT  
OF THE BANK (Continued)****IX. EXPLANATIONS ON RISK MANAGEMENT (Continued)****3. Credit Risk Disclosures (Continued)****3.1) General information on credit risk (Continued)**

<b>Current Period 31.12.2023</b>	<b>Loans</b>	<b>Non Performing Loans</b>	<b>Expected Loss Provisions</b>	<b>Total</b>
Agriculture	8.702.740	14.615	49.215	8.668.140
Farming and Stockbreeding	5.706.558	10.882	39.669	5.677.771
Forestry	2.850.179	3.151	8.700	2.844.630
Fishing	146.003	582	846	145.739
Manufacturing	145.823.243	769.856	1.798.087	144.795.012
Mining and Quarrying	11.343.983	18.514	153.913	11.208.584
Production	131.234.673	735.191	1.559.234	130.410.630
Electric, Gas and Water	3.244.587	16.151	84.940	3.175.798
Construction	33.368.177	570.208	850.986	33.087.399
Services	59.694.803	579.589	1.060.700	59.213.692
Wholesale and Retail Trade	23.305.085	511.145	788.439	23.027.791
Hotel Food and Beverage Services	2.783.731	2.400	45.623	2.740.508
Transportation and Telecommunication	2.762.033	33.297	48.667	2.746.663
Financial Institutions	18.727.711	1.238	49.468	18.679.481
Real Estate and Leasing Services	9.241.174	22.038	96.220	9.166.992
Self Employment Services	752.315	140	11.344	741.111
Education Services	366.433	37	3.931	362.539
Health and Social Services	1.756.321	9.294	17.008	1.748.607
Other	14.079.429	6.682	79.667	14.006.444
<b>Total</b>	<b>261.668.392</b>	<b>1.940.950</b>	<b>3.838.655</b>	<b>259.770.687</b>

<b>Prior Period 31.12.2022</b>	<b>Loans</b>	<b>Non Performing Loans</b>	<b>Expected Loss Provisions</b>	<b>Total</b>
Agriculture	5.500.021	17.124	26.798	5.490.347
Farming and Stockbreeding	3.467.038	12.293	17.495	3.461.836
Forestry	1.917.281	4.371	8.310	1.913.342
Fishing	115.702	460	993	115.169
Manufacturing	78.284.845	617.186	1.139.122	77.762.909
Mining and Quarrying	9.630.350	12.474	154.099	9.488.725
Production	66.446.221	590.702	956.522	66.080.401
Electric, Gas and Water	2.208.274	14.010	28.501	2.193.783
Construction	22.346.045	711.116	757.067	22.300.094
Services	29.076.496	526.559	751.952	28.851.103
Wholesale and Retail Trade	17.354.589	473.099	588.358	17.239.330
Hotel Food and Beverage Services	1.093.204	2.828	32.525	1.063.507
Transportation and Telecommunication	3.971.980	24.362	44.867	3.951.475
Financial Institutions	1.101.143	5.577	24.962	1.081.758
Real Estate and Leasing Services	4.503.220	20.533	42.597	4.481.156
Self Employment Services	279.921	90	5.401	274.610
Education Services	72.386	26	1.433	70.979
Health and Social Services	700.053	44	11.809	688.288
Other	10.492.156	3.756	42.097	10.453.815
<b>Total</b>	<b>145.699.563</b>	<b>1.875.741</b>	<b>2.717.036</b>	<b>144.858.268</b>

## ZİRAAT KATILIM BANKASI A.Ş.

### NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

(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)

##### IX. EXPLANATIONS ON RISK MANAGEMENT (Continued)

##### 3. Credit Risk Disclosures (Continued)

##### 3.1) General information on credit risk (Continued)

##### Aging analysis for overdue receivables

Current Period 31 December 2023	Up to 1 Month	1-2 Month	2-3 Month	3+ Month	Total
Loans and Receivables (*)					
Corporate /Entrepreneurial Loans	593.357	470.023	820.222	140.480	2.024.082
Consumer Loans	99.573	26.448	7.534	967	134.522
<b>Total</b>	<b>692.930</b>	<b>496.471</b>	<b>827.756</b>	<b>141.447</b>	<b>2.158.604</b>

(\*) The Bank's loan amounting to TRY 2.241.610, which is under close monitoring, has no delay.

Prior Period 31 December 2022	Up to 1 Month	1-2 Month	2-3 Month	3+ Month	Total
Loans and Receivables (*)					
Corporate /Entrepreneurial Loans	165.929	19.596	488.005	140.860	814.390
Consumer Loans	79.287	16.686	3.208	238	99.419
<b>Total</b>	<b>245.216</b>	<b>36.282</b>	<b>491.213</b>	<b>141.098</b>	<b>913.809</b>

(\*) The Bank's loan amounting to TRY 1.472.544, which is under close monitoring, has no delay.

##### *Breakdown of restructured receivables by allocation of provision*

Of the Bank's total restructured loans amounting to 3.212.990 TRY, 3.199.230 TRY consists of live loans and 13.760 TRY consists of restructured non-performing loans. The total of the first and second stage expected loss provisions allocated for restructured live loans is 483.196 TRY, and the third stage expected loss provision allocated for restructured non-performing loans is 348 TRY. (December 31, 2022: Of the Bank's total restructured loans amounting to 1.715.422 TRY, 1.670.251 TRY consists of live loans and 45.171 TRY consists of restructured non-performing loans. The total of the first and second stage expected loss provisions allocated for restructured live loans is 149.960 TRY The third stage expected loss provision allocated for restructuring and non-performing receivables is 6.762 TRY.

##### 3.2) Credit risk mitigation

##### a) Qualitative requirements to be disclosed to public regarding credit risk mitigation techniques

In the collateralization transactions related to the lending processes of the Bank, the issues that may pose a risk from now on are taken into consideration. In the bank collateral policy, risks are now managed by taking into account all risks such as failure to seize the received collateral in time or not being able to convert it into cash, refusal or delay of payment by the guarantor, failure of credit documents whose legal validity has not been sufficiently investigated to achieve the desired legal result.

Transactions carried out by the Bank within the scope of market risk are not subject to collateral. Financial collaterals are taken into consideration in credit risk mitigation in the Bank, and real estate mortgages are not considered as collateral as a rule. Mortgage-backed receivables are a separate risk class, and the financial collaterals used in the Bank consist of cash blockage, loan guarantee fund and assignment of arising public receivables.

## ZİRAAT KATILIM BANKASI A.Ş.

### NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

(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)

##### IX. EXPLANATIONS ON RISK MANAGEMENT (Continued)

##### 3. Credit Risk Disclosures (Continued)

##### 3.2) Credit risk mitigation (Continued)

##### b) Credit risk mitigation techniques – Overview

Current Period 31.12.2023	Unsecured receivables: Amount assessed pursuant to TAS	Receivables secured by guarantee	Collateralized portions of collateralized receivables	Receivables protected by financial guarantees	Collateralized portions of receivables protected by financial guarantees	Receivables protected by credit derivatives	Collateralized portions of receivables protected by credit derivatives
Loans *	191.471.751	31.155.501	20.725.537	1.800.576	1.398.348	-	-
Debt Securities *	38.398.364	-	-	-	-	-	-
<b>Total</b>	<b>229.870.115</b>	<b>31.155.501</b>	<b>20.725.537</b>	<b>1.800.576</b>	<b>1.398.348</b>	-	-
Of which defaulted *	1.824.380	-	-	-	-	-	-

(\*) Based on the article titled "Changes Regarding the Calculation of Capital Adequacy" dated 28.04.2022 by BRSA, it has been decided to continue calculating the Amount Subject to Credit Risk by using the Central Bank foreign exchange buying rate of 30.12.2022, starting from January 2023, until a Board Decision to the contrary is taken. For this reason, the figures in the Credit Risk Mitigation Techniques table show an exchange rate difference of 37.143.435 Thousand TRY in "Loans", 4.790.998 Thousand TRY in "Debt Instruments" and 116.570 Thousand TRY in the "Default" class..

Period 31.12.2022	Unsecured receivables: Amount assessed pursuant to TAS	Receivables secured by guarantee	Collateralized portions of collateralized receivables	Receivables protected by financial guarantees	Collateralized portions of receivables protected by financial guarantees	Receivables protected by credit derivatives	Collateralized portions of receivables protected by credit derivatives
Loans *	121.871.510	10.188.687	5.123.813	1.920.658	1.285.374	-	-
Debt Securities *	25.343.446	-	-	-	-	-	-
<b>Total</b>	<b>147.214.956</b>	<b>10.188.687</b>	<b>5.123.813</b>	<b>1.920.658</b>	<b>1.285.374</b>	-	-
Of which defaulted *	1.790.512	-	-	-	-	-	-

(\*) Based on the article titled "Changes Regarding the Calculation of Capital Adequacy" dated 28.04.2022 by BRSA, it has been decided to continue the calculation of the Amount Subject to Credit Risk by using the Central Bank foreign exchange buying rate of 31.12.2021 until a Board Decision to the contrary is taken. For this reason, the figures in the Credit Risk Mitigation Techniques table show an exchange rate difference of 12.798.072 Thousand TRY in "Loans", 1.924.399 Thousand TRY in "Debt Instruments" and 85.229 Thousand TRY in the "Default" class.

##### 3.3) Credit risk if standard approach is used

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

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

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31 DECEMBER 2023**

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**EXPLANATIONS RELATED TO THE FINANCIAL POSITION AND RISK MANAGEMENT  
OF THE BANK (Continued)****IX. EXPLANATIONS ON RISK MANAGEMENT (Continued)****3. Credit Risk Disclosures (Continued)****3.3) Credit risk if standard approach is used (Continued)****b) Standard Approach - Loan risk exposure and the effects of loan risk reduction technique**

	<b>Current Period 31.12.2023</b>	<b>Exposures before CCF and CRM</b>		<b>Exposures post-CCF and CRM</b>		<b>RWA and RWA density</b>	
		<b>On-balance sheet amount</b>	<b>Off-balance sheet amount</b>	<b>On-balance sheet amount</b>	<b>On-balance sheet amount</b>	<b>Off-balance sheet amount</b>	<b>On-balance sheet amount</b>
	<b>Risk Classes</b>						
1	Exposures to sovereigns and their central banks	78.969.631	-	80.367.979	159	-	0%
2	Exposures to regional and local governments	-	-	-	-	-	0%
3	Exposures to administrative bodies and non-commercial entities	1.798.505	1.147.826	1.798.506	932.825	2.602.572	95%
4	Exposures to multilateral development banks	-	-	-	-	-	0%
5	Exposures to international organizations	-	-	-	-	-	0%
6	Exposures to banks and brokerage houses	12.327.365	726.808	12.327.365	691.341	2.745.717	21%
7	Exposures to corporates	92.696.737	52.333.643	91.981.196	29.763.312	104.281.760	86%
8	Retail exposures	19.516.146	11.610.401	18.833.340	5.582.271	14.810.282	61%
9	Exposures secured by residential property	7.451.196	303.617	7.451.196	162.622	2.664.836	35%
10	Exposures secured by commercial property	7.707.195	2.771.535	7.707.196	1.516.750	4.611.973	50%
11	Past-due items	191.060	-	191.060	-	145.378	76%
12	Exposures in high-risk categories	7.053.906	9.349	7.053.906	4.675	14.871.269	211%
13	Exposures in the form of bonds secured by mortgages	-	-	-	-	-	0%
14	Short term exposures to banks, brokerage houses and corporates	-	-	-	-	-	0%
15	Exposures in the form of collective investment undertakings	-	-	-	-	-	0%
16	Other exposures	6.262.179	-	3.784.075	-	3.003.873	79%
17	Equity share investments	-	-	-	-	-	0%
18	<b>Total</b>	<b>233.973.920</b>	<b>68.903.179</b>	<b>231.495.819</b>	<b>38.653.955</b>	<b>149.737.660</b>	<b>55%</b>

	<b>Prior Period 31.12.2022</b>	<b>Exposures before CCF and CRM</b>		<b>Exposures post-CCF and CRM</b>		<b>RWA and RWA density</b>	
		<b>On-balance sheet amount</b>	<b>Off-balance sheet amount</b>	<b>On-balance sheet amount</b>	<b>On-balance sheet amount</b>	<b>Off-balance sheet amount</b>	<b>On-balance sheet amount</b>
	<b>Risk Classes</b>						
1	Exposures to sovereigns and their central banks	39.418.258	-	40.703.630	5.330	-	0%
2	Exposures to regional and local governments	-	-	-	-	-	0%
3	Exposures to administrative bodies and non-commercial entities	506.093	39.777	334.150	19.740	349.156	99%
4	Exposures to multilateral development banks	-	-	-	-	-	0%
5	Exposures to international organizations	-	-	-	-	-	0%
6	Exposures to banks and brokerage houses	9.897.952	834.557	9.897.952	816.668	2.680.534	25%
7	Exposures to corporates	53.968.188	32.395.335	53.351.328	20.065.010	69.045.730	94%
8	Retail exposures	10.603.931	6.593.559	9.935.418	3.062.090	8.850.408	68%
9	Exposures secured by residential property	5.321.207	121.913	5.321.206	57.074	1.882.398	35%
10	Exposures secured by commercial property	4.637.552	979.974	4.637.553	575.242	2.606.397	50%
11	Past-due items	209.537	-	209.537	-	121.651	58%
12	Exposures in high-risk categories	5.891.027	6.665	5.891.027	3.332	11.637.568	197%
13	Exposures in the form of bonds secured by mortgages	-	-	-	-	-	0%
14	Short term exposures to banks, brokerage houses and corporates	-	-	-	-	-	0%
15	Exposures in the form of collective investment undertakings	-	-	-	-	-	0%
16	Other exposures	2.953.213	-	2.163.874	-	1.292.111	60%
17	Equity share investments	-	-	-	-	-	0%
18	<b>Total</b>	<b>133.406.958</b>	<b>40.971.780</b>	<b>132.445.675</b>	<b>24.604.486</b>	<b>98.465.953</b>	<b>63%</b>

**ZİRAAT KATILIM BANKASI A.Ş.****NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF  
31 DECEMBER 2023**

(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)****IX. EXPLANATIONS ON RISK MANAGEMENT (Continued)****3. Credit Risk Disclosures (Continued)****3.3) Credit risk if standard approach is used (Continued)****c) Standard approach: Receivables related with risk classes and risk weights**

Current Period Risk Classes/ Risk Weight	0%	10%	20%	35%	50%	75%	100%	150%	200%	Other	Total risk amount (post-CCF and CRM)
Exposures to sovereigns and their central banks	80.368.138	-	-	-	-	-	-	-	-	-	80.368.138
Exposures to regional and local government	-	-	-	-	-	-	-	-	-	-	-
Exposures to administrative bodies and non-commercial entities	112.766	-	19.991	-	-	-	2.598.574	-	-	-	2.731.331
Exposures to multilateral development banks	-	-	-	-	-	-	-	-	-	-	-
Exposures to international organizations	-	-	-	-	-	-	-	-	-	-	-
Exposures to banks and brokerage houses	-	-	12.630.345	-	337.426	-	50.935	-	-	-	13.018.706
Exposures to corporates	15.840.244	-	983.845	-	1.670.857	-	103.249.562	-	-	-	121.744.508
Retail exposures	4.526.467	-	265.896	-	15.554	19.433.473	174.221	-	-	-	24.415.611
Exposures secured by residential property	-	-	-	7.613.818	-	-	-	-	-	-	7.613.818
Exposures secured by commercial property	-	-	-	-	9.223.946	-	-	-	-	-	9.223.946
Past-due items	-	-	-	-	91.365	-	99.695	-	-	-	191.060
Exposures in high-risk categories	-	-	-	-	-	-	-	867.077	5.795.622	395.882	7.058.581
Exposures in the form of bonds secured by mortgages	-	-	-	-	-	-	-	-	-	-	-
Short term exposures to banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-	-	-
Exposures in the form of collective investment undertakings	-	-	-	-	-	-	-	-	-	-	-
Equity share investments	-	-	-	-	-	-	-	-	-	-	-
Other exposures	780.200	-	-	-	-	-	3.003.875	-	-	-	3.784.075
<b>Total</b>	<b>101.627.815</b>	<b>-</b>	<b>13.900.077</b>	<b>7.613.818</b>	<b>11.339.148</b>	<b>19.433.473</b>	<b>109.176.862</b>	<b>867.077</b>	<b>5.795.622</b>	<b>395.882</b>	<b>270.149.774</b>

# ZİRAAT KATILIM BANKASI A.Ş.

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

(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)

