



2024 Integrated *Annual Report*





Contents

14 Introduction

- 14 About the Report
- 16 Chairman's Message
- 20 CEO's Message
- 26 Our Performance in 2024

28 Ziraat Katılım at a Glance

- 28 About Ziraat Katılım
- 30 Our Vision, Mission, and Strategies
- 32 Shareholding Structure
- 33 Changes in Articles of Association in 2024
- 34 Summary Financial Indicators
- 36 Our Awards and Achievements
- 38 Our Milestones

40 An Overview of 2024

- 40 Key Highlights of Ziraat Katılım in 2024
- 42 Macroeconomic Outlook
- 44 Developments in the Turkish Economy
- 48 Developments in the Climate and Sustainability Ecosystem

52 Value Generation Model of Ziraat Katılım

56 Sustainability Journey

- 56 Policies of Ziraat Katılım
- 58 Sustainability Governance and Organizational Structure
- 62 Sustainability Strategy and Approach
- 68 Stakeholder Map and Communication with Stakeholders
- 70 Corporate Memberships and Initiatives We Support
- 72 Material Topics and Materiality Matrix
- 74 Sustainable Development Goals We Contribute to
- 75 Management of Sustainability Risks and Opportunities
- 76 Management of Climate Risks and Opportunities
- 83 Sustainability and Climate Goals

84 Contributing to the Strength of the Economy

- 84 Operational Network of Ziraat Katılım
- 86 Treasury Management and International Banking
- 88 Corporate Banking
- 92 Retail Banking
- 94 Resource and Cash Management
- 96 Financing Products Management

- 100 Foreign Trade Operations
- 102 Operation Center
- 104 Payment Systems Management
- 106 Customer Satisfaction and Experience
- 108 Sustainable Finance
- 112 Responsible Products and Services
- 114 Sustainable Supply Chain
- 116 Affiliates of Ziraat Katılım

120 Contributing to the Strength of Technology

- 122 Digital Banking
- 126 Information Systems Management
- 130 Cyber Security and Data Privacy

132 Contributing to the Strength of Society

- 132 Human Values
- 133 Employee Profile
- 136 Talent Management and Employee Development
- 138 Employee Wellbeing, Engagement, and Satisfaction
- 144 Equality, Diversity and Inclusion
- 146 Occupational Health and Safety
- 148 Corporate Social Responsibility
- 148 Financial Inclusion and Literacy
- 150 Accessible Banking

154 Contributing to the Strength of Nature

- 156 Combating Climate Change
- 156 Emission and Energy Management
- 158 Water Management
- 160 Waste Management

162 Corporate Governance

- 162 Independent Auditor's Report on the Annual Report of the Board of Directors
- 164 Board of Directors
- 166 Summary Report by the Board of Directors
- 167 Executive Management
- 170 Executives Within the Internal Systems and Their Resumes
- 171 Information on the Committees and Their Activities
- 172 Evaluations of the Advisory Committee on the Bank's Activities in 2024 and the Compliance of the Activities with the Principles and Standards of Interest-Free Banking
- 173 Members of the Advisory Committee and Their Resumes

- 174 Information on General Assembly Held in 2024
- 174 Ordinary General Assembly Meeting Agenda
- 175 Transactions Carried Out with Ziraat Katılım's Risk Group
- 176 Companies from which Support Services Are Obtained
- 177 Affiliate Company Report

178 Financial Information and Risk Management

- 178 The Audit Committee's Evaluations Regarding the Functioning of the Internal Audit, Internal Control, Compliance, and Risk Management Systems
- 184 Financial Status, Profitability, and Solvency of Ziraat Katılım
- 184 Information on Risk Management Policies Applied by Risk Type and Risk Management Disclosures
- 187 Financial Ratios
- 188 Summary Financial Information for the Last 5 Years
- 189 International Credit Ratings
- 191 Unconsolidated Financial Statements for the Year Ended 31 December 2024, Including Explanatory Notes and the Independent Auditor's Report
- 331 Consolidated Financial Statements for the Year Ended 31 December 2024, Including Explanatory Notes and the Independent Auditor's Report

470 Annexes

- 470 Performance Indicators
- 476 Greenhouse Gas Emissions Verification Statement
- 477 GRI Content Index
- 483 SASB Index

485 Contact

We continuously generate value through participation

Ziraat Katılım, Türkiye's first public participation finance institution, proudly celebrates its 10th anniversary.