#### IX. EXPLANATIONS ON RISK MANAGEMENT (Continued)

##### 3. Credit Risk Disclosures (Continued)

##### 3.3) Credit risk if standard approach is used (Continued)

Prior Period Risk Classes/ Risk Weight	0%	10%	20%	35%	50%	75%	100%	150%	200%	Other	Total risk amount (post-CCF and CRM)
Exposures to sovereigns and their central banks	40.708.960	-	-	-	-	-	-	-	-	-	40.708.960
Exposures to regional and local government	-	-	-	-	-	-	-	-	-	-	-
Exposures to administrative bodies and non-commercial entities	4.708	-	33	-	-	-	349.149	-	-	-	353.890
Exposures to multilateral development banks	-	-	-	-	-	-	-	-	-	-	-
Exposures to international organizations	-	-	-	-	-	-	-	-	-	-	-
Exposures to banks and brokerage houses	-	-	10.006.939	-	57.068	-	650.613	-	-	-	10.714.620
Exposures to corporates	3.777.737	-	741.089	-	-	-	68.897.512	-	-	-	73.416.338
Retail exposures	1.067.643	-	183.444	-	-	11.730.807	15.614	-	-	-	12.997.508
Exposures secured by residential property	-	-	-	5.378.280	-	-	-	-	-	-	5.378.280
Exposures secured by commercial property	-	-	-	-	5.212.795	-	-	-	-	-	5.212.795
Past-due items	59	-	-	-	175.654	-	33.824	-	-	-	209.537
Exposures in high-risk categories	-	-	-	-	-	-	324.150	5.566.567	3.642	-	5.894.359
Exposures in the form of bonds secured by mortgages	-	-	-	-	-	-	-	-	-	-	-
Short term exposures to banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-	-	-
Exposures in the form of collective investment undertakings	-	-	-	-	-	-	-	-	-	-	-
Equity share investments	-	-	-	-	-	-	-	-	-	-	-
Other exposures	871.142	-	776	-	-	-	1.291.956	-	-	-	2.163.874
<b>Total</b>	<b>46.430.249</b>	<b>-</b>	<b>10.932.281</b>	<b>5.378.280</b>	<b>5.445.517</b>	<b>11.730.807</b>	<b>71.238.668</b>	<b>324.150</b>	<b>5.566.567</b>	<b>3.642</b>	<b>157.050.161</b>

#### X. EXPLANATIONS ON RISK PROTECTION PROCEDURES

It is essential to limit the risk levels to limits compatible with the risk profile and risk tolerance in order to prevent the 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 FX 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 December 2023 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)

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

**XI . COUNTER PARTY CREDIT RISK EXPLANATIONS**

**a) Qualitative explanations on counter party credit risk**

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

As part of the Bank's counter party credit risk management, the functions of identification, measurement, monitoring and controlling of counter party credit risk are conducted in line with the structure, size, complexity and growth rate of products and activities, and the analysis, including stress test, and its results are reported to the Top Management. It is essential that the Bank manages the counter party credit risk level in a manner that keeps it above the minimum limits specified in the legal regulations.

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

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

	<b>Current Period 31.12.2023</b>	<b>Replacement cost</b>	<b>Potential future exposure</b>	<b>EEPE (Effective Expected Positive Exposure) (*)</b>	<b>Alpha used for computing regulatory EAD</b>	<b>Exposure at default post CRM</b>	<b>RWA</b>
1	Standardised approach - CCR (for derivatives)	3.039	41.934		1,4	62.962	14.173
2	Internal Model Method (for derivatives, Repo Transactions, Marketable Securities or Commodity lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit)			-	-	-	-
3	Simple Approach for credit risk mitigation (for derivatives, Repo Transactions, Marketable Securities or Commodity lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit)					8.692.891	60.621
4	Comprehensive Approach for credit risk mitigation (for derivatives, Repo Transactions, Marketable Securities or Commodity lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit)					-	-
5	Commodity lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit					-	-
6	<b>Total</b>						<b>74.794</b>

(\*) Effective expected positive exposure

	<b>Prior Period 31.12.2022</b>	<b>Replacement cost</b>	<b>Potential future exposure</b>	<b>EEPE (Effective Expected Positive Exposure) (*)</b>	<b>Alpha used for computing regulatory EAD</b>	<b>Exposure at default post CRM</b>	<b>RWA</b>
1	Standardised approach - CCR (for derivatives)	14.277	43.901		1,4	81.448	37.568
2	Internal Model Method (for derivatives, Repo Transactions, Marketable Securities or Commodity lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit)			-	-	-	-
3	Simple Approach for credit risk mitigation (for derivatives, Repo Transactions, Marketable Securities or Commodity lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit)					14.928.992	25.253
4	Comprehensive Approach for credit risk mitigation (for derivatives, Repo Transactions, Marketable Securities or Commodity lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit)					-	-
5	Commodity lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit					-	-
6	<b>Total</b>						<b>62.821</b>

(\*) Effective expected positive exposure



# ZİRAAT KATILIM BANKASI A.Ş.

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

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

#### XI. COUNTER PARTY CREDIT RISK EXPLANATIONS (Continued)

##### c) Capital requirement for loan valuation adjustment

	Current Period 31.12.2023	Exposure at default post-CRM	RWA
	Total portfolios subject to the Advanced CVA capital charge	-	-
1	(i) Value at Risk (VaR) component (including the 3×multiplier)		-
2	(ii) Stressed VaR component (including the 3×multiplier)		-
3	All portfolios subject to the Standardised CVA capital charge	62.962	32.950
4	<b>Total subject to the CVA capital charge</b>	<b>62.962</b>	<b>32.950</b>

	Prior Period 31.12.2022	Exposure at default post-CRM	RWA
	Total portfolios subject to the Advanced CVA capital charge	-	-
1	(i) Value at Risk (VaR) component (including the 3×multiplier)		-
2	(ii) Stressed VaR component (including the 3×multiplier)		-
3	All portfolios subject to the Standardised CVA capital charge	81.448	45.438
4	<b>Total subject to the CVA capital charge</b>	<b>81.448</b>	<b>45.438</b>

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

Risk weight /Regulatory portfolio (Current Period)	0%	10%	20%	50%	75%	100%	150%	Other	Total credit exposure <sup>(*)</sup>
Exposures to sovereigns and their central banks	8.571.649	-	-	-	-	-	-	-	8.571.649
Exposures to regional and local governments	-	-	-	-	-	-	-	-	-
Exposures to administrative bodies and non-commercial entities	-	-	-	-	-	-	-	-	-
Exposures to multilateral development banks	-	-	-	-	-	-	-	-	-
Exposures to international organizations	-	-	-	-	-	-	-	-	-
Exposures to banks and brokerage houses	-	-	60.987	-	-	-	-	-	60.987
Exposures to corporates	-	-	-	121.242	-	1.976	-	-	123.218
Retail exposures	-	-	-	-	-	-	-	-	-
Exposures in high-risk categories	-	-	-	-	-	-	-	-	-
Other exposures	-	-	-	-	-	-	-	-	-
<b>Total<sup>(*)</sup></b>	<b>8.571.649</b>	<b>-</b>	<b>60.987</b>	<b>121.242</b>	<b>-</b>	<b>1.976</b>	<b>-</b>	<b>-</b>	<b>8.755.854</b>

(\*) Total credit exposure: the amount relevant for the capital requirements calculation, having applied CRM techniques.

# ZİRAAT KATILIM BANKASI A.Ş.

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

(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)

#### XI. COUNTER PARTY CREDIT RISK EXPLANATIONS (Continued)

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

Risk weight /Regulatory portfolio (Prior Period)	0%	10%	20%	50%	75%	100%	150%	Other	Total credit exposure <sup>(*)</sup>
Exposures to sovereigns and their central banks	14.903.739	-	-	-	-	-	-	-	-
Exposures to regional and local governments	-	-	-	-	-	-	-	-	-
Exposures to administrative bodies and non-commercial entities	-	-	-	-	-	-	-	-	-
Exposures to multilateral development banks	-	-	-	-	-	-	-	-	-
Exposures to international organizations	-	-	-	-	-	-	-	-	-
Exposures to banks and brokerage houses	-	-	54.849	-	-	26.599	-	-	37.569
Exposures to corporates	-	-	-	-	-	25.252	-	-	25.252
Retail exposures	-	-	-	-	-	-	-	-	-
Exposures in high-risk categories	-	-	-	-	-	-	-	-	-
Other exposures	-	-	-	-	-	-	-	-	-
<b>Total <sup>(*)</sup></b>	<b>14.903.739</b>	<b>-</b>	<b>54.849</b>	<b>-</b>	<b>-</b>	<b>51.851</b>	<b>-</b>	<b>-</b>	<b>62.821</b>

(\*) Total credit exposure: the amount relevant for the capital requirements calculation, having applied CRM techniques.

##### e) Risk classes and counter party credit risk explanation

None

##### f) Collaterals for CCR

Current Period 31.12.2023	Collateral for derivative transactions				Collateral for other transactions	
	Collateral received		Collateral received		Collateral received	Collateral given
	Segregated	Unsegregated	Segregated	Unsegregated		
Cash-domestic currency	-	-	-	-	-	-
Cash-foreign currency	-	-	-	-	-	-
Domestic sovereign debts	-	-	-	-	-	-
Other sovereign debts	-	-	-	-	-	-
Government agency debts	-	-	-	-	-	-
Corporate Debts	-	-	-	-	-	-
Equity Securities	-	-	-	-	-	-
Other collateral	-	-	-	-	-	8.692.891
<b>Total</b>	-	-	-	-	-	<b>8.692.891</b>

Prior Period 31.12.2022	Collateral for derivative transactions				Collateral for other transactions	
	Collateral received		Collateral received		Collateral received	Collateral given
	Segregated	Unsegregated	Segregated	Unsegregated		
Cash-domestic currency	-	-	-	-	-	-
Cash-foreign currency	-	-	-	-	-	-
Domestic sovereign debts	-	-	-	-	-	-
Other sovereign debts	-	-	-	-	-	-
Government agency debts	-	-	-	-	-	-
Corporate Debts	-	-	-	-	-	-
Equity Securities	-	-	-	-	-	-
Other collateral	-	-	-	-	14.928.992	14.928.992
<b>Total</b>	-	-	-	-	<b>14.928.992</b>	<b>14.928.992</b>

## ZİRAAT KATILIM BANKASI A.Ş.

### NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

(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)

##### XI. COUNTER PARTY CREDIT RISK EXPLANATIONS (Continued)

###### g) Credit Derivatives

None.

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

None.

###### i) Risks related with Central Counter parties

		Exposure at default (post- CRM)	RWA
1	<b>Exposure to Qualified Central Counterparties (QCCPs)</b>	<b>498</b>	<b>10</b>
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	-	-
3	(i) OTC Derivatives	-	-
4	(ii) Exchange-traded Derivatives	-	-
5	(iii) Securities financing transactions	-	-
6	(iv) Netting sets where cross-product netting has been approved	-	-
7	Segregated initial margin	-	-
8	Non-segregated initial margin	-	-
9	Pre-funded default fund contributions	498	10
10	Unfunded default fund contributions	-	-
11	<b>Exposures to non-QCCPs (total)</b>	-	-
12	Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which )	-	-
13	(i) OTC Derivatives	-	-
14	(ii) Exchange-traded Derivatives	-	-
15	(iii) Securities financing transactions	-	-
16	(iv) Netting sets where cross-product netting has been approved	-	-
17	Segregated initial margin	-	-
18	Non-segregated initial margin	-	-
19	Pre-funded default fund contributions	-	-
20	Unfunded default fund contributions	-	-

#### 4. Explanations on Securitization Disclosure

The Bank does not have any securitization positions as of 31 December 2023. (31 December 2022:None).

#### 5. Explanations on Market Risk

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

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

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

In this context, as a minimum;

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

## ZİRAAT KATILIM BANKASI A.Ş.

### NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

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

##### XI. COUNTER PARTY CREDIT RISK EXPLANATIONS (Continued)

###### 5. Explanations on Market Risk (Continued)

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

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

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

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

As a minimum within the scope of Market Risk:

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

###### b) Standard Approach

		Current Period 31.12.2023	Prior Period 31.12.2022
		RWA	RWA
	<b>Outright products</b>		
1	Profit share rate risk (general and specific)	4.025	-
2	Equity risk (general and specific)	-	-
3	Foreign exchange risk	2.019.969	786.420
4	Commodity risk	324.355	132.035
	<b>Options</b>		
5	Simplified approach	-	-
6	Delta-plus method	-	-
7	Scenario approach	-	-
8	Securitisation	-	-
9	<b>Total</b>	<b>2.348.349</b>	<b>918.455</b>

Issued quarterly and semi-annually and annually within the scope of the footnotes prepared by the BRSA in accordance with the "Communiqué on the Public Disclosures on Risk Management by Banks" published in the Official Gazette dated 23 October 2015 and numbered 29511 and entered into force as of 31 March 2016. The required tables below are not presented as of 31 December 2023, as the standard approach is used in the Bank's market risk calculation:

Quantitative information to be disclosed to the public for banks using the internal model approach  
Market risk RAT (Risk Weighted Amounts) change table according to the internal model approach  
Internal model approach for trading account

Comparison of VaR (Value at Risk) estimates with profit/loss

**ZİRAAT KATILIM BANKASI A.Ş.****NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF  
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**EXPLANATIONS RELATED TO THE FINANCIAL POSITION AND RISK MANAGEMENT OF THE  
BANK (Continued)****XI. COUNTER PARTY CREDIT RISK EXPLANATIONS (Continued)****6. Explanations on the Operational Risk**

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

<b>Current Period 31.12.2023</b>	<b>31.12.2019</b>	<b>31.12.2020</b>	<b>31.12.2021</b>	<b>Total/Number of Positive GI years</b>	<b>Ratio (%)</b>	<b>Total</b>
Gross Income	2.333.366	1.924.105	9.221.586	4.493.019	15	673.953
Amount Subject to Operational Risk (Total*12,5)	-	-	-	-	-	8.424.411

<b>Prior Period 31.12.2022</b>	<b>31.12.2018</b>	<b>31.12.2019</b>	<b>31.12.2020</b>	<b>Total/Number of Positive GI years</b>	<b>Ratio (%)</b>	<b>Total</b>
Gross Income	1.556.512	2.333.366	1.924.105	1.937.995	15	290.699
Amount Subject to Operational Risk (Total*12,5)	-	-	-	-	-	3.633.740

	<b>31.12.2020</b>	<b>31.12.2021</b>	<b>31.12.2022</b>	<b>Total/Number of Positive GI years</b>	<b>Ratio (%)</b>	<b>Total</b>
Corporate Finance	-	-	-	-	18	-
Purchase and sale	-	-	-	-	18	-
Retail Banking	-	-	-	-	12	-
Retail Brokerage	-	-	-	-	12	-
Commercial Banking	-	-	-	-	15	-
Clearing and Payments	-	-	-	-	18	-
Agency Services	-	-	-	-	15	-
Asset Management	-	-	-	-	12	-
Amount Subject to Operational Risk (Total*12,5)	-	-	-	-	-	-

## ZİRAAT KATILIM BANKASI A.Ş.

### NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

(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)

#### XII. EXPLANATIONS ON THE OPERATING SEGMENTS

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

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

Table for segment reporting:

Current Period 1 January – 31 December 2023	Private Banking	Corporate/ Commercial Banking	Treasury/ Investment Banking	Other/Undistributed	Total
<b>OPERATING INCOME / EXPENSES</b>					
Profit Shares Income	1.683.405	34.155.329	8.070.418	76.853	43.986.005
Profit Shares Expense	(9.989.641)	(24.411.704)	(4.026.543)	(129.132)	(38.557.020)
Net Profit Shares Income/Expense	(8.306.236)	9.743.625	4.043.875	(52.279)	5.428.985
Net Fees and Commission Income/Expense	320.793	503.059	-	2.108.036	2.931.888
Dividend Income	-	-	714	-	714
Trading Income/Loss (Net)	-	-	2.158.546	-	2.158.546
Other Operating Income	-	2.090.763	-	23.091	2.113.854
Provision for Expected Losses	(127.882)	(2.489.927)	-	(518.194)	(3.136.003)
Other Expense	-	(129.126)	-	(4.951.651)	(5.080.777)
Personnel Expenses	(8.113.325)	9.718.393	6.203.135	(3.390.996)	4.417.207
Other Operating Expense	-	-	-	(412.710)	(412.710)
Net Operating Profit/Loss	(8.113.325)	9.718.393	6.203.135	(3.803.706)	4.004.497
<b>SEGMENT ASSETS</b>					
Financial Assets at FV Through P/L	-	-	3.812.067	-	3.812.067
Banks (*)	-	-	13.029.805	-	13.029.805
Financial Assets Measured at Fair Value Through Other Comprehensive Income	-	-	17.547.002	-	17.547.002
Loans (*)(**)	12.277.999	239.059.396	8.433.292	-	259.770.687
Financial Assets Measured at Amortised Cost	-	-	21.830.293	-	21.830.293
Derivative Financial Assets	-	-	3.728	-	3.728
Partnership Investment	-	-	22.600	-	22.600
Other Assets (*)	-	-	-	68.240.423	68.240.423
<b>Total Segment Assets</b>	<b>12.277.999</b>	<b>239.059.396</b>	<b>64.678.787</b>	<b>68.240.423</b>	<b>384.256.605</b>
<b>SEGMENT LIABILITIES</b>					
Funds Collected	120.857.108	183.515.266	-	-	304.372.374
Derivative Financial Liabilities	-	-	153.095	-	153.095
Funds Borrowed	-	-	34.888.977	-	34.888.977
Money Market Funds	-	-	10.964.133	-	10.964.133
Securities Issued (Net)	-	-	-	-	-
Provisions	-	-	-	2.932.298	2.932.298
Other Liabilities	-	-	-	11.114.181	11.114.181
Shareholders' Equity	-	-	-	19.831.547	19.831.547
<b>TOTAL SEGMENT LIABILITIES</b>	<b>120.857.108</b>	<b>183.515.266</b>	<b>46.006.205</b>	<b>33.878.026</b>	<b>384.256.605</b>

(\*) Includes expected loss provisions.

(\*\*) Includes lease receivables.

# ZİRAAT KATILIM BANKASI A.Ş.

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

(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)

#### XII. EXPLANATIONS ON THE OPERATING SEGMENTS (Continued)

Table for segment reporting (Continued)

Prior Period 1 January - 31 December 2022	Private Banking	Corporate/ Commercial Banking	Treasury/ Investment Banking	Other/Undistributed	Total
<b>OPERATING INCOME / EXPENSES</b>					
Profit Shares Income	1.011.164	14.098.916	5.083.818	37.362	20.231.260
Profit Shares Expense	(3.691.403)	(6.810.928)	(1.924.433)	(62.009)	(12.488.773)
Net Profit Shares Income/Expense	(2.680.239)	7.287.988	3.159.385	(24.647)	7.742.487
Net Fees and Commission Income/Expense	100.727	292.805	-	(147.587)	245.945
Dividend Income	-	-	774	-	774
Trading Income/Loss (Net)	-	-	1.214.691	-	1.214.691
Other Operating Income	-	862.404	-	13.850	876.254
Provision for Expected Losses	(105.771)	(1.533.388)	-	(230.735)	(1.869.894)
Other Expense	-	(85.494)	-	(2.660.997)	(2.746.491)
Personnel Expenses	(2.683.645)	6.822.678	4.374.850	(3.050.117)	5.463.766
Other Operating Expense	-	-	-	(1.623.494)	(1.623.494)
Net Operating Profit/Loss	(2.683.645)	6.822.678	4.374.850	(4.673.611)	3.840.272
<b>SEGMENT ASSETS</b>					
Financial Assets at FV Through P/L	-	-	2.133.604	-	2.133.604
Banks (*)	-	-	13.251.320	-	13.251.320
Financial Assets Measured at Fair Value Through Other Comprehensive Income	-	-	19.810.297	-	19.810.297
Loans (*)(**)	9.316.981	135.071.172	470.115	-	144.858.268
Financial Assets Measured at Amortised Cost	-	-	5.323.943	-	5.323.943
Derivative Financial Assets	-	-	14.471	-	14.471
Partnership Investment	-	-	100	-	100
Other Assets (*)	-	-	-	27.951.587	27.951.587
<b>Total Segment Assets</b>	<b>9.316.981</b>	<b>135.071.172</b>	<b>41.003.850</b>	<b>27.951.587</b>	<b>213.343.590</b>
<b>SEGMENT LIABILITIES</b>					
Funds Collected	72.592.476	100.546.722	-	-	173.139.198
Derivative Financial Liabilities	-	-	62.998	-	62.998
Funds Borrowed	-	-	9.904.777	-	9.904.777
Money Market Funds	-	-	7.555.999	-	7.555.999
Securities Issued (Net)	-	-	-	-	-
Provisions	-	-	-	2.166.009	2.166.009
Other Liabilities	-	-	-	9.136.164	9.136.164
Shareholders' Equity	-	-	-	11.378.445	11.378.445
<b>TOTAL SEGMENT LIABILITIES</b>	<b>72.592.476</b>	<b>100.546.722</b>	<b>17.523.774</b>	<b>22.680.618</b>	<b>213.343.590</b>

(\*) Includes expected loss provisions.

(\*\*) Includes lease receivables.

## ZİRAAT KATILIM BANKASI A.Ş.

### NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

(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)

#### XIII. EXPLANATIONS ON THE FAIR VALUE REALIZATION OF FINANCIAL ASSETS AND LIABILITIES

##### a) Information regarding the fair value of financial assets and liabilities:

Current Period 31.12.2023	Book Value	Fair Value
<b>Financial Assets</b>	<b>316.016.443</b>	<b>308.319.029</b>
Due from Interbank Money Market	-	-
Banks	13.029.805	13.029.805
Financial Assets Measured at Fair Value Through Other Comprehensive Income	17.547.002	17.547.002
Financial Assets Measured at Amortised Cost	21.830.294	13.246.397
Loans	263.609.342	264.495.825
<b>Financial Liabilities</b>	<b>341.167.896</b>	<b>339.697.785</b>
Bank Deposits	6.109.425	6.109.425
Other Deposits	298.262.949	298.262.949
Funds Borrowed from Other Financial Institutions	34.888.978	33.418.867
Issued Marketable Securities	-	-
Miscellaneous Payables	1.906.544	1.906.544

Prior Period 31.12.2022	Book Value	Fair Value
<b>Financial Assets</b>	<b>185.960.864</b>	<b>183.201.517</b>
Due from Interbank Money Market	-	-
Banks	13.251.320	12.933.668
Financial Assets Measured at Fair Value Through Other Comprehensive Income	19.810.297	19.810.297
Financial Assets Measured at Amortised Cost	5.323.943	4.212.737
Loans	147.575.304	146.244.815
<b>Financial Liabilities</b>	<b>185.194.364</b>	<b>185.103.964</b>
Bank Deposits	4.793.348	4.793.348
Other Deposits	168.345.849	168.345.849
Funds Borrowed from Other Financial Institutions	9.995.177	9.904.777
Issued Marketable Securities	-	-
Miscellaneous Payables	2.059.990	2.059.990

Receivables from money markets, receivables from banks and bank deposits are of short term nature, therefore carrying values are considered as fair value.

In determination of book and fair value of available-for-sale securities, market prices are taken into consideration. If these securities are not traded in an active market, the indicator prices calculated by CBRT are taken into account.

The fair value of loans and other deposits represent the sum of the cost and the accrued interest.

##### b) Information on fair value measurements recognized in the financial statement:

According to TFRS 7 "Financial Instruments: Explanations" Standard, the accounts recognized with the fair value in the balance sheet should be presented and classified sequentially in the related notes. Respectively, such financial instruments are classified in three levels representing the importance of the data used during for the measurement of fair values. At level one, the financial instruments whose fair values are determined with the recorded prices in the active markets for the assets and liabilities with identical fair values; at level two, the financial instruments whose fair value is based on the directly or indirectly observable market indicators and at level three; the financial instruments whose fair value is not based on the directly or indirectly observable market indicators are considered. The financial instruments which are recognized with their fair values at the Bank's balance sheet, are presented with respect to such basis of classification in the table below.



**ZİRAAT KATILIM BANKASI A.Ş.****NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF  
31 DECEMBER 2023**

(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)****XIII. EXPLANATIONS ON THE FAIR VALUE REALIZATION OF FINANCIAL ASSETS AND  
LIABILITIES (Continued)**

<b>Current Period 31.12.2023</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial Assets at Fair Value Through Profit or (Loss)</b>	-	<b>3.815.795</b>	-	<b>3.815.795</b>
Government Debt Securities		3.812.067	-	3.812.067
Marketable Securities	-	3.728	-	3.728
Other Marketable Securities	-	-	-	-
<b>Financial Assets at Fair Value Through Other Comprehensive Income</b>	<b>13.877.547</b>	<b>3.616.542</b>	<b>52.913</b>	<b>17.547.002</b>
Marketable Securities	-	-	52.913	52.913
Government Debt Securities	13.001.450	3.616.542	-	16.617.992
Other Marketable Securities	876.097	-	-	876.097
<b>Derivative Financial Assets</b>	<b>2.990</b>	<b>738</b>	-	<b>3.728</b>
<b>Total Assets</b>	<b>13.880.537</b>	<b>7.433.075</b>	<b>52.913</b>	<b>21.366.525</b>
<b>Derivative Financial Liabilities</b>	-	<b>153.095</b>	-	<b>153.095</b>
<b>Total Liabilities</b>	-	<b>153.095</b>	-	<b>153.095</b>

<b>Prior Period 31.12.2022</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial Assets at Fair Value Through Profit or (Loss)</b>	-	<b>2.133.604</b>	-	<b>2.133.604</b>
Government Debt Securities		2.133.604	-	2.133.604
Marketable Securities	-	-	-	-
Other Marketable Securities	-	-	-	-
<b>Financial Assets at Fair Value Through Other Comprehensive Income</b>	<b>16.131.338</b>	<b>3.626.618</b>	<b>52.341</b>	<b>19.810.297</b>
Marketable Securities	-	-	52.341	52.341
Government Debt Securities	15.139.990	3.626.618	-	18.766.608
Other Marketable Securities	991.348	-	-	991.348
<b>Derivative Financial Assets</b>	-	<b>14.471</b>	-	<b>14.471</b>
<b>Total Assets</b>	<b>16.131.338</b>	<b>5.774.693</b>	<b>52.341</b>	<b>21.958.372</b>
<b>Derivative Financial Liabilities</b>	-	<b>62.998</b>	-	<b>62.998</b>
<b>Total Liabilities</b>	-	<b>62.998</b>	-	<b>62.998</b>

**XIV. EXPLANATIONS ON THE ACTIVITIES CARRIED OUT ON BEHALF AND ON ACCOUNT  
OF OTHER PARTIES**

The Bank does not provide trading, custody and fund management services on behalf and account of its customers. The bank does not make faith-based transaction contracts.

## ZİRAAT KATILIM BANKASI A.Ş.

### NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

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

#### SECTION FIVE

#### EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS

##### I. EXPLANATIONS AND NOTES RELATED TO ASSETS

##### 1.a) Information on cash and balances with Central Bank of the Republic of Turkey

	Current Period 31 December 2023		Prior Period 31 December 2022	
	TRY	FC	TRY	FC
Cash / Foreign Currency	170.718	871.290	121.498	827.299
Central Bank of the Republic of Turkey(*)	24.036.052	35.447.767	6.189.305	17.634.063
Other	-	114.484	-	202.080
<b>Total</b>	<b>24.206.770</b>	<b>36.433.541</b>	<b>6.310.803</b>	<b>18.663.442</b>

(\*) According to the letter of BRSA dated 3 January 2008, it includes the average TRY required reserve balance.

##### 1.a.1) Information on Required Reserves:

Banks that are established in Türkiye or performing their operations by opening branches in Türkiye are subject to Communiqué on Required Reserves of Central Bank of the Republic of Türkiye's numbered 2013/15. Based on accounting standards and registration layout for banks the items specified within the Communiqué, except from liabilities to Central Bank, Treasury, Domestic banks, and head offices and branches in Türkiye of the banks established by international agreements, constitute required reserves liabilities.

Banks establish required reserves at the Central Bank of the Republic of Türkiye for their Turkish Lira and foreign currency liabilities 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 0% and 8% for Turkish Lira deposits and other liabilities, and between 5% and 30% for foreign currency deposits and other liabilities.

##### b) Information on the account of the Central Bank of the Republic of Turkey:

	Current Period 31 December 2023		Prior Period 31 December 2022	
	TRY	FC	TRY	FC
Unrestricted Demand Deposit	24.036.052	35.447.767	6.189.305	17.634.063
Unrestricted Time Deposit	-	-	-	-
Restricted Time Deposit	-	-	-	-
<b>Total</b>	<b>24.036.052</b>	<b>35.447.767</b>	<b>6.189.305</b>	<b>17.634.063</b>

(\*) TRY, FC and Gold required reserves established in accordance with the "Communiqué on Required Reserves" are included in the amounts in the table.

## ZİRAAT KATILIM BANKASI A.Ş.

### NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

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

#### EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

###### 2. Information on banks and other financial institutions:

	Current Period 31 December 2023		Prior Period 31 December 2022	
	TRY	FC	TRY	FC
Banks				
Domestic Banks	114.562	1.726.491	134.657	10.334.683
Foreign Banks	-	11.188.752	-	2.781.980
Foreign Head Office and Branches	-	-	-	-
<b>Total</b>	<b>114.562</b>	<b>12.915.243</b>	<b>134.657</b>	<b>13.116.663</b>

###### Information on Foreign Bank Accounts

	Unrestricted Amount		Restricted Amount	
	Current Period 31.12.2023	Prior Period 31.12.2022	Current Period 31.12.2023	Prior Period 31.12.2022
European Union Countries	9.866.979	1.970.439	-	-
USA, Canada	550.441	151.058	-	-
OECD Countries*	35.959	275.693	-	-
Off-Shore Banking Regions	-	-	-	-
Other Countries	735.373	384.790	-	-
<b>Total</b>	<b>11.188.752</b>	<b>2.781.980</b>	<b>-</b>	<b>-</b>

(\*) OECD Countries other than EU countries, USA and Canada.

###### 3. Financial assets at fair value through profit or loss

	Current Period 31 December 2023	Prior Period 31 December 2022
Financial Assets at Fair Value Through Profit / Loss	3.790.194	2.121.486
Other Dividends and Income Rediscunts	21.873	12.118
Provision for Impairment (-)	-	-
<b>Total</b>	<b>3.812.067</b>	<b>2.133.604</b>

###### 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 December 2023	Prior Period 31 December 2022
Assets Subject to Repurchase Agreements	8.362.369	5.876.865
Assets Blocked/Given as Collateral	1.479.501	5.640.357
<b>Total (*)</b>	<b>9.841.870</b>	<b>11.517.222</b>

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

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

	Current Period 31 December 2023	Prior Period 31 December 2022
Debt Securities	17.900.443	19.892.250
Quoted in Stock Exchange	17.900.443	19.892.250
Not Quoted in Stock Exchange	-	-
Share Certificates	52.913	52.341
Quoted in Stock Exchange	-	-
Not Quoted in Stock Exchange (*)	52.913	52.341
Provision for Impairment (-) (**)	406.354	134.294
<b>Total</b>	<b>17.547.002</b>	<b>19.810.297</b>

(\*) The afore-mentioned amounts in question consist of the amounts paid to 41.101 TRY İhracatı Gelişim A.Ş., 7.659 TRY Credit Guarantee Fund and 4.153 TRY to JCR Avrasya Değerleme A.Ş. and are shown in the not traded on the stock exchange line (31 December 2022: 41.101 TRY İhracatı Gelişim A.Ş. \$., 7.659 TRY Credit Guarantee Fund and 3,581 JCR Avrasya Rating A.Ş.).

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

**ZİRAAT KATILIM BANKASI A.Ş.****NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF  
31 DECEMBER 2023**

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

**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS  
(Continued)****I. EXPLANATIONS AND NOTES RELATED TO ASSETS (Continued)****5. Information on derivative financial assets****a) Information on derivative assets at fair value through profit or loss**

	Current Period 31 December 2023		Prior Period 31 December 2022	
	TRY	FC	TRY	FC
Forward Transactions	847	-	-	-
Swap Transactions	-	199	14.218	-
Futures Transactions	-	-	-	-
Options	-	-	-	-
Other	2.143	539	111	142
<b>Total</b>	<b>2.990</b>	<b>738</b>	<b>14.329</b>	<b>142</b>

**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 December 2023		Prior Period 31 December 2022	
	Cash	Non-Cash	Cash	Non-Cash
Direct Loans Granted to Shareholders	6.184.984	-	2.374	-
Corporate Shareholders	6.184.984	-	2.374	-
Real Person Shareholders	-	-	-	-
Indirect Loans Granted to Shareholders	-	-	-	-
Loans Granted to Employees	192.704	-	101.173	-
<b>Total (*)</b>	<b>6.377.688</b>	<b>-</b>	<b>103.547</b>	<b>-</b>

(\*) Includes rediscount amounts.