Built upon Ziraat Bank's century-long experience, we are a young participation finance institution. We take great pride in significantly contributing to the Turkish economy. This is achieved through dedicated efforts and a strong commitment to our work. We always prioritize the best interests of our country.

Our rise to 12th position among all banks in terms of asset size reflects our success. We are confident that within the next decade, we will be among the sector's top 10. We also aim to lead the participation banking industry.

We are at the heart of finance

Our headquarters has relocated to Ziraat Towers. This state-of-the-art facility emphasizes advanced technology and environmental sustainability. The distinguished building has received the “Excellence in Construction” award and holds the prestigious LEED Platinum certification. Ziraat Towers consolidates our operations under a single roof. Guided by “The Century of Türkiye” vision, we are committed to delivering the highest level of service to our customers.

2,864
Number of employees



We are present across the globe

We are proud to have reached 208 branches in 63 cities across Türkiye. We are steadily advancing towards our goal of 300 branches. To date, we have completed 70% of our branch expansion target. Our ambitions extend beyond Türkiye. We are also expanding our service network in Africa. With our branches in Sudan and Somalia, we contribute to the continent's economic and social development.

19
**Number of
new branches**



We are leading the leasing sector

At Ziraat Katılım, we are pioneers in the financial leasing sector. We make a difference in leasing with our innovative solutions and customer-focused approach. In line with the Ziraat brand's strong position, our primary goal is to maintain our market leadership. We also strive to continue growing in the sector. We will remain a reliable partner for leasing needs.

14.15%
Market share



We provide end-to-end solutions

We prioritize digitalization and are expanding our product range. Our renewed Katılım Mobile application has simplified banking transactions. We are driving change by transforming smartphones into POS devices with Cepten POS. We are also focusing on transformation with Katılım Dijital to meet SMEs' financial needs. Our Anında Piyasa tool accelerates foreign exchange, gold, and silver transactions. The Eli Bol Account enhances savings.

28.1 million
Number of digital
transactions



We work for a better future

We actively contribute to Türkiye's green transformation. We are creating new investment opportunities to support the transition to a low-carbon economy. We also support individual and corporate sustainable initiatives. We are working tirelessly to meet the financing needs for sustainable agriculture.

Over TL 10 billion
Subsidized
agricultural financing



About the Report

This report goes beyond presenting the financial performance of Ziraat Katılım and **offers a value creation perspective encompassing environmental, social, and governance factors.**

The 2024 Integrated Annual Report of Ziraat Katılım Bankası A.Ş. (the Bank) has been prepared to share the Bank's financial and non-financial performance across a wide range of areas -from the economy to the environment, from corporate governance to social investments-with its stakeholders.

Adopting a value creation perspective that extends beyond financial results, the report highlights the Bank's performance in environmental, social, and governance (ESG) dimensions. It aims to strengthen stakeholder trust, ensure transparency of operations, and demonstrate the Bank's capacity to create long-term value. At the same time, the report underscores Ziraat Katılım's commitment to responsible banking principles for a sustainable future. This context reflects a holistic management perspective that includes financial outcomes and the Bank's contributions to social welfare and environmental responsibility.

Reporting Period, Publication Frequency, and Scope

This report presents the Bank's financial results and sustainability performance in environmental, social, and governance (ESG) areas,

in alignment with its strategic goals and priorities. The report serves as the primary source of disclosure regarding the Bank's activities and performance throughout 2024.