**b) Information on Standard Qualified and Close Monitored (First and Second Group Loans) and Restructured Close Monitored Loans**

Current Period 31 December 2023				
	Standard Loans and Other Receivables	Loans Under Close Monitoring		
		Not Under the Scope of Restructuring	Restructured	
Cash Loans			Loans with revised contract terms	Refinancing
Loans (*)				
Export Loans	46.795.959	82.734	-	-
Import Loans	41.262	-	-	-
Commercial Loans	122.862.878	992.780	1.232.299	1.865.840
Consumer Loans	11.661.704	134.760	-	-
Credit Cards	469.395	11.776	-	-
Loans Given to Financial Sector	10.079.281	-	-	-
Other (**)	12.711.995	80.025	-	-
Other Receivables	-	-	-	-
Profit Share Income Accruals and Rediscounts	204.622.474	1.302.075	1.232.299	1.865.840
<b>Total</b>	<b>46.795.959</b>	<b>82.734</b>	<b>-</b>	<b>-</b>

**ZİRAAT KATILIM BANKASI A.Ş.****NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF  
31 DECEMBER 2023**

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

**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS  
(Continued)****I. EXPLANATIONS AND NOTES RELATED TO ASSETS (Continued)****6. Information related to loans (Continued)****b) Information on Standard Qualified and Close Monitored (First and Second Group Loans)  
and Restructured Close Monitored Loans (Continued)**

<b>Prior Period 31 December 2022</b>				
	<b>Standard Loans and Other Receivables</b>	<b>Loans Under Close Monitoring</b>		
		<b>Not Under the Scope of Restructuring</b>	<b>Restructured</b>	
<b>Cash Loans</b>			<b>Loans with revised contract terms</b>	<b>Refinancing</b>
Loans(*)				
Export Loans	25.027.366	5.961	-	-
Import Loans	68.569	-	-	-
Commercial Loans	80.164.497	1.113.367	389.136	774.366
Consumer Loans	9.134.498	78.648	-	-
Credit Cards	103.556	301	-	-
Loans Given to Financial Sector	495.353	-	-	-
Other(**)	7.084.047	24.574	-	-
Other Receivables	-	-	-	-
<b>Total</b>	<b>122.077.886</b>	<b>1.222.851</b>	<b>389.136</b>	<b>774.366</b>

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

(\*\*) As of 31 December 2023, TRY 23.475 (31 December 2022: TRY 36.525) of the related balance consists of funds provided by the musharakah partnership financing method. As of 31 December 2022, the Bank has accounted for these fixed musharakah financing loans, which it carries in its statement of financial position, at historical cost in accordance with Interest-Free Finance Accounting Standard 4: Musharakah Financing “FFMS 4” Article 2/3/1.

	<b>Current Period 31 December 2023</b>		<b>Prior Period 31 December 2022</b>	
	<b>Standard Loans</b>	<b>Loans Under Close Monitoring</b>	<b>Standard Loans</b>	<b>Loans Under Close Monitoring</b>
<b>Expected Credit Loss of Stage 1 and Stage 2</b>				
12 Month Expected Credit Losses	1.299.758	-	683.003	-
Significant Increase in Credit Risk	-	856.891	-	438.587

	<b>Current Period 31.12.2023</b>		<b>Prior Period 31.12.2022</b>	
	<b>Standard Loans and Other Receivables</b>	<b>Loans Under close monitoring and Other Receivables</b>	<b>Standard Loans and Other Receivables</b>	<b>Loans Under close monitoring and Other Receivables</b>
<b>Number of Extensions</b>				
1 or 2 Times Extended	257.418	2.910.873	619.977	1.095.445
3 - 4 or 5 Times Extended	-	-	-	-
Over 5 Times Extended	-	-	-	-
<b>Total</b>	<b>257.418</b>	<b>2.910.873</b>	<b>619.977</b>	<b>1.095.445</b>

	<b>Current Period 31.12.2023</b>		<b>Prior Period 31.12.2022</b>	
	<b>Standard Loans and Other Receivables</b>	<b>Loans Under close monitoring and Other Receivables</b>	<b>Standard Loans and Other Receivables</b>	<b>Loans Under close monitoring and Other Receivables</b>
<b>Extension Periods</b>				
0 - 6 Months	-	974.563	10.092	183.452
6 Months – 12 Months	4.539	157.645	3.703	11.816
1 - 2 Years	229.594	1.123.898	196.105	729.732
2 - 5 Years	23.285	22.491	50.014	14.235
5 Years and Over	-	632.276	360.063	156.210
<b>Total</b>	<b>257.418</b>	<b>2.910.873</b>	<b>619.977</b>	<b>1.095.445</b>

# ZİRAAT KATILIM BANKASI A.Ş.

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

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

### EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

##### 6. Information related to loans (Continued)

##### c. Loans according to maturity structure

Current Period 31.12.2023			
	Standard Loans and Other Receivables	Loans under Close Monitoring	
Cash Loans		Loans Not Subject to Restructuring	Refinancing
Short-term Loans	103.605.766	846.450	723.235
Medium and Long-term Loans	101.016.708	455.625	509.064
<b>Total</b>	<b>204.622.474</b>	<b>1.302.075</b>	<b>1.232.299</b>

Prior Period 31.12.2022			
	Standard Loans and Other Receivables	Loans under Close Monitoring	
Cash Loans		Loans Not Subject to Restructuring	Refinancing
Short-term Loans	66.333.697	881.296	308.341
Medium and Long-term Loans	55.744.189	341.555	80.795
<b>Total</b>	<b>122.077.886</b>	<b>1.222.851</b>	<b>389.136</b>

##### d) Information on consumer loans, individual credit cards, personnel loans and personnel credit cards

Current Period 31 December 2023	Short-Term	Medium and Long-Term	Total
<b>Consumer Loans – TRY</b>	<b>62.737</b>	<b>11.556.368</b>	<b>11.619.105</b>
Housing Loans	2.745	10.388.249	10.390.994
Vehicle Loans	14.200	878.421	892.621
Consumer Loans	45.792	289.698	335.490
Other	-	-	-
<b>Consumer Loans-FC Indexed</b>	<b>-</b>	<b>-</b>	<b>-</b>
Housing Loans	-	-	-
Vehicle Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
<b>Consumer Loans-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
Housing Loans	-	-	-
Vehicle Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
<b>Retail Credit Cards-TRY</b>	<b>463.842</b>	<b>1.984</b>	<b>465.826</b>
With Installment	160.566	1.500	162.066
Without Installment	303.276	484	303.760
<b>Retail Credit Cards-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
With Installment	-	-	-
Without Installment	-	-	-
<b>Personnel Loans-TRY</b>	<b>21.534</b>	<b>155.825</b>	<b>177.359</b>
Housing Loans	-	18.093	18.093
Vehicle Loans	-	4.170	4.170
Consumer Loans	21.534	133.562	155.096
Other	-	-	-
<b>Personnel Loans-FC Indexed</b>	<b>-</b>	<b>-</b>	<b>-</b>
Housing Loans	-	-	-
Vehicle Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
<b>Personnel Loans-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
Housing Loans	-	-	-
Vehicle Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
<b>Personnel Credit Cards-TRY</b>	<b>15.345</b>	<b>-</b>	<b>15.345</b>
With Installment	6.214	-	6.214
Without Installment	9.131	-	9.131
<b>Personnel Credit Cards-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
With Installment	-	-	-
Without Installment	-	-	-
<b>Overdraft Account-TRY (Real Person)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Overdraft Account-FC (Real Person)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total (*)</b>	<b>563.458</b>	<b>11.714.177</b>	<b>12.277.635</b>

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

# ZİRAAT KATILIM BANKASI A.Ş.

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

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

### EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

##### 6. Information related to loans (Continued)

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

Prior Period 31 December 2022	Short-Term	Medium and Long-Term	Total
<b>Consumer Loans – TRY</b>	<b>30.527</b>	<b>9.083.584</b>	<b>9.114.111</b>
Housing Loans	4.733	8.045.837	8.050.570
Vehicle Loans	7.261	717.975	725.236
Consumer Loans	18.533	319.772	338.305
Other	-	-	-
<b>Consumer Loans-FC Indexed</b>	-	-	-
Housing Loans	-	-	-
Vehicle Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
<b>Consumer Loans-FC</b>	-	-	-
Housing Loans	-	-	-
Vehicle Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
<b>Retail Credit Cards-TRY</b>	<b>101.677</b>	<b>42</b>	<b>101.719</b>
With Installment	25.743	14	25.757
Without Installment	75.934	28	75.962
<b>Retail Credit Cards-FC</b>	-	-	-
With Installment	-	-	-
Without Installment	-	-	-
<b>Personnel Loans-TRY</b>	<b>3.824</b>	<b>95.211</b>	<b>99.035</b>
Housing Loans	-	14.988	14.988
Vehicle Loans	-	3.161	3.161
Consumer Loans	3.824	77.062	80.886
Other	-	-	-
<b>Personnel Loans-FC Indexed</b>	-	-	-
Housing Loans	-	-	-
Vehicle Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
<b>Personnel Loans-FC</b>	-	-	-
Housing Loans	-	-	-
Vehicle Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
<b>Personnel Credit Cards-TRY</b>	<b>2.131</b>	<b>7</b>	<b>2.138</b>
With Installment	701	-	701
Without Installment	1.430	7	1.437
<b>Personnel Credit Cards-FC</b>	-	-	-
Installment based	-	-	-
Without Installment	-	-	-
<b>Overdraft Account-TRY (Real Person)</b>	-	-	-
<b>Overdraft Account-FC (Real Person)</b>	-	-	-
<b>Total (*)</b>	<b>138.159</b>	<b>9.178.844</b>	<b>9.317.003</b>

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

**ZİRAAT KATILIM BANKASI A.Ş.****NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF  
31 DECEMBER 2023**

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

**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS  
(Continued)****I. EXPLANATIONS AND NOTES RELATED TO ASSETS (Continued)****6. Information related to loans (Continued)****d) Information on consumer loans, individual credit cards, personnel loans and personnel credit cards (Continued)**

<b>Current Period 31 December 2023</b>	<b>Short-Term</b>	<b>Medium and Long-Term</b>	<b>Total</b>
<b>Installment Commercial Loans-TRY</b>	<b>690.006</b>	<b>980.790</b>	<b>1.670.796</b>
Business Loans	-	14.818	14.818
Vehicle Loans	690.006	965.972	1.655.978
Consumer Loans	-	-	-
Other	-	-	-
<b>Installment Commercial Loans-Indexed to FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
Business Loans	-	-	-
Vehicle Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
<b>Installment Commercial Loans -FC</b>	<b>-</b>	<b>91.937</b>	<b>91.937</b>
With Installment	-	-	-
Without Installment	-	91.937	91.937
With Installment	-	-	-
Without Installment	-	-	-
<b>Corporate Credit Cards -TRY</b>	<b>-</b>	<b>-</b>	<b>-</b>
With Installment	-	-	-
Without Installment	-	-	-
<b>Corporate Credit Cards -FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
With Installment	-	-	-
Without Installment	-	-	-
<b>Overdraft Account-TRY (Legal Entity)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Overdraft Account-FC (Legal Entity)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>690.006</b>	<b>1.072.727</b>	<b>1.762.733</b>

<b>Prior Period 31 December 2022</b>	<b>Short-Term</b>	<b>Medium and Long-Term</b>	<b>Total</b>
<b>Installment Commercial Loans-TRY</b>	<b>1.272.278</b>	<b>1.112.990</b>	<b>2.385.268</b>
Business Loans	1.839	36.816	38.655
Vehicle Loans	1.270.439	1.076.174	2.346.613
Consumer Loans	-	-	-
Other	-	-	-
<b>Installment Commercial Loans-Indexed to FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
Business Loans	-	-	-
Vehicle Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
<b>Installment Commercial Loans -FC</b>	<b>1.135</b>	<b>59.458</b>	<b>60.593</b>
With Installment	-	-	-
Without Installment	1.135	59.458	60.593
With Installment	-	-	-
Without Installment	-	-	-
<b>Corporate Credit Cards -TRY</b>	<b>-</b>	<b>-</b>	<b>-</b>
With Installment	-	-	-
Without Installment	-	-	-
<b>Corporate Credit Cards -FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
With Installment	-	-	-
Without Installment	-	-	-
<b>Overdraft Account-TRY (Legal Entity)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Overdraft Account-FC (Legal Entity)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>1.273.413</b>	<b>1.172.448</b>	<b>2.445.861</b>



## ZİRAAT KATILIM BANKASI A.Ş.

### NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

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

#### EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

###### 6. Information related to loans (Continued)

###### f) Loans according to types of borrower:

	Current Period 31 December 2023	Prior Period 31 December 2022
Public	9.274.657	10.336.517
Private	199.748.031	114.127.722
<b>Total<sup>(*)</sup></b>	<b>209.022.688</b>	<b>124.464.239</b>

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

###### g) Breakdown of domestic and international loans

	Current Period 31 December 2023	Prior Period 31 December 2022
Domestic Loans	206.980.128	123.607.634
Foreign Loans	2.042.560	856.605
<b>Total<sup>(*)</sup></b>	<b>209.022.688</b>	<b>124.464.239</b>

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

###### h) Loans granted to subsidiaries and participations

As of 31 December 2023, the Bank has no loans granted to subsidiaries and participations (31 December 2022: None).

###### i) Expected Loss Provisions for Loans (Third Stage)

	Current Period 31 December 2023	Prior Period 31 December 2022
Loans and receivables with limited collectability	38.715	6.432
Loans and receivables with doubtful collectability	27.959	94.372
Uncollectible loans and other receivables	1.615.332	1.494.642
<b>Total</b>	<b>1.682.006</b>	<b>1.595.446</b>

###### j) Information on lease receivables

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

	Current Period 31 December 2023		Prior Period 31 December 2022	
	Gross	Net	Gross	Net
Less than 1 year	224.845	214.022	189.351	179.909
1-5 year	59.978.540	41.201.771	16.491.827	14.005.363
More than 5 years	13.243.798	11.229.911	8.160.207	7.050.052
<b>Total</b>	<b>73.447.183</b>	<b>52.645.704</b>	<b>24.841.385</b>	<b>21.235.324</b>

###### j.2) Information on net investments in financial leasing

	Current Period 31 December 2023	Prior Period 31 December 2022
Gross Financial Lease Receivable	73.447.183	24.841.385
Unearned Financial Income from Financial Lease (-)	(20.801.479)	(3.606.061)
Canceled Rental Amounts	-	-
<b>Total</b>	<b>52.645.704</b>	<b>21.235.324</b>

## ZİRAAT KATILIM BANKASI A.Ş.

### NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

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

#### EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

##### I. EXPLANATIONS AND NOTES RELATED TO 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 December 2023, the sum of the Bank's non-performing loans restructured or rescheduled for a new redemption plan and other receivables is TRY 130.382 (31 December 2021: 167.624).

###### 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
<b>Current Period 31 December 2023</b>			
<b>Ending balance of prior period</b>	<b>23.334</b>	<b>178.305</b>	<b>1.674.102</b>
Additions in the current period (+)	345.892	45.571	339.789
Transfers from other categories of non-performing loans (+)	-	115.197	251.803
Transfers to other categories of non-performing loans (-)	115.197	251.803	-
Collections in the current period (-)	117.276	18.536	530.231
Sold <sup>(**)</sup> (-)	-	-	-
Corporate and commercial loans	-	-	-
Retail loans	-	-	-
Credit cards	-	-	-
Other	-	-	-
<b>Ending balance of the current period</b>	<b>136.753</b>	<b>68.734</b>	<b>1.735.463</b>
Expected Loss Provision (Stage 3) (-)	38.715	27.959	1.615.332
<b>Net balance on balance sheet</b>	<b>98.038</b>	<b>40.775</b>	<b>120.131</b>

(\*) Includes transfers to first and second group loans amounting to TRY 13.760.

(\*\*) It is the amount that has been transferred from the financial statements in accordance with the transfer of receivables agreements while being monitored in the non-performing receivables accounts of the Bank.

	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
<b>Prior Period 31 December 2022</b>			
<b>Ending balance of prior period</b>	<b>41.467</b>	<b>391.196</b>	<b>1.266.313</b>
Additions in the current period (+)	283.521	26.482	311.004
Transfers from other categories of non-performing loans (+)	-	263.830	464.576
Transfers to other categories of non-performing loans (-)	263.830	464.576	-
Collections in the current period (-)	37.824	38.627	348.775
Sold <sup>(**)</sup> (-)	-	-	19.016
Corporate and commercial loans	-	-	19.016
Retail loans	-	-	-
Credit cards	-	-	-
Other	-	-	-
<b>Ending balance of the current period</b>	<b>23.334</b>	<b>178.305</b>	<b>1.674.102</b>
Expected Loss Provision (Stage 3) (-)	6.432	94.372	1.494.642
<b>Net balance on balance sheet</b>	<b>16.902</b>	<b>83.933</b>	<b>179.460</b>

(\*) Includes transfers to first and second group loans amounting to TRY 45.171.

**ZİRAAT KATILIM BANKASI A.Ş.****NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF  
31 DECEMBER 2023**

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

**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS  
(Continued)****I. EXPLANATIONS AND NOTES RELATED TO 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**

	<b>Group III:</b>	<b>Group IV:</b>	<b>Group V:</b>
<b>Current Period</b>	<b>Loans with limited</b>	<b>Loans with doubtful</b>	<b>Uncollectible</b>
<b>31 December 2023</b>	<b>collectability</b>	<b>collectability</b>	<b>Loans</b>
Ending balance of the current period	-	2.038	312.721
Expected Loss Provision (Stage 3) (-)	-	783	311.661
Net balance on balance sheet	-	1.255	1.060

	<b>Group III:</b>	<b>Group IV:</b>	<b>Group V:</b>
<b>Prior Period</b>	<b>Loans with limited</b>	<b>Loans with doubtful</b>	<b>Uncollectible</b>
<b>31 December 2022</b>	<b>collectability</b>	<b>collectability</b>	<b>Loans</b>
Ending balance of the current period	-	-	316.515
Expected Loss Provision (Stage 3) (-)	-	-	302.296
Net balance on balance sheet	-	-	14.219

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

	<b>Group III:</b>	<b>Group IV:</b>	<b>Group V:</b>
	<b>Loans and other</b>	<b>Loans and other</b>	<b>Uncollectible</b>
	<b>receivables with</b>	<b>receivables with</b>	<b>loans and other</b>
	<b>limited</b>	<b>doubtful</b>	<b>receivables</b>
	<b>collectability</b>	<b>collectability</b>	
<b>Current Period (Net)</b>	<b>98.038</b>	<b>40.775</b>	<b>120.131</b>
Loans to Real Persons and Legal Entities (Gross)	136.753	68.734	1.735.463
Specific Provisions (-)	38.715	27.959	1.615.332
Loans to Real Persons and Legal Entities (Net)	98.038	40.775	120.131
Banks (Gross)	-	-	-
Specific Provisions (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	-
Specific Provisions (-)	-	-	-
Other Loans and Receivables (Net)	-	-	-
<b>Prior Period (Net)</b>	<b>16.902</b>	<b>83.933</b>	<b>179.460</b>
Loans to Real Persons and Legal Entities (Gross)	23.334	178.305	1.674.102
Specific Provisions (-)	6.432	94.372	1.494.642
Loans to Real Persons and Legal Entities (Net)	16.902	83.933	179.460
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:**

	<b>Group III:</b>	<b>Group IV:</b>	<b>Group V:</b>
	<b>Loans with limited</b>	<b>Loans with</b>	
	<b>collectability</b>	<b>doubtful</b>	<b>Uncollectible loans</b>
		<b>collectability</b>	
<b>Current Period (Net)</b>	<b>7.303</b>	<b>3.556</b>	<b>19.379</b>
Profit Share Accrual and Valuation Differences Provision	9.946	6.208	255.061
Provision Amount (-)	2.643	2.652	235.682
<b>Prior Period (Net)</b>	<b>1.108</b>	<b>8.692</b>	<b>26.287</b>
Profit Share Accrual and Valuation Differences Provision	1.592	18.930	234.022
Provision Amount (-)	484	10.238	207.735

**ZİRAAT KATILIM BANKASI A.Ş.****NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF  
31 DECEMBER 2023**

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

**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS  
(Continued)****I. EXPLANATIONS AND NOTES RELATED TO ASSETS (Continued)****6. Information related to loans (Continued)****Provision changes according to TFRS 9**

	<b>Current Period 31.12.2023</b>			
	<b>1.Stage</b>	<b>2. Stage</b>	<b>3.Stage</b>	<b>Total</b>
<b>Balance at the Beginning of the Period</b>	<b>683.003</b>	<b>438.587</b>	<b>1.595.446</b>	<b>2.717.036</b>
Addition	807.346	560.950	381.520	1.749.816
Disposals(-)	(186.115)	(124.628)	(317.454)	(628.197)
Sold (-)	-	-	-	-
Deleted From Actual (-)	-	-	-	-
Transfer to Stage 1	1.949	(1.949)	-	-
Transfer to Stage 2	(5.994)	6.128	(134)	-
Transfer to Stage 3	(431)	(22.197)	22.628	-
<b>Balance at the Closing of the Period</b>	<b>1.299.758</b>	<b>856.891</b>	<b>1.682.006</b>	<b>3.838.655</b>

	<b>Prior Period 31.12.2022</b>			
	<b>1.Stage</b>	<b>2. Stage</b>	<b>3.Stage</b>	<b>Total</b>
<b>Balance at the Beginning of the Period</b>	<b>228.215</b>	<b>168.969</b>	<b>1.337.712</b>	<b>1.734.896</b>
Addition	485.668	317.304	416.379	1.219.351
Disposals(-)	(34.775)	(43.055)	(140.365)	(218.195)
Sold (-)	-	-	-	-
Deleted From Actual (-)	-	-	(19.016)	(19.016)
Transfer to Stage 1	5.922	(5.922)	-	-
Transfer to Stage 2	(1.908)	3.168	(1.260)	-
Transfer to Stage 3	(119)	(1.877)	1.996	-
<b>Balance at the Closing of the Period</b>	<b>683.003</b>	<b>438.587</b>	<b>1.595.446</b>	<b>2.717.036</b>

**Cash loan changes according to TFRS 9**

	<b>Current Period 31.12.2023</b>			
	<b>1.Stage</b>	<b>2. Stage</b>	<b>3.Stage</b>	<b>Total</b>
<b>Balance at the Beginning of the Period</b>	<b>143.092.370</b>	<b>2.607.193</b>	<b>1.875.741</b>	<b>147.575.304</b>
Addition	156.480.140	1.634.533	192.701	158.307.374
Disposals(-)	(41.636.436)	(278.603)	(358.297)	(42.273.336)
Sold (-)	-	-	-	-
Deleted From Actual (-)	-	-	-	-
Transfer to Stage 1	257.591	(257.591)	-	-
Transfer to Stage 2	(1.306.837)	1.308.208	(1.371)	-
Transfer to Stage 3	(131.395)	(100.781)	232.176	-
<b>Balance at the Closing of the Period</b>	<b>256.755.433</b>	<b>4.912.959</b>	<b>1.940.950</b>	<b>263.609.342</b>

(\*) Includes TRY 52.132.959 in the first stage and TRY 512.745 in the second stage.

	<b>Prior Period 31.12.2022</b>			
	<b>1.Stage</b>	<b>2. Stage</b>	<b>3.Stage</b>	<b>Total</b>
<b>Balance at the Beginning of the Period</b>	<b>64.138.232</b>	<b>2.297.608</b>	<b>1.698.976</b>	<b>68.134.816</b>
Addition	92.459.463	670.448	302.147	93.432.058
Disposals(-)	(13.464.181)	(311.245)	(197.128)	(13.972.554)
Sold (-)	-	-	-	-
Deleted From Actual (-)	-	-	(19.016)	(19.016)
Transfer to Stage 1	595.057	(595.057)	-	-
Transfer to Stage 2	(591.586)	603.326	(11.740)	-
Transfer to Stage 3	(44.615)	(57.887)	102.502	-
<b>Balance at the Closing of the Period</b>	<b>143.092.370</b>	<b>2.607.193</b>	<b>1.875.741</b>	<b>147.575.304</b>

(\*) Includes TRY 21.014.484 in the first stage and TRY 220.840 in the second stage.

# ZİRAAT KATILIM BANKASI A.Ş.

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

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

### EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### I. EXPLANATIONS AND NOTES RELATED TO 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 the Bank's. 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 December 2023	Prior Period 31 December 2022
Debt Securities	21.830.293	5.323.943
Quoted in Stock Exchange	-	-
Not Quoted in Stock Exchange	21.830.293	5.323.943
Provision of Impairment (-)	-	-
<b>Total</b>	<b>21.830.293</b>	<b>5.323.943</b>

##### b) Information on other financial assets valued at amortized cost

None (31 December 2022: None).

##### c) Movements of government debt securities valued at amortized cost during the year

As of 31 December 2023, government debt securities measured at amortized cost of the Bank is TRY 21.830.293 (31 December 2022: TRY 5.323.943).

	Current Period 31 December 2023	Prior Period 31 December 2022
Balances at Beginning of Period	5.323.943	1.327.957
Foreign Currency Differences on Monetary Assets	1.862.347	264.482
Purchases during the Period <sup>(*)</sup>	14.644.003	3.731.504
Disposals through Sales/Redemptions	-	-
Provision of Impairment (-)	-	-
Balances at End of Period	<b>21.830.293</b>	<b>5.323.943</b>

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

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

As of 31 December 2023, the amount of assets due to trading is TRY 427.229 (31 December 2021: TRY 274.644).

	Current Period 31 December 2023	Prior Period 31 December 2022
<b>Beginning Balance (Net)</b>	274.644	307.881
Changes During the Period (Net)	152.585	(33.237)
Amount of Depreciation	-	-
Provision for Impairment	-	-
<b>Period End Balance (Net)*</b>	<b>427.229</b>	<b>274.644</b>

(\*) The bank has a right of fidelity of over TRY 197.860 of assets held for sale (31 December 2022: 211.940).

As of 31 December 2023, the Bank has no discontinued operations (31 December 2022: None).

## ZİRAAT KATILIM BANKASI A.Ş.

### NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

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

#### EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

###### 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 22.500 TRY on April 30, 2023. The total capital of the company is 600.000 TRY and the Bank's total participation amount is 90.000 TRY, which corresponds to 15%. The remaining 67.500 TRY will be paid within 2 years. There is a board member in the company representing the Bank's shares. (December 31, 2022: None).

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

###### b) Information on subsidiaries (net)

###### b.1) Information on unconsolidated subsidiaries

Ziraat Katılım Varlık Kiralama A.Ş. ("Company"), with a capital of TRY 50.000 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 50.000 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

	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	Shareholder's Equity	Total Fixed Assets	Dividend or profit share income	Income from marketable securities	Current Period Income/Loss	Prior period Income/Loss(**)	Fair Value	Needed Shareholder's Equity
1 <sup>(*)</sup>	19.979.495	529	-	1.442.455	-	131	55	-	-
2 <sup>(*)</sup>	263.035	409	-	1.017	-	292	30	-	-

(\*) Independently audited financial statements of 31 December 2023 are used.

## ZİRAAT KATILIM BANKASI A.Ş.

### NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

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

#### EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

##### 9. Equity Investments (Continued)

##### b) Information on subsidiaries (net) (Continued)

##### b.1) Information on unconsolidated subsidiaries (Continued)

	Current Period 31 December 2023	Prior Period 31 December 2022
Balance at the beginning of the year	515	430
Movements during the year	423	85
Additions	-	-
Bonus Share Certificates	-	-
Shares of Current Year Profits	423	85
Transfers to available for sale financial assets	-	-
Sales	-	-
Revaluation increase	-	-
Revaluation/Impairment	-	-
Balance at the end of the year	938	515
Capital commitments	-	-
Share percentage at the end of the year (%)	%100	%100

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

	Current Period 31.12.2023	Prior Period 31.12.2022
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 2022: None).

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

None (31 December 2022: None).

## ZİRAAT KATILIM BANKASI A.Ş.

### NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

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

#### EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

###### 10. Explanations on property and equipment

	Immovable	Right of Use of Immovable	Movable	Right of Use of Movable	Operational Leasing Development Costs	Other Tangibles	Total
<b>Prior Period End:</b>							
Cost	-	393.654	273.376	49.622	152.781	-	869.433
Accumulated Depreciation (-)	-	115.610	81.850	22.424	54.607	-	274.491
<b>Net Book Value</b>	-	<b>278.044</b>	<b>191.526</b>	<b>27.198</b>	<b>98.174</b>	-	<b>594.942</b>
<b>Current Period End:</b>							
Net Book Value at the Beginning of the Period	-	278.044	191.526	27.198	98.174	-	594.942
Change During the Period (Net)	-	323.326	325.119	98.275	824.037	-	1.570.757
Cost	-	411.729	397.922	125.644	941.671	-	1.876.966
Amortization (Net) (-)	-	88.403	72.803	27.369	117.634	-	306.209
Provision for Impairment (-)	-	-	-	-	-	-	-
Net Currency Translation from Foreign Subsidiaries (-)	-	-	-	-	-	-	-
Cost at Period End	-	805.383	671.298	175.266	1.094.452	-	2.746.399
Accumulated Depreciation at Period End (-)	-	204.013	154.653	49.793	172.241	-	580.700
Provision for Impairment (-)	-	-	-	-	-	-	-
<b>Closing Net Book Value</b>	-	<b>601.370</b>	<b>516.645</b>	<b>125.473</b>	<b>922.211</b>	-	<b>2.165.699</b>

For the impairment, which are either recorded or canceled in the current period and each or some of them are not important for the whole of the financial statements, the sum of the impairment amounts that are separated or canceled by the related asset groups and the events and conditions that cause them: None.

Pledges, mortgages and other restrictions on tangible assets, amount of expenses made during construction for tangible assets, commitments made for purchase of tangible assets: None

###### 11. Explanations on intangible assets:

	Current Period 31 December 2023			Prior Period 31 December 2022		
	Book Value	Accumulated Depreciation	Net Value	Book Value	Accumulated Depreciation	Net Value
Leasehold Improvements	-	-	-	-	-	-
Establishment Costs	-	-	-	-	-	-
Goodwill	-	-	-	-	-	-
Intangible Rights	825.160	132.526	692.634	426.161	83.707	342.454
<b>Total</b>	<b>825.160</b>	<b>132.526</b>	<b>692.634</b>	<b>426.161</b>	<b>83.707</b>	<b>342.454</b>

- In case an intangible asset that is significant for the financial statements as a whole, its book value, definition and remaining depreciation period: None.
- Information on intangible assets acquired under government incentives and recorded with fair value at initial recognition: None.
- The method in which intangible assets acquired under government incentives and recorded with fair value at initial recognition are valued after the first registration date: None.
- Book value of intangible assets with restrictions on use or pledged: None.
- Amount of commitments given for acquisition of intangible asset: None.
- Intangible assets based on revalued asset type: None.
- Total amount of research and development expenses recorded in the period, if any: None.
- Positive or negative consolidation goodwill that are originated from partnerships which their financial statements are unconsolidated: Not applied to the financial statements with consolidation.
- Information on goodwill: None.



## ZİRAAT KATILIM BANKASI A.Ş.

### NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

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

#### EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

###### 12. Information on the investment properties:

As of 31 December 2023, the Bank has no investment properties (31 December 2022: None).

###### 13. Information on deferred tax asset:

As at 31 December 2023, deferred tax liabilities of TRY 1.909.078 (31 December 2022: TRY 993.620) and deferred tax assets of TRY 4.387.183 (31 December 2022 TRY 1.781.640) have been offset and TRY 2.478.105 deferred tax asset (31 December 2022: TRY 788.020 deferred tax asset) is reflected in the financial statements.

	Current Period 31.12.2023	Prior Period 31.12.2022
Deferred Tax Assets	4.387.183	1.781.640
Deferred Tax Liabilities	1.909.078	993.620
Net Deferred Tax Assets	2.478.105	788.020
Net Deferred Tax Income	311.824	1.287.901

	Current Period 31.12.2023	Prior Period 31.12.2022
Reserve for Employee Benefits	96.331	42.460
Short-term Employee Benefits	333.118	121.752
Financial Assets Valuation Differences	787.122	(968.522)
Other	1.261.534	1.592.330
Net Deferred Tax Asset	2.478.105	788.020

###### 14. Information on other assets:

As of 31 December 2023 and as of 31 December 2022, other assets do not exceed 10% of the total assets excluding off-balance sheet commitments.