Unless otherwise stated, the data presented in this inaugural Integrated Annual Report of Ziraat Katılım Bank covers the period from January 1, 2024 to December 31, 2024. The Bank follows an annual reporting cycle.

The report outlines the Bank's comprehensive approach to long-term value creation for its stakeholders. It provides insight into managing climate-related risks and opportunities, strategic priorities, future outlook, stakeholder engagement, and performance across financial, environmental, social, and governance dimensions.

The Ecosystem of Ziraat Katılım

The report includes information on all operations and activities carried out by Ziraat Katılım.

Standards and Frameworks

Ziraat Katılım's 2024 Integrated Annual Report has been prepared in alignment with the following standards and frameworks.

- Global Reporting Initiative (GRI) Standards
- United Nations Sustainable Development Goals (UN SDGs)

Publication of the Report

The PDF version of Ziraat Katılım's Integrated Annual Report 2024 has been published under the Annual Reports section of the Bank's official website. Furthermore, the interactive version of the report can be accessed on the same tab.

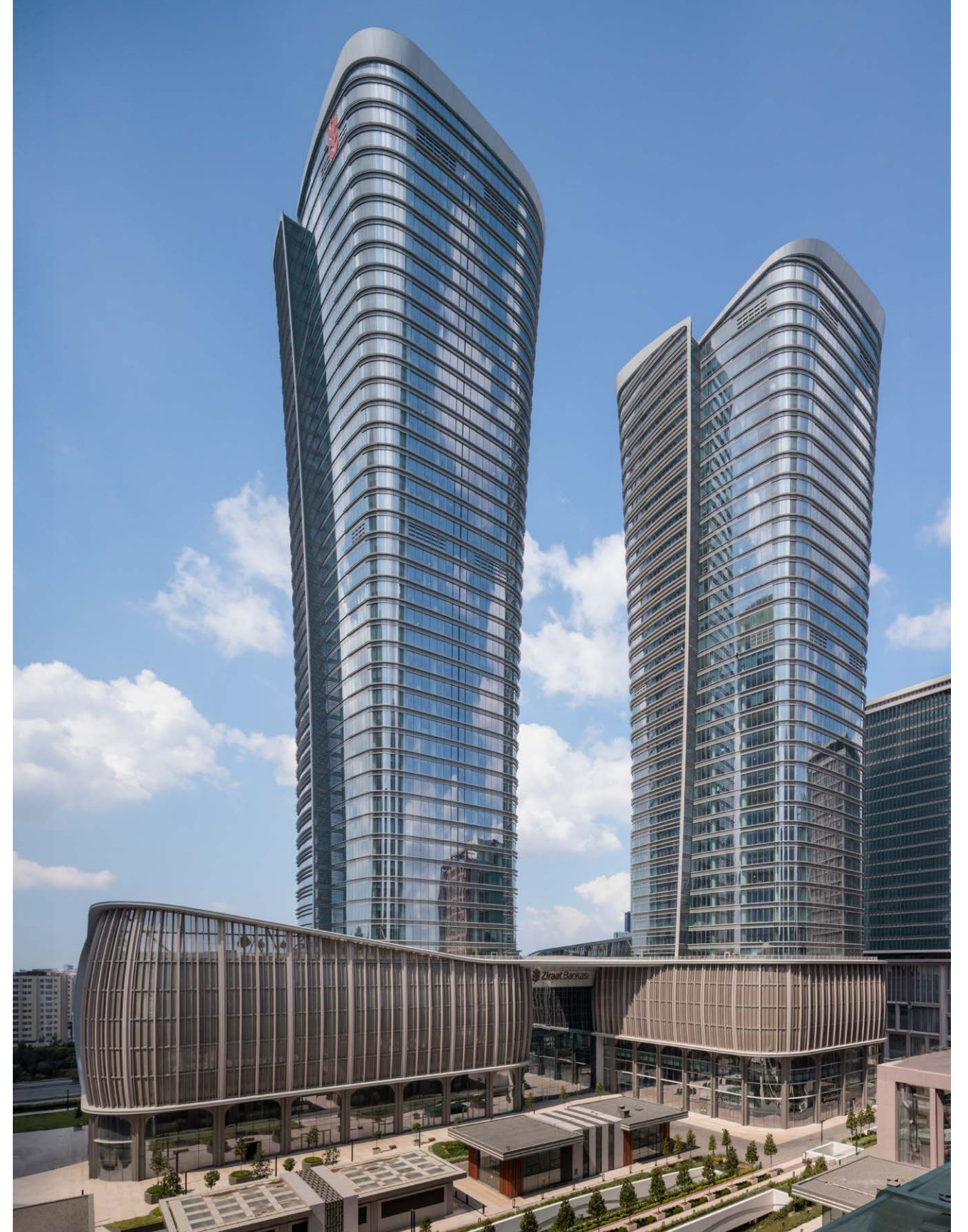
Audit Approach

The financial statements and footnotes disclosed in this Report have been independently audited by PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. The relevant Independent Auditor's Reports are included in the Ziraat Katılım 2024 Integrated Annual Report, spanning pages 162-163.

Coordination and Communication

The reporting process has been coordinated by the Strategy and Planning Department of Ziraat Katılım.

For feedback or inquiries regarding the 2024 Integrated Annual Report, stakeholders are encouraged to reach out via the following email address: StratejiPlanlamaveSurdurulebilirlik@ziraatkatilim.com.tr.



Chairman's Message

Ziraat Katılım remains committed to supporting the Turkish economy through a customer-centric approach, aligning with our core principles of profitability and efficiency.



In 2024, **the disinflation process in Türkiye was steadfastly maintained**, supported by the positive impact of monetary and fiscal policies.



515.3
TL Billion

Ziraat Katılım increased its total assets by 34% compared to the previous year, reaching TL 515.3 billion.



22.4
TL Billion