## ZİRAAT KATILIM BANKASI A.Ş.

### NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

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

#### EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### II. EXPLANATIONS AND NOTES RELATED TO LIABILITIES

##### 1. a) Information on funds collected

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

Current Period 31.12.2023	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 Participation Account	Total
I. Real persons current accounts non-trade TRY	2.490.516	-	-	-	-	-	-	-	2.490.516
II. Real persons participation accounts non- trade TRY	-	1.171.519	24.776.793	2.112.120	1.772.214	77.830	28.536.868	-	58.447.344
III. Other current accounts- TRY	14.460.908	-	-	-	-	-	-	-	14.460.908
Public sector	458.769	-	-	-	-	-	-	-	458.769
Commercial sector	9.887.667	-	-	-	-	-	-	-	9.887.667
Other institutions	564.251	-	-	-	-	-	-	-	564.251
Commercial and other institutions	5.123	-	-	-	-	-	-	-	5.123
Banks and participation banks	3.545.098	-	-	-	-	-	-	-	3.545.098
Central Bank of Republic of Turkey	-	-	-	-	-	-	-	-	-
Domestic banks	1.289	-	-	-	-	-	-	-	1.289
Foreign banks	3.543.719	-	-	-	-	-	-	-	3.543.719
Participation banks	90	-	-	-	-	-	-	-	90
Others	-	-	-	-	-	-	-	-	-
IV. Participation accounts- TRY	-	27.943.000	66.167.857	6.849.692	360.117	55.386	8.266.104	-	109.642.156
Public sector	-	12.002.614	5.835.070	3.288.645	1.195	-	71.762	-	21.199.286
Commercial sector	-	15.903.012	55.026.260	3.136.245	264.493	55.386	8.100.439	-	82.485.835
Other institutions	-	37.374	2.832.614	322.636	94.429	-	93.903	-	3.380.956
Commercial and other institutions	-	-	20.565	-	-	-	-	-	20.565
Banks and participation banks	-	-	2.453.348	102.166	-	-	-	-	2.555.514
V. Real persons current accounts non-trade FC	14.068.359	-	-	-	-	-	-	-	14.068.359
VI. Real persons participation accounts-FC	-	2.237.558	21.905.119	473.973	-	388.017	2.145.577	-	27.150.244
VII. Other current accounts-FC	18.539.585	-	-	-	-	-	-	-	18.539.585
Commercial residents in Turkey	17.343.068	-	-	-	-	-	-	-	17.343.068
Commercial residents in Abroad	1.187.703	-	-	-	-	-	-	-	1.187.703
Banks and participation banks	8.814	-	-	-	-	-	-	-	8.814
Central Bank of Republic of Turkey	-	-	-	-	-	-	-	-	-
Domestic banks	1	-	-	-	-	-	-	-	1
Foreign banks	8.813	-	-	-	-	-	-	-	8.813
Participation banks	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-
VIII. Participation accounts- FC	-	9.951.552	33.870.288	133.214	24.908	92	11.660	-	43.991.714
Public sector	-	1.818	639.332	-	-	-	-	-	641.150
Commercial sector	-	9.879.894	31.550.814	133.155	24.804	92	4.973	-	41.593.732
Other institutions	-	69.840	1.499.347	59	104	-	6.687	-	1.576.037
Commercial and other institutions	-	-	180.795	-	-	-	-	-	180.795
Banks and participation banks	-	-	-	-	-	-	-	-	-
IX. Precious metal funds	9.893.372	-	5.238.199	226.978	83.727	-	139.272	-	15.581.548
X. Participation accounts special funds - TRY	-	-	-	-	-	-	-	-	-
Residents in Turkey	-	-	-	-	-	-	-	-	-
Residents Abroad	-	-	-	-	-	-	-	-	-
XI. Participation accounts special funds - FC	-	-	-	-	-	-	-	-	-
Residents in Turkey	-	-	-	-	-	-	-	-	-
Residents Abroad	-	-	-	-	-	-	-	-	-
<b>Total (I+II+....+IX+X+XI)</b>	<b>59.452.740</b>	<b>41.303.629</b>	<b>151.958.256</b>	<b>9.795.977</b>	<b>2.240.966</b>	<b>521.325</b>	<b>39.099.481</b>	<b>-</b>	<b>304.372.374</b>

(\*) As of 31 December 2023, it includes TRY 32.845.870 of CBRT Currency Protected Participation Account and TRY 21.340.933 of Treasury Currency Protected Participation Account products.ve 3.640.392 TRY Yuvam account.

**ZİRAAT KATILIM BANKASI A.Ş.****NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF  
31 DECEMBER 2023**

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

**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS  
(Continued)****II. EXPLANATIONS AND NOTES RELATED TO LIABILITIES (Continued)****1. a) Information on funds collected (Continued)****a.1) Information on maturity structure of funds collected (Continued)**

Prior Period 31.12.2022	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 Participation Account	Total
I. Real persons current accounts non-trade TRY	3.157.181	-	-	-	-	-	-	-	3.157.181
II. Real persons participation accounts non-trade TRY	-	1.109.309	20.384.240	1.164.467	780.322	1.221	5.114.040	-	28.553.599
III. Other current accounts-TRY	13.758.914	-	-	-	-	-	-	-	13.758.914
Public sector	242.590	-	-	-	-	-	-	-	242.590
Commercial sector	9.249.982	-	-	-	-	-	-	-	9.249.982
Other institutions	112.603	-	-	-	-	-	-	-	112.603
Commercial and other institutions	20.660	-	-	-	-	-	-	-	20.660
Banks and participation banks	4.133.079	-	-	-	-	-	-	-	4.133.079
Central Bank of Republic of Turkey	291	-	-	-	-	-	-	-	291
Domestic banks	690	-	-	-	-	-	-	-	690
Foreign banks	4.132.074	-	-	-	-	-	-	-	4.132.074
Participation banks	24	-	-	-	-	-	-	-	24
Others	-	-	-	-	-	-	-	-	-
IV. Participation accounts-TRY	-	20.007.109	32.682.191	5.022.993	1.449.717	65.648	748.875	-	59.976.533
Public sector	-	13.083.148	721.929	3.851.938	51.323	2.576	-	-	17.710.914
Commercial sector	-	6.875.077	29.914.497	1.138.904	1.398.141	47.325	748.071	-	40.122.015
Other institutions	-	48.884	1.391.609	32.151	253	15.747	804	-	1.489.448
Commercial and other institutions	-	-	-	-	-	-	-	-	-
Banks and participation banks	-	-	654.156	-	-	-	-	-	654.156
V. Real persons current accounts-FC	7.899.340	-	-	-	-	-	-	-	7.899.340
VI. Real persons participation accounts non-trade FC	-	1.582.540	8.749.485	125.947	-	248.468	1.943.881	-	12.650.321
VII. Other current accounts non-trade FC	10.149.564	-	-	-	-	-	-	-	10.149.564
Commercial residents in Turkey	9.297.062	-	-	-	-	-	-	-	9.297.062
Commercial residents in Abroad	846.388	-	-	-	-	-	-	-	846.388
Banks and participation banks	6.114	-	-	-	-	-	-	-	6.114
Central Bank of Republic of Turkey	-	-	-	-	-	-	-	-	-
Domestic banks	1	-	-	-	-	-	-	-	1
Foreign banks	6.113	-	-	-	-	-	-	-	6.113
Participation banks	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-
VIII. Participation accounts- FC	-	6.484.676	13.668.959	10.159.883	17.361	-	11.341	-	30.342.220
Public sector	-	952	203.478	-	-	-	-	-	204.430
Commercial sector	-	6.441.267	13.003.990	10.028.864	17.361	-	7.136	-	29.498.618
Other institutions	-	6.612	336.809	131.019	-	-	4.205	-	478.645
Commercial and other institutions	-	35.845	124.682	-	-	-	-	-	160.527
Banks and participation banks	-	-	-	-	-	-	-	-	-
IX. Precious metal funds	3.546.550	-	2.986.678	16.268	37.973	-	64.057	-	6.651.526
X. Participation accounts special funds - TRY	-	-	-	-	-	-	-	-	-
Residents in Turkey	-	-	-	-	-	-	-	-	-
Residents Abroad	-	-	-	-	-	-	-	-	-
XI. Participation accounts special funds - FC	-	-	-	-	-	-	-	-	-
Residents in Turkey	-	-	-	-	-	-	-	-	-
Residents Abroad	-	-	-	-	-	-	-	-	-
<b>Total (I+II+....+IX+X+XI)</b>	<b>38.511.549</b>	<b>29.183.634</b>	<b>78.471.553</b>	<b>16.489.558</b>	<b>2.285.373</b>	<b>315.337</b>	<b>7.882.194</b>	<b>-</b>	<b>173.139.198</b>

(\*) As of 31 December 2023, it includes TRY 22.216.406 of CBRT Currency Protected Participation Account and TRY 10.167.641 of Treasury Currency Protected Participation Account products.ve 1.710.983 TRY Yuvam account.

## ZİRAAT KATILIM BANKASI A.Ş.

### NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

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

#### EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

##### 1. a) Information on funds collected (Continued)

##### a.2) Exceeding Amounts of Insurance Limit:

##### i. Information's on current and participation accounts within the scope of Saving Deposit/Saving Deposit Insurance Fund

	Under the guarantee of saving deposit insurance	Under the guarantee of saving deposit insurance	Exceeding the limit of saving deposit	Exceeding the limit of saving deposit
	Current Period 31 December 2023	Prior Period 31 December 2022	Current Period 31 December 2023	Prior Period 31 December 2022
Real persons current and participation accounts that are not subject to commercial activities	21.915.098	12.569.522	93.404.253	44.932.868
TRY accounts	10.549.941	7.239.479	50.387.918	24.471.301
FC accounts	11.365.157	5.330.043	43.016.335	20.461.567
Foreign branches' deposits under foreign authorities' insurance	-	-	-	-
Off-shore banking regions' under foreign authorities' insurance	-	-	-	-

(\*) Pursuant to the Regulation Amending the Regulation on Deposits and Participation Funds Subject to Insurance and Premiums to be Collected by the Savings Deposit Insurance Fund, published in the Official Gazette dated 27 August 2022 and numbered 31936, All deposits and participation funds, except for those, are covered by insurance. In line with this change, commercial deposits amounting to 3.239.462 TRY (31 December 2022: TRY 1.817.963) within the scope of insurance are not included in the table. The portion of the said deposits exceeding the insurance limit is 156.727.806 TRY. (31 December 2022: 90.381.181 TRY)

##### ii. Amounts which are not within the scope of insurance

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

	Current Period 31 December 2023	Prior Period 31 December 2022
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	2.258	1.223
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 Turkey in order to engage in off-shore banking activities solely	-	-

## ZİRAAT KATILIM BANKASI A.Ş.

### NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

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

#### EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

##### 2. Information on funds borrowed

##### a) Information on the type of borrowing

	Current Period 31 December 2023		Prior Period 31 December 2022	
	TRY	FC	TRY	FC
Syndicated Loans	4.711.292	1.255.451	150.067	1.300.767
Proxy Loans	-	-	-	297.209
Funds Provided from Issued Lease Certificates (Sukuk)	5.059.316	14.918.648	5.380.808	-
Other	2.316.964	6.627.307	191.652	2.584.274
<b>Total</b>	<b>12.087.572</b>	<b>22.801.406</b>	<b>5.722.527</b>	<b>4.182.250</b>

##### b) Information on banks and other financial institutions

	Current Period 31 December 2023		Prior Period 31 December 2022	
	TRY	FC	TRY	FC
Borrowings from the CBRT	1.206.486	-	-	-
From Domestic Banks and Institutions	10.881.086	17.251.464	5.722.527	2.405.748
From Foreign Banks, Institutions and Funds	-	5.549.941	-	1.776.502
<b>Total</b>	<b>12.087.572</b>	<b>22.801.405</b>	<b>5.722.527</b>	<b>4.182.250</b>

##### c) Information on maturity structure of borrowings

	Current Period 31 December 2023		Prior Period 31 December 2022	
	TRY	FC	TRY	FC
Short-term	10.752.997	1.256.521	5.566.519	1.369.438
Medium and Long-term	1.334.575	21.544.884	156.008	2.812.812
<b>Total</b>	<b>12.087.572</b>	<b>22.801.405</b>	<b>5.722.527</b>	<b>4.182.250</b>

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

79.31% of liabilities consists of current and participation account. (31 December 2022: 81.16%)

##### 3. Information on funds obtained from money market transactions

	Current Period 31 December 2023		Prior Period 31 December 2022	
	TRY	FC	TRY	FC
<b>Domestic</b>	<b>435.678</b>	<b>10.528.455</b>	<b>57.003</b>	<b>7.498.996</b>
Financial Institutions	435.678	10.528.455	57.003	7.498.996
<b>Abroad</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Financial Institutions	-	-	-	-
<b>Total</b>	<b>435.678</b>	<b>10.528.455</b>	<b>57.003</b>	<b>7.498.996</b>

##### 2. Information on securities issued

None (31 December 2022: None).

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

None (31 December 2022:None).

## ZİRAAT KATILIM BANKASI A.Ş.

### NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

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

#### EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

##### 6. Information on derivative financial liabilities

	Current Period 31 December 2023		Prior Period 31 December 2022	
	TRY	FC	TRY	FC
Forward transactions	-	-	-	-
Swap transactions	-	153.095	-	62.998
Futures transaction	-	-	-	-
Options transaction	-	-	-	-
Other	-	-	-	-
<b>Total</b>	-	<b>153.095</b>	-	<b>62.998</b>

##### 7. Information on financial lease obligations

	Current Period 31 December 2023		Prior Period 31 December 2022	
	Gross	Net	Gross	Net
Less than 1 year	17.264	16.604	43.715	24.347
Between 1-5 years	152.835	118.660	130.103	100.305
More than 5 years	1.210.600	650.595	422.202	211.294
<b>Total</b>	<b>1.380.699</b>	<b>785.859</b>	<b>596.020</b>	<b>335.946</b>

##### 8. Information on provisions:

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

There is no foreign exchange loss provisions on foreign currency indexed loans and financial lease receivables (31 December 2022: None).

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

The expected credit loss provision for non-compensated and non-cash loans is TRY 23.032 (31 December 2022: TRY 23.278).

###### c) Information on other provisions

###### c.1) Information on free provisions for possible risks

As at 31 December 2023 include a free provision amounting to TRY 500.000 thousand which consist of TRY 1.004.000 thousand provided in prior periods, TRY 96.000 thousand recognized in the current year and TRY 600.000 thousand reversed in the current year by the Bank management which is not within the requirements of BRSA Accounting and Financial Reporting Legislation. (31 December 2022: Except for the BRSA Accounting and Financial Reporting Legislation requirements, a total of TRY 1.004.000 has been set aside by the bank management, of which TRY 20.000 has been reserved in prior periods and TRY 984.000 has been reserved in the current year).

## ZİRAAT KATILIM BANKASI A.Ş.

### NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

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

#### EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

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

As of 31 December 2023 TRY 1.548.811 (31 December 2022: TRY 701.266) of other provisions was allocated from the profits to be distributed to participation accounts, TRY 4.248 (31 December 2022: TRY 632) of the provisions for foreign currency purchases and sales transactions, 2.180 The portion amounting to TRY (31 December 2021: 213) consists of the provision for promotional practices regarding credit cards and banking services.

###### c.3) Information on litigation provisions

A provision of TRY 89.976 has been set aside in the financial statements for lawsuits that have not yet been finalized against the bank (31 December 2021: TRY 86.915).

###### d) Information on provisions for employee benefits

###### d.1) Employment termination benefits and unused vacation rights

Under the Turkish Labor Law, the Bank is required to pay termination benefits to each employee who has completed at least one year of service, excluding resignation or misconduct, whose employment is terminated without due cause, is called up for military service, dies or retires or earns the right to retire. As of the date of 31 December 2023, the amount payable consists of one month's salary limited to a maximum of TRY 44.385 (full TRY) (31 December 2022: TRY 125.764 (full TRY)) for each year of service.

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 December 2023	Prior Period 31 December 2022
Discount Rate (%)	%24,60	%9,20
Inflation (%)	%22,16	%8,66

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

	Current Period 31 December 2023	Prior Period 31 December 2022
Balance at the 1 January	125.764	26.259
Total Provisions During the Period	46.941	266.967
Paid During the Period	(3.549)	(834)
Actuarial loss/(gain)	33.548	(166.628)
<b>Balance at the end of the period</b>	<b>202.704</b>	<b>125.764</b>

## ZİRAAT KATILIM BANKASI A.Ş.

### NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

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

#### EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

##### 8. Information on provisions (Continued)

###### d.2) Retirement Benefits

Based on the results of the actuarial report, which is calculated with the actuarial rate 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 2023, no technical deficit has been reported. As of the balance sheet date, the Bank's liability for the benefits to be transferred to SGK is the estimated amount of payment that will be required to be made during the transfer to SGK. 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 SGK (9,80% real discount rate, etc.) published in the Official Gazette dated 8 May 2008 and numbered 26870.

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

The Bank has a total of 164 TRY provision in the current period, based on the additional bonus to be paid to the personnel (31 December 2021: TRY 500 ).

##### 9. Explanations on tax liability

###### a) Explanations on current tax liability

As of 31 December 2023, the remaining corporate tax liability after deducting temporary taxes paid for the period is TRY 536.382(As of 31 December 2022, the remaining corporate tax liability after deducting temporary taxes paid for the period is TRY 1.338.031)

###### b) Information on taxes payable

	Current Period 31 December 2023	Prior Period 31 December 2022
Corporate Tax Payable	536.382	1.338.031
Taxation on Income From Securities	142.164	46.059
Property Tax	1.818	876
Banking Insurance Transactions Tax (BITT)	102.122	51.030
Foreign Exchange Transactions Tax	3.662	6.512
Value Added Tax Payable	48.906	15.992
Other	27.199	26.404
<b>Total</b>	<b>862.253</b>	<b>1.484.904</b>

###### c) Information on premiums:

	Current Period 31 December 2023	Prior Period 31 December 2022
Social Security Premiums – Employee	529	20
Social Security Premiums – Employer	734	-
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	1.153	764
Unemployment Insurance – Employer	2.299	1.526
Other	-	-
<b>Total</b>	<b>4.715</b>	<b>2.310</b>



## ZİRAAT KATILIM BANKASI A.Ş.

### NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

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

#### EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

##### 10) Information on deferred tax liabilities

The Bank has no deferred tax liability as of the balance sheet date (31 December 2022: None).

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

The Bank does not have any payables for assets held for sale and discontinued operations (31 December 2022: None).

##### 12. Explanations on subordinated debts

	Current Period 31 December 2023		Prior Period 31 December 2022	
	TRY	FC	TRY	FC
From Domestic Banks	1.341.987	-	1.341.748	-
Domestic Other Organizations	-	4.451.686	-	2.597.654
From Foreign Banks	-	-	-	-
Overseas Other Organizations	-	-	-	-
<b>Total</b>	<b>1.341.987</b>	<b>4.451.686</b>	<b>1.341.748</b>	<b>2.597.654</b>

	Current Period 31 December 2023		Prior Period 31 December 2022	
	TRY	FC	TRY	FC
Debt instruments to be included in the additional capital calculation	-	4.451.686	-	2.597.654
Subordinated Loans (*)	-	4.451.686	-	2.597.654
Equity-like Debt Instruments	-	-	-	-
Debt instruments to be included in Contribution Capital Calculation:	1.341.987	-	1.341.748	-
Subordinated Loans	1.341.987	-	1.341.748	-
Equity-like Debt Instruments	-	-	-	-
<b>Total</b>	<b>1.341.987</b>	<b>4.451.686</b>	<b>1.341.748</b>	<b>2.597.654</b>

(\*) The Bank provided subordinated loan from Turkey Wealth Funds Market Stability and Equalization Fund in the scope of additional main capital amounting to EUR 100.000 without demand and profit share which is approved by BRSA dated 22 April 2019. The Bank has calculated the fair value of the loan in accordance with TFRS 9 and TFRS 13 using the prices of similar financial instruments on the balance sheet date and reflected them to the financial statements.

##### 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	Prior Period
Stock Provision	10.350.000	2.650.000
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.

## ZİRAAT KATILIM BANKASI A.Ş.

### NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

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

#### EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

##### 14. Information on shareholders' equity (Continued)

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

At the 2023 Extraordinary General Assembly Meeting of the Bank held on 31 March 2023, it was approved to increase the paid-in capital by 4.700.000 TRY in cash, and the capital increase and the related amendment to the relevant article of the Articles of Association was registered on 1 April 2023 and became effective on 3 April 2023. It was announced in the Trade Registry Gazette No. 10803.

At the Second Extraordinary General Assembly Meeting of the Bank for 2023, held on 6 December 2023, it was approved to increase the paid-in capital by 3.000.000 TRY in cash, and the capital increase and the resulting amendment to the relevant article of the Articles of Association was registered on 7 December 2023 and It was announced in the Trade Registry Gazette dated 2023 and numbered 10974.

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

None

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

There is no capital commitments for the last financial year and the end of the following interim period (31 December 2022: None).

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

The Bank has no any uncertainty related to profitability and liquidity according to the prior period's indicators (31 December 2022: None).

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

As of 31 December 2022, the Bank has no preferred shares (31 December 2022: None).

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

	Current Period 31 December 2023		Prior Period 31 December 2022	
	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	(761.298)	(31.758)	2.540.848	(117.971)
Revaluation Difference	(1.331.619)	(31.758)	3.348.782	(117.971)
Deferred Tax Effect	570.321	-	(807.934)	-
Foreign Exchange Difference	-	-	-	-
<b>Total</b>	<b>(761.298)</b>	<b>(31.758)</b>	<b>2.540.848</b>	<b>(117.971)</b>

## ZİRAAT KATILIM BANKASI A.Ş.

### NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

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

#### EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

##### 14. Information on shareholders' equity (Continued)

##### i) Profit reserves and profit distribution

Legal reserves are divided into first and second reserves in the Turkish Commercial Code ("TCC"). Primary legal reserves are allocated at the rate of 5% from profits until the total reserves reach 20% of the paid-in capital. Secondary legal reserves are allocated at the rate of 10% on cash profit distributions exceeding 5% of the paid-in capital.

At the Bank's Ordinary General Assembly meeting held on 3 August 2023, it was decided to distribute the profit for 2022 as follows:

##### Profit distribution table for 2022:

<b>Profit for the year 2022</b>	<b>3.840.272</b>
A - 1st Tier general legal reserves (TTK 519 / A) 5%	192.013
B - First dividend to shareholders	-
C - Extraordinary reserves	3.648.259
D - Special funds	-

#### 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

	<b>Current Period 31 December 2023</b>	<b>Prior Period 31 December 2022</b>
Forward Asset Value Trading Commitments	1.798.821	720.578
Guaranteed Loan Allocation Commitments	-	-
Payment Commitments for Cheques	1.708.702	748.093
Tax and Fund Liabilities from Export Commitments	296.293	95.161
Commitments for Credit Card Expenditure Limits	2.342.967	544.655
Other Irrevocable Commitments	1.304.223	721.459
Commitment to Implementation of Promotions for Credit Card and Banking Services	2.276	458
<b>Total</b>	<b>7.453.282</b>	<b>2.830.404</b>

##### 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 534.833 (31 December 2021: TRY 218.066).

**ZİRAAT KATILIM BANKASI A.Ş.****NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF  
31 DECEMBER 2023**

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

**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS  
(Continued)****III. EXPLANATIONS AND NOTES RELATED TO THE OFF-BALANCE SHEET ACCOUNTS  
(Continued)****b) Nature and amount of possible losses and commitments arising from the off-balance sheet items including the below mentioned (Continued)****b.1) Non-cash loans including guarantees, acceptances, financial guarantees and other letter of credits**

	<b>Current Period 31 December 2023</b>	<b>Prior Period 31 December 2022</b>
Guarantee Letters	69.092.049	37.944.687
Bank Acceptances	414.759	74.133
Letter of Credits	7.928.282	5.650.939
Other Contingencies	895.443	1.521.723
<b>Total</b>	<b>78.330.533</b>	<b>45.191.482</b>

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

	<b>Current Period 31 December 2023</b>	<b>Prior Period 31 December 2022</b>
Letters of Temporary Guarantees	2.285.988	2.854.152
Letters of Certain Guarantees	41.486.780	19.331.234
Letters of Advance Guarantees	8.893.988	4.777.857
Letters of Guarantees given to Customs Offices	794.150	429.313
Other Letters of Guarantees	15.631.143	10.552.131
<b>Total</b>	<b>69.092.049</b>	<b>37.944.687</b>

**b.3) Total non-cash loans**

	<b>Current Period 31 December 2023</b>	<b>Prior Period 31 December 2022</b>
<b>Non-Cash Loans for Providing Cash Loans</b>	<b>15.625.859</b>	<b>10.548.853</b>
With Original Maturity of One Year or Less	1.572.826	500.931
With Original Maturity of More than One Year	14.053.033	10.047.922
<b>Other Non-Cash Loans</b>	<b>62.704.674</b>	<b>34.642.629</b>
<b>Total</b>	<b>78.330.533</b>	<b>45.191.482</b>

**c) Information on sectoral risk concentrations of non-cash loans**

	<b>Current Period 31.12.2023</b>				<b>Prior Period 31.12.2022</b>			
	<b>TRY</b>	<b>(%)</b>	<b>FC</b>	<b>(%)</b>	<b>TRY</b>	<b>(%)</b>	<b>FC</b>	<b>(%)</b>
Agricultural	376.582	1	24.037	-	286.958	1	50.947	-
Farming and Raising								
Livestock	293.577	1	24.037	-	161.125	1	12.555	-
Forestry	70.970	-	-	-	89.628	1	-	-
Fishing	12.035	-	-	-	36.205	-	38.392	-
Manufacturing	11.422.927	30	25.075.793	63	6.250.652	29	15.609.408	66
Mining and Quarrying	178.717	-	528.968	1	90.693	-	25.360	-
Production	9.984.970	26	24.209.408	61	5.636.602	26	15.487.165	66
Electric, Gas and Water	1.259.240	3	337.417	1	523.357	2	96.883	-
Construction	16.449.392	43	7.076.223	18	8.770.686	41	3.470.933	15
Services	10.089.266	26	7.420.871	18	6.261.084	29	4.207.615	18
Wholesale and Retail Trade	7.079.837	18	3.146.391	8	4.210.695	20	1.801.731	8
Hotel, Food and Beverage Services	313.751	1	280.074	-	599.821	3	162.223	1
Transportation and Telecommunication	743.429	2	1.590.958	4	382.725	2	498.498	2
Financial Institutions	122.219	-	1.172.953	3	121.033	1	1.174.092	5
Real Estate and Leasing Services	1.394.445	4	1.081.553	3	751.447	3	412.663	2
Self-employment Services	264.776	1	120.817	-	116.786	1	117.934	1
Education Services	46.871	-	28.125	-	4.658	-	22.910	-
Health and Social Services	123.938	-	-	-	73.919	-	17.564	-
Other	5.238	-	390.204	1	338	-	282.861	1
<b>Total</b>	<b>38.343.405</b>	<b>100</b>	<b>39.987.128</b>	<b>100</b>	<b>21.569.718</b>	<b>100</b>	<b>23.621.764</b>	<b>100</b>

# ZİRAAT KATILIM BANKASI A.Ş.

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

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

### EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### III. EXPLANATIONS AND NOTES RELATED TO THE OFF-BALANCE SHEET ACCOUNTS (Continued)

##### d) Information on non-cash loans classified in groups I and II:

	I. Group		II. Group	
	TRY	FC	TRY	FC
<b>Non-cash Loans</b>	<b>38.165.375</b>	<b>38.232.679</b>	<b>178.030</b>	<b>1.754.449</b>
Letters of Guarantee	38.146.235	29.013.335	178.030	1.754.449
Aval and Acceptance Loans	-	414.759	-	-
Letters of credit Turnover	-	7.928.282	-	-
Our Guarantees for Purchase in Securities Issue	-	-	-	-
From Factoring Guarantees	-	-	-	-
Other Guarantees and Sureties	19.140	876.303	-	-

##### 2. Explanations on derivative transactions:

	Current Period 31.12.2023	Prior Period 31.12.2022
<b>Types of Trading Transactions</b>		
Foreign Currency Related Derivative Transactions: (I)	14.939.086	15.745.097
Forward Foreign Exchange Transactions	94.674	-
Swap Money Exchange Transactions	14.844.412	15.745.097
Futures Money Transactions	-	-
Money Trading Options	-	-
Other Trading Derivative Transactions: (II)	-	-
<b>A. Total Trading Derivative Transactions (I+II)</b>	<b>14.939.086</b>	<b>15.745.097</b>
<b>Types of Hedging Derivative Transactions</b>		
Fair Value Hedges	-	-
Cash Flow Hedges	-	-
Foreign Currency Investment Hedges	-	-
<b>B. Derivative Transactions for Total Hedging Purposes</b>	<b>-</b>	<b>-</b>
<b>Total Derivative Transactions (A + B)</b>	<b>14.939.086</b>	<b>15.745.097</b>

The Bank has no derivative instruments for hedging purposes. There are no unrealized transactions, those are estimated in the prior period and recognized based on this assumption however; it is clear that those transactions would not be realized, or expense and income from agreements in the income statement in the current period.

Current Period 31.12.2023	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Total
<b>Derivatives held for trading</b>						
Foreign exchange derivatives:	(796)	(129.592)	5.098	-	-	(125.290)
- Inflow	976.530	6.388.495	41.873	-	-	7.406.898
- Outflow	(977.326)	(6.518.087)	(36.775)	-	-	(7.532.188)
<b>Derivatives held for hedging</b>						
Foreign exchange derivatives:	-	-	-	-	-	-
- Inflow	-	-	-	-	-	-
- Outflow	-	-	-	-	-	-
<b>Total Inflow</b>	<b>976.530</b>	<b>6.388.495</b>	<b>41.873</b>	<b>-</b>	<b>-</b>	<b>7.406.898</b>
<b>Total Outflow</b>	<b>(977.326)</b>	<b>(6.518.087)</b>	<b>(36.775)</b>	<b>-</b>	<b>-</b>	<b>(7.532.188)</b>

Prior Period 31.12.2022	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Total
<b>Derivatives held for trading</b>						
Foreign exchange derivatives:	18.051	(58.250)	-	-	-	(40.199)
- Inflow	4.917.554	2.934.895	-	-	-	7.852.449
- Outflow	(4.899.503)	(2.993.145)	-	-	-	(7.892.648)
<b>Derivatives held for hedging</b>						
Foreign exchange derivatives:	-	-	-	-	-	-
- Inflow	-	-	-	-	-	-
- Outflow	-	-	-	-	-	-
<b>Total Inflow</b>	<b>4.917.554</b>	<b>2.934.895</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7.852.449</b>
<b>Total Outflow</b>	<b>(4.899.503)</b>	<b>(2.993.145)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(7.892.648)</b>

# ZİRAAT KATILIM BANKASI A.Ş.

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

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

### EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### III. EXPLANATIONS AND NOTES RELATED TO THE OFF-BALANCE SHEET ACCOUNTS (Continued)

##### 3. Explanations on contingent assets and liabilities:

Provision is allocated for transactions with complete and accurate data that may have an effect on the financial structure of the Bank and otherwise, provision is provided based on the estimations.

Payment obligation of the Parent Bank due to checks given to its customers is TRY 1.708.702 (31 December 2021: TRY 748.093).

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

##### 4. Explanations on services in the name of others:

The Bank provides safe deposit box services on behalf of real and legal persons. The Bank does not provide consultancy and management services.

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

##### 1. a) Information on profit share received from loans

	Current Period 31 December 2023		Prior Period 31 December 2022	
	TRY	FC	TRY	FC
<b>Profit share on loans (*)</b>	<b>20.568.191</b>	<b>5.599.861</b>	<b>11.844.448</b>	<b>2.008.285</b>
Short term loans	12.677.077	3.437.665	6.042.992	750.115
Medium and long term loans	7.834.010	2.162.196	5.734.297	1.258.170
Profit share on non-performing loans	57.104	-	67.159	-
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 December 2023		Prior Period 31 December 2022	
	TRY	FC	TRY	FC
Central Bank of the Republic of Turkey	-	-	-	-
Domestic Banks	424.880	68.213	123.554	51.809
Foreign Banks	-	640	-	2.042
Head Office and Branches	-	-	-	-
<b>Total</b>	<b>424.880</b>	<b>68.853</b>	<b>123.554</b>	<b>53.851</b>

##### c) Information on profit share income from securities portfolio

	Current Period 31 December 2023		Prior Period 31 December 2022	
	TRY	FC	TRY	FC
Financial Assets at Fair Value through Profit and Loss	-	71.248	-	43.356
Financial Assets at Fair Value through Other Comprehensive Income	5.440.368	218.670	4.385.549	172.392
Investments Held-to-Maturity Financial Assets Measured by Amortized Cost	1.445.798	400.601	82.317	164.855
<b>Total</b>	<b>6.886.166</b>	<b>690.519</b>	<b>4.467.866</b>	<b>380.603</b>

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

None (31 December 2022: None).

**ZİRAAT KATILIM BANKASI A.Ş.****NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF  
31 DECEMBER 2023**

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

**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS  
(Continued)****IV. EXPLANATIONS AND NOTES RELATED TO THE STATEMENT OF PROFIT OR LOSS  
(Continued)****2. a) Information on profit share expense on borrowing**

	Current Period 31 December 2023		Prior Period 31 December 2022	
	TRY	FC	TRY	FC
Banks	706.719	368.762	297.399	65.882
Central Bank of the Republic of Turkey	5.325		272	-
Domestic Banks	701.394	177.704	297.127	41.723
Foreign Banks	-	191.058	-	24.159
Head Office and Branches		-	-	-
Other Institutions	1.234.305	637.338	851.132	176.645
<b>Total</b>	<b>1.941.024</b>	<b>1.006.100</b>	<b>1.148.531</b>	<b>242.527</b>

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

The amount of profit share expense given to associates and subsidiaries is TRY 1.442.455 (31 December 2022: TRY 851.132).

**c) Information on profit share expense paid to securities issued**

None (31 December 2022: None).