With its robust capital and partnership structure, Ziraat Katılım has achieved sustainable success. Its equity grew by 13% in 2024, climbing to TL 22.4 billion.

Several critical factors shaped the global economic landscape in 2024. The decline in inflation rates across developed nations, the ongoing Russia-Ukraine conflict, escalating tensions in the Middle East, and the U.S. Presidential election have all played significant roles. As inflation trends toward targeted ranges, it is apparent that tight monetary policies are gradually easing. Central banks have begun reducing interest rates, while geopolitical uncertainties have fueled demand for safe-haven assets, increasing gold prices.

Last year, in line with inflation data, the U.S. initiated an interest rate cut that exceeded market expectations to ease its monetary policy. This was followed by a cycle of rate reductions, bringing the policy rate to a range of 4.25-4.50%, in line with market expectations. The U.S. Federal Reserve (Fed)'s roadmap is widely viewed as being most influenced by the policies implemented by the new President. It is anticipated that the policies planned by the new administration will result in a slower-than-expected achievement of the inflation target. The Fed's recent statements signaling a downward revision in anticipated rate cuts for 2025 further reinforce these expectations.

Due to the European Central Bank (ECB)'s tight monetary policy stance, significant progress has been made toward achieving the Eurozone's inflation target of 2%. While inflation in the Eurozone is expected to remain within the target range in the coming period, the ECB has reduced its main refinancing rate from 4.50% to 3.15% over the year. However, potential headwinds from U.S. economic and security policies, along with prevailing geopolitical risks, may pose challenges for the European economy moving forward.

In emerging market economies, 2024 was marked by efforts to stimulate real economic activity. Starting from the end of third quarter 2024, the Chinese economy began to show signs of recovery, driven by a comprehensive stimulus package implemented to support growth. China's government is expected to continue supporting economic growth in 2025 by further lowering interest rates and bank reserve requirements and by providing additional financial support measures. Despite these developments, the potential emergence of a trade dispute with the United States continues to cast uncertainty over China's growth outlook.

Chairman’s Message

By the end of 2024, participation banking’s share within the financial sector had reached 8.14%.

In 2024, the positive impact of monetary and fiscal policies in Türkiye brought inflation risks and expectations under control, and the disinflation process was carried out with determination. As the inflation rate decreased, inflation expectations continued to improve. The announced inflation figures were consistent with the Central Bank of the Republic of Türkiye (CBRT)’s Inflation Report. In its final meeting of the year, the CBRT lowered the policy interest rate by 250 basis points to 47.5%.

Consequently, Türkiye’s current account balance posted a surplus on a monthly basis between June and October, and the country’s CDS risk premium declined. Taking the positive developments in the economy into account, international credit rating agencies upgraded Türkiye’s credit rating twice during the year.

In 2024, a notable decrease in dollarization was observed, driven by higher demand for the Turkish Lira (TL) from savers and a larger share of TL in bank balance sheets. Macroprudential measures and monetary policy supported this



Sustainability-themed annual issuances recorded 5% growth compared to 2023, totaling USD 1.1 trillion in 2024.



47.5%
CBRT Policy Rate

The CBRT reduced the policy rate by 250 basis points in its final meeting of 2024, bringing it down to 47.5%.

shift. Regulations shaping credit composition have had a favorable impact, particularly in boosting production, investment, and exports. Looking ahead to 2025, macroeconomic indicators are expected to continue improving, with inflation easing, interest rates declining, and normalization efforts persisting. The reduction in financing costs will positively impact both the real sector and banks’ profitability.

By the end of 2024, participation banking’s share within the financial sector had reached 8.14%. Maintaining this positive performance is crucial for deepening our country’s financial system and enhancing its resilience against risk.

Ziraat Katılım’s share of the participation banking sector was 19% in 2024. While the financing to total assets ratio in the participation banking sector stood at 49.5%, this ratio was approximately 62.4% for our Bank.

Compared to the end of 2023, Ziraat Katılım has increased financing by around 22%. Our Bank has also expanded its branch network to diversify participation banking products and services while reaching every corner of the country. As a result, the Bank’s branch count grew from 189 at the end of 2023 to 208 by the end of 2024, a significant achievement we are proud to report. Ziraat Katılım remains committed to supporting the Turkish economy through a customer-centric approach, aligning with our core principles of profitability and efficiency.

Sustainability and Climate Change Perspective

The global economy and financial sector are increasingly confronting the profound effects of the climate crisis. While this crisis poses significant long-term risks, it also urgently requires a comprehensive transformation, particularly in carbon-intensive industries, over the short and medium term. In response to evolving regulations and rising stakeholder expectations, the financial sector is strengthening collaborations to support this transformation and capitalize on the emerging opportunities. Banks are serving as key enablers of the green transition in the real economy, guiding investments that prioritize financial growth and integrate environmental and social considerations.

The sustainable bond market further expanded in 2024. Compared to 2023, sustainability-themed issuances grew by 5%, reaching USD 1.1 trillion in 2024. Green bonds, accounting for 57% of all sustainability-labeled issuances, continue to dominate the market.



Compared to the end of 2023, Ziraat Katılım boosted its financing disbursements by approximately 22%.



57%
Green Bond Issuances

Green bonds, accounting for 57% of all sustainability-labeled issuances, continue to dominate the market.

Given the positive macroeconomic outlook, the issuance of sustainability-focused bonds is expected to uptrend further through 2025.

Türkiye has actively embraced the green transformation with its Green Deal Action Plan and its 2053 carbon-neutral target. At the 29th Conference of the Parties (COP29) held in Baku in November 2024, Türkiye outlined its climate roadmap. The banking sector is pivotal in achieving these ambitious goals and supporting the country’s climate agenda.

Ziraat Katılım, built on participation banking principles and responsible investment, has integrated sustainability into its core strategies. By incorporating climate considerations into our risk management and climate strategy, we are committed to advancing sustainable finance.

Our progress in realizing our goals is powered by the invaluable support of our stakeholders and the dedication of our employees.

Against this backdrop, it is with great pride and excitement that I present to you the 1st Integrated Annual Report of Ziraat Katılım for 2024.

Together with the Board of Directors, I extend my heartfelt thanks to all our employees whose hard work and dedication have driven our success.

Alpaslan ÇAKAR
Chairman of the Board of Directors

CEO's Message

2024 marked significant progress for our Bank in several key areas, including financial growth, technological innovation, customer experience, and sustainability. It was a year in which we strengthened our forward-looking strategies and further enhanced our competitive edge.



We believe the financial sector plays a critical role in contributing to Türkiye's sustainable growth.



358
TL Billion

As of the end of 2024, total funds collected increased by 18% compared to the previous year, reaching TL 358 billion.



318
TL Billion

As of year-end 2024, cash loans disbursed by Ziraat Katılım increased by 22% year-over-year, climbing to TL 318 billion.

Dear Stakeholders,

Ziraat Katılım completed a successful year in which it further deepened its customer-centric service approach while resolutely adhering to the principles of sustainable growth and effective risk management. Throughout 2024, our Bank successfully implemented key projects in line with its Strategic Plan (2022–2025), focusing on digitalization, investments in technological infrastructure, new branch openings, international collaborations, and risk management. As part of our IT transformation and process excellence initiatives, we recorded notable gains in operational efficiency and enhanced the overall customer experience while ensuring the continuity and resilience of our services. Thanks to our end-to-end value-driven business model, we have improved the efficiency of credit transformation processes, strengthened our risk management framework, and emphasized sustainable finance solutions.

Guided by business planning scenarios aligned with next-generation business models and our strategic objectives, we have solidified the Bank's competitive position across the sector. We fostered greater financial inclusion by offering more comprehensive and high-quality services to our customers.

It is my pleasure to present the Ziraat Katılım 2024 Integrated Annual Report, in which we share the strategic steps we have taken throughout the year,

the performance we have achieved, and the practices that distinguish our Bank within the industry.

Ziraat Katılım sustained its steady growth.

In 2024, Ziraat Katılım maintained its solid growth trajectory, expanding total assets by 34% year-on-year to reach TL 515.3 billion. Demonstrating a consistent performance across its strategic priorities of growth, profitability, and efficiency, the Bank recorded net profit of TL 3.5 billion. Total funds collected increased 18% compared to the previous year, amounting to TL 358 billion by year-end.

We continued to support the real economy.

At Ziraat Katılım, we are guided by our vision of becoming a leading and effective participation finance institution in Türkiye and the surrounding region. To this end, we remain committed to supporting the real economy. The Bank provides tailored financing solutions to key sectors, particularly agriculture and SMEs. We also continue to stand by producers and exporters. By the end of 2024, cash loans extended totaled TL 318 billion, marking a 22% rise year-on-year. Meanwhile, non-cash facilities expanded by 49% to TL 116 billion. In total, our contribution to the Turkish economy reached TL 435 billion this reporting year.

CEO's Message

We aim to stimulate economic activity by supporting production and investment across the country through specially designed loan packages.

We rank second in the sector, backed by our strong brand legacy.

With assets totaling TL 515 billion and a 19% market share in Türkiye's TL 2.7 trillion participation finance sector, Ziraat Katılım secured its position as the second-largest player in the market. Leveraging the trusted legacy of the Ziraat brand and a steadfast commitment to the principles of participation banking, the Bank delivered balanced and sustainable growth across key areas including fund collection, financing, and financial leasing.

We expanded our physical service network with 19 new branches.

In 2024, we expanded our retail branch network from 169 to 185 locations, and our commercial branch network from 14 to 17, through the opening of 19 new branches. With a total of 210 branches, including two locations overseas, we provide exceptional services to our customers. We plan to open additional branches in Türkiye's provinces with high agricultural production to further expand access to financial services and support rural development.

Ziraat Katılım reached 800,000 digital customers.

We are accelerating our digital transformation by implementing applications that enhance the user experience. Our advanced digital



The Women Entrepreneur Support Finance product empowers female entrepreneurs to grow their businesses and participate more actively in the economy.



800,000+
Digital Customers

services enable Katılım Digital customers to easily manage their accounts, perform investment transactions, and apply for financing quickly and securely via digital platforms. Our Mobile Banking app offers a wide range of services, from fund transfers to bill payments. The Instant Market platform provides real-time access to foreign exchange, precious metals, and other investment instruments, helping investors capitalize on market opportunities. By the end of 2024, Ziraat Katılım's digital customer base grew to 800,000. The transaction volume conducted via our web and mobile channels totaled 28.1 million for the year.

We bolster service quality via our technology investments.

Ziraat Katılım has leveraged Robotic Process Automation (RPA) and artificial intelligence technologies to enhance operational efficiency, accelerate transaction processes, and reduce error rates. In the international banking arena, our new foreign exchange transfer screens provide customers with a faster, more user-friendly interface for currency transactions. At the same time, SWIFT integration projects reduced transaction times for international money transfers. Digital file and archiving applications significantly boosted time savings and environmental sustainability. Training and informational content via digital channels improved financial

literacy, enabling customers to access banking services more consciously and conveniently. Our digital transformation investments support our goal of providing seamless, fast, and reliable services to Ziraat Katılım customers.

We introduced innovative cash and resource management services.

The products developed for cash and resource management enable our customers to execute stock transactions in line with participation finance principles. The Instant Daily Account and Accumulated Savings Account simplify daily cash management and offer opportunities for long-term savings investment. MoneyGram integration has accelerated and secured domestic and international money transfers, while improvements to the Direct Debit System (DBS) strengthened supply chain management. The Supplier Financing System offers solutions that facilitate business cash flow.

We differentiate our services with segment-specific value propositions.

At Ziraat Katılım, we have consistently delivered comprehensive financial solutions meeting the diverse needs of our retail, corporate, commercial, and private banking customers. Our tailored SME Value Proposition provides financial solutions and advisory services supporting the growth of small and medium-sized enterprises (SMEs). In private banking, we developed products encompassing investment, wealth management, and personalized financial solutions, all crafted under our Private Banking Value Proposition for high-net-worth clients.

Supporting the entrepreneurship ecosystem with specialized financing packages.

We introduced the Women Entrepreneur Support Financing product, designed to empower



We have leveraged Robotic Process Automation (RPA) and artificial intelligence technologies to enhance operational efficiency, accelerate transaction processes, and reduce error rates.



Our digital transformation investments support our goal of providing seamless, fast, and reliable services to our customers.

female entrepreneurs and encourage their business growth and active participation in the economy. Additionally, we develop targeted support packages that simplify financing access for SMEs, fostering an environment conducive to entrepreneurship. Our Bank remains committed to directly contributing to entrepreneurs' growth and development.

We support economic and sustainable development via sector-specific loan packages.

Ziraat Katılım aims to stimulate economic activity by supporting production and investment across the country through designed loan packages. The Equity-Based Export Support Package bolsters exporters' global competitiveness. Simultaneously, the Financial Leasing Support Package facilitates financing access for investments in industrial machinery and technological equipment in manufacturing and trade. Additionally, our Sustainable Growth Support Package promotes sustainable development by supporting environmentally friendly projects and energy efficiency investments.

We have expanded our range of financing solutions for the green transition.

Aligned with our strategic objectives in sustainability and climate action, we promote green financing and sustainable projects, encouraging our customers to invest in environmentally responsible initiatives. We provided Energy