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

Current Period 31 December 2023	Participation Accounts					
Account Name	1 month	3 months	6 months	1 year	Over 1 year	Total
<b>Turkish Lira</b>						
Funds Collected from Banks via Current and Participation Accounts	6.455	518.374	2.166	-	-	526.995
Real Person's Non Commercial Participation Accounts	182.139	4.609.590	452.638	350.990	2.340.982	7.936.339
Public Sector Participation Accounts	2.338.721	1.503.411	205.321	2.379	372	4.050.204
Commercial Sector Participation Accounts	1.991.000	15.656.463	1.074.611	315.879	612.538	19.650.491
Other Institutions Participation Accounts	18.725	644.089	14.114	12.008	5.420	694.356
<b>Total</b>	<b>4.537.040</b>	<b>22.931.927</b>	<b>1.748.850</b>	<b>681.256</b>	<b>2.959.312</b>	<b>32.858.385</b>
<b>Foreign Currency</b>						
Funds Collected from Banks via Current and Participation Accounts	170	2.832	-	-	-	3.002
Real Person's Non Commercial Participation Accounts	20.559	383.961	4.685	3.618	39.339	452.162
Public Sector Participation Accounts	7	18	-	-	-	25
Commercial Sector Participation Accounts	1.258	95.064	86.633	5	22	182.982
Other Institutions Participation Accounts	231.726	1.064.700	121.278	296	133	1.418.133
Public Sector Participation Accounts	13.651	-	-	-	-	13.651
<b>Total</b>	<b>267.371</b>	<b>1.546.575</b>	<b>212.596</b>	<b>3.919</b>	<b>39.494</b>	<b>2.069.955</b>
<b>Grand Total</b>	<b>4.804.411</b>	<b>24.478.502</b>	<b>1.961.446</b>	<b>685.175</b>	<b>2.998.806</b>	<b>34.928.340</b>

**ZİRAAT KATILIM BANKASI A.Ş.****NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF  
31 DECEMBER 2023**

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

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

Prior Period 31 December 2022	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	-	102.170	-	-	-	102.170
Real Person's Non Commercial Participation Accounts	130.106	1.906.995	107.199	74.085	338.138	2.556.523
Public Sector Participation Accounts	839.705	270.887	318.589	11.540	-	1.440.721
Commercial Sector Participation Accounts	641.812	3.372.261	736.605	206.221	68.427	5.025.326
Other Institutions Participation Accounts	6.608	289.957	22.566	1.365	590	321.086
<b>Total</b>	<b>1.618.231</b>	<b>5.942.270</b>	<b>1.184.959</b>	<b>293.211</b>	<b>407.155</b>	<b>9.445.826</b>
Foreign Currency						
Funds Collected from Banks via Current and Participation Accounts	149	13.155	-	471	-	13.775
Real Person's Non Commercial Participation Accounts	17.671	220.876	13.153	5.609	42.016	299.325
Public Sector Participation Accounts	8	18	-	-	-	26
Commercial Sector Participation Accounts	1.837	209.361	111.595	3.222	736	326.751
Other Institutions Participation Accounts	70.550	296.704	114.167	259	27.098	508.778
Public Sector Participation Accounts	10.020	-	-	-	-	10.020
<b>Total</b>	<b>100.235</b>	<b>740.114</b>	<b>238.915</b>	<b>9.561</b>	<b>69.850</b>	<b>1.158.675</b>
<b>Grand Total</b>	<b>1.718.466</b>	<b>6.682.384</b>	<b>1.423.874</b>	<b>302.772</b>	<b>477.005</b>	<b>10.604.501</b>

**3. Information on dividend income:**

As of 31 December 2023, the Bank has TRY 774 dividend income (31 December 2022: 714).

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

	Current Period 31 December 2023	Prior Period 31 December 2022
<b>Income</b>	<b>10.125.896</b>	<b>4.931.258</b>
Foreign exchange gains	6.530	915.790
Gain on derivative financial instruments	790.478	172.142
Gain on capital market transactions	9.328.888	3.843.326
<b>Losses (-)</b>	<b>7.967.350</b>	<b>3.716.567</b>
Foreign exchange losses	23.223	6.199
Losses on derivative financial instruments	87.001	27.163
Losses on capital market transactions	7.857.126	3.683.205
<b>Net</b>	<b>2.158.546</b>	<b>1.214.691</b>

**b. Information on Profit/Loss on Derivative Financial Operations**

	Current Period 31 December 2023	Prior Period 31 December 2022
Effect of the change in exchange rates on profit/loss	703.477	144.979
<b>Total</b>	<b>703.477</b>	<b>144.979</b>



## ZİRAAT KATILIM BANKASI A.Ş.

### NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

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

#### EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### IV. EXPLANATIONS AND NOTES RELATED TO THE 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 December 2023	Prior Period 31 December 2022
Correction Account for Previous Years Expenses (*)	2.066.827	787.951
Income from the Sale of the Asset	22.665	73.218
Provision for Communication Expenses	10.614	6.929
Checkbook Fees	1.268	734
Other	12.480	7.422
<b>Total</b>	<b>2.113.854</b>	<b>876.254</b>

(\*) 1.127.776 TL of the adjustment account for previous year expenses consists of loan provision cancellations (31 December 2022: 485.197 TL), 600.000 TL from free provision cancellations (31 December 2022: None), 294.049 TL from participation account provision cancellations (31 December 2022: 278.795 TL) and 3 TL consists of securities impairment provision cancellations (31 December 2022: 21.610 TL).

##### 6. Provision expenses for impairment on loans and other receivables

	Current Period 31 December 2023	Prior Period 31 December 2022
Expected Credit Loss	3.136.003	1.869.894
12 month expected credit loss (Stage 1)	1.413.476	821.530
Significant increase in credit risk (Stage 2)	904.072	471.526
Non-performing loans (Stage 3)	818.455	576.838
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	182.212	1.061.736
<b>Total</b>	<b>3.318.215</b>	<b>2.931.630</b>

## ZİRAAT KATILIM BANKASI A.Ş.

### NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

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

#### EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

##### 7. Information on other operating expenses

	Current Period 31 December 2023	Prior Period 31 December 2022
Reserve for Employee Termination Benefits	43.392	12.752
Bank Social Aid Provision Fund Deficit Provision	-	-
Impairment Expenses of Tangible Assets	-	-
Depreciation Expenses of Tangible Fixed Assets	326.634	103.533
Impairment Expenses of Intangible Assets	-	-
Goodwill Impairment Expense	-	-
Amortization Expenses of Intangible Assets	49.850	27.132
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	828.703	487.643
Leasing Expenses Related to TFRS 16 Exceptions	3.050	1.410
Maintenance Expenses	139.971	56.850
Advertisement Expenses	185.162	82.905
Other Expenses	500.520	346.478
Loss on Sales of Assets	546	286
Other (*)	1.562.560	255.042
<b>Total</b>	<b>2.811.685</b>	<b>886.388</b>

(\*) Of the balance comprising the other item, 326.663 TRY (31 December 2022 86.533 TRY) consists of SDIF premium and audit and consultancy service expenses, 177.752 TRY (31 December 2022 88.093 TRY) consists of taxes, fees and funds and 1.000.000 TL from other service expenses. It consists of the donation payment made to AFAD due to the earthquake disaster in Kahramanmaraş and surrounding provinces in February.

##### 8. Fees for Services Received from Independent Auditor / Independent Audit Firm

In accordance with the decision of the POA dated March 26, 2021, the fee information for the reporting period regarding the services received from the independent auditor or independent audit firm is given in the table below over VAT excluded amounts.

	Current Period 31.12.2023	Prior Period 31.12.2022
Independent audit fee for the reporting period	7.753	1.811
Fees for tax advisory services	-	-
Fee for other assurance services	437	269
Fees for services other than independent auditing	-	-
<b>Total(*)</b>	<b>8.190</b>	<b>2.080</b>

(\*) Relevant amounts are presented on a consolidated basis, including the Bank's subsidiaries.

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

As of 31 December 2023, 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 December 2023	Prior Period 31 December 2022
Net Profit Share Income	5.428.985	7.742.487
Net Fees and Commissions Income	2.931.888	245.945
Dividend Income	714	774
Trading Income/Expense (Net)	2.158.546	1.214.691
Other Operating Income	2.113.854	876.254
Expected Loss Provision (-)	3.136.003	1.869.894
Other Provision Expense (-)	182.212	1.061.736
Personnel Expense	2.086.880	798.367
Other Operating Expenses (-)	2.811.685	886.388
<b>Income/(Loss) from Continuing Operations</b>	<b>4.417.207</b>	<b>5.463.766</b>

## ZİRAAT KATILIM BANKASI A.Ş.

### NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

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

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#### EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

##### 10. Information on tax provision for continued and discontinued operations

As of 31 December 2023, 724.534 TRY (31 December 2022: 2.911.395 TRY) of the Bank's total tax provision expense amounting to 412.710 TRY (31 December 2022: 1.623.494 TRY) is from current tax expense, 311.824 TRY (31 December 2022: The portion amounting to 1.287.901 TRY consists of deferred tax expense.

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

The net profit of the Bank from its ongoing activities is 4.004.497 TRY (31 December 2022: 3.840.272 TRY net profit).

##### 12. 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.

##### 13. 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 December 2022: None).

#### V. EXPLANATION AND NOTES RELATED TO THE CHANGES IN SHAREHOLDERS' EQUITY

##### a) Explanations on Profit Distribution:

In accordance with the profit distribution decision taken at the Bank's 2022 Ordinary General Assembly meeting held on 3 August 2023, 192.013 TRY was allocated as a general legal reserve fund at the rate of 5% from the balance sheet profit of 3.840.272 TRY for 2022, and the remaining 3.648.258 TRY after the distributions was allocated to the Bank.

It was decided to leave it within. No decision has been taken regarding the distribution of the Bank's profits in 2022 as of the date of preparation of these unconsolidated financial statements.r.

##### b) Explanations on Financial Assets at Fair Value through Other Comprehensive Income:

Information on financial assets at fair value through other comprehensive income is presented in the fifth section, footnote 1.4-b.

## ZİRAAT KATILIM BANKASI A.Ş.

### NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

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

#### EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

##### V. EXPLANATION AND NOTES RELATED TO THE CHANGES IN SHAREHOLDERS' EQUITY (Continued)

###### c) Profit Reserves:

As of the balance sheet date, profit reserves are 6.138.132 TRY (31 December 2022: 2.297.860 TRY), legal reserves are 312.264 TRY (31 December 2022: 120.251 TRY), extraordinary reserves are 5.779.801 TRY (31 December 2022: 2.131.542 TRY), Other profit reserves amounted to 46.067 TRY (31 December 2022: 46.067 TRY).

###### d) Explanations on Previous Period Profit / Loss:

As of 31 December 2023, the Bank has no prior period profit or loss. (31 December 2022: None)

##### VI. EXPLANATIONS ON CASH FLOW STATEMENTS

###### 1. Explanations on the "Other" items and "The Effect Of The Change in Foreign Currency on Cash and Cash Equivalent" item in the Cash Flow Statement:

37.366.067 TRY (31 December 2022: 17.118.441 TRY) of the amount of 6.051.687 TRY (31 December 2022: 7.465.717 TRY) related to the operating profit before changes in the banking activity assets and liabilities are mainly derived from loans, securities and financial instruments. Of the profit share income received from leases, 33.095.831 TRY (31 December 2022: 9.244.138 TRY) consists mostly of profit share expenses given to deposits and loans used.

Other earnings mainly include net fee and commission income and commercial profit and loss income. The effect of the change in foreign exchange rate on cash and cash equivalent assets has been determined as 1.250.021 TRY (31 December 2022: 367.400 TRY) as of December 31, 2023.

Cash, cash deposits, free accounts of the Central Bank of the Republic of Turkey, money in transit, purchased bank checks, money market transactions and term bank deposits with an original maturity of up to 3 months are defined as cash and cash equivalent assets.

###### Period opening and end cash and cash equivalents balance

	Current Period 31.12.2023	Prior Period 31.12.2022
Cash in TRY and in Foreign Currency	1.156.493	1.150.876
Central Bank of the Republic of Turkey and Other Banks	40.405.930	20.003.515
Money Market Operations	-	-
<b>Total Cash and Cash Equivalents</b>	<b>41.562.423</b>	<b>21.154.391</b>

##### VII. EXPLANATIONS AND NOTES RELATED TO THE RISK GROUP OF THE 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
<b>Loans and other receivables</b>	-	-	-	-	-	-
Balance at beginning of period	-	-	2.374	-	-	-
Balance at end of period	-	-	6.184.984	-	-	-
<b>Profit share and commission income</b>	-	-	-	-	-	-

# ZİRAAT KATILIM BANKASI A.Ş.

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

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

### EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

- 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  
(Continued)

##### 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
<b>Loans and other receivables</b>	-	-	-	-	-	-
Balance at beginning of period	-	-	1.646	-	-	-
Balance at end of period	-	-	2.374	-	-	-
<b>Profit share and commission income</b>	-	-	-	-	-	-

- b) Current and participation account held by the Bank's 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	Current and participation accounts	Current Period	Prior Period
<b>Current and participation accounts</b>						
Balance at the beginning of period	-	-	-	-	-	-
Balance at the end of period	1.740	-	-	-	-	-
<b>Participation Accounts</b>						
<b>Profit Share Expenses</b>	-	-	-	-	-	-

- c) Information on loans taken from the risk group of the 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	Current and participation accounts	Current Period	Prior Period
<b>Current and participation accounts</b>						
Balance at the beginning of period	5.200.000	4.050.000	284.791	484.397	-	-
Balance at the end of period	19.510.499	5.200.000	112.751	284.791	-	-
<b>Participation Accounts</b>						
<b>Profit Share Expenses</b>	1.442.455	851.132	72.040	21.214	-	-

- 2) Information on forward transactions, option contracts and other similar contracts with the Bank's 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	-	-	5.928.040	1.708.791	-	-
Balance at the end of period	-	-	14.844.411	5.928.040	-	-
<b>Total Profit / Loss</b>	-	-	-	-	-	-
Hedging transactions	-	-	-	-	-	-
Balance at the beginning of period	-	-	-	-	-	-
Balance at the end of period	-	-	-	-	-	-
<b>Total Profit / Loss</b>	-	-	-	-	-	-

## ZİRAAT KATILIM BANKASI A.Ş.

### NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

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

#### EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

###### 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 29.269 (31 December 2022: TRY 12.688).

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

None.

##### IX. EXPLANATIONS CONCERNING THE BANK'S DOMESTIC, FOREIGN, OFFSHORE BANKING REGIONS AND BRANCHES OR AFFILIATES AND REPRESENTATIVES ABROAD

###### 1) Information on the Bank's Domestic and International Branches and Representative Offices

	Number	Number of Employees			
Domestic Branch (*)	189	2.430			
Foreign Representatives	-	-	Country of Location		
				Total Assets	Legal Capital
Foreign Branch (**)	1	-	Sudan	1.129.408	6.479
	1	5	Somalia	809.458	1.704
Branches in the Offshore Banking Region	-	-		-	-

(\*) The number of head office branch personnel is included in the number of domestic branch employees.

(\*\*) Local personnel working in overseas units are excluded.

###### 2) Explanations Regarding the Bank's Opening or Closing of Branches or Representative Offices Domestically and Abroad, and Significantly Changing Its Organization:

In 2023, 34 new branches were opened in the country and 1 new branch abroad.

## ZİRAAT KATILIM BANKASI A.Ş.

### NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

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

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#### SECTION SIX

##### OTHER EXPLANATIONS AND NOTES

#### I. INFORMATION ON THE BANK'S RATING THAT HAS BEEN DETERMINED BY INTERNATIONAL RATING AGENCIES

<b>Fitch Ratings: 22 September 2023</b>	<b>Not</b>
Foreign Currency Long Term Credit Rating	B-
Foreign Currency Short Term Credit Rating	B
Local Currency Long Term Credit Rating	B
Local Currency Short Term Credit Rating	B
National Long Term Credit Rating	AA(tur)
Support	b-

#### II. OTHER EXPLANATIONS ON THE BANK'S OPERATIONS

None.

## **ZİRAAT KATILIM BANKASI A.Ş.**

### **NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023**

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

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#### **SECTION SEVEN**

##### **EXPLANATIONS ON INDEPENDENT AUDIT REPORT**

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

The unconsolidated financial statements prepared as of 31 December 2023 and for the fiscal period ending on the same date have been audited by PwC Bağımsız Denetim ve SMMM A.Ş. and presented preceding the unconsolidated financial statements of independent auditors' report dated 15 February 2024.

###### **II. EXPLANATIONS AND NOTES PREPARED BY THE INDEPENDENT AUDITORS**

None.

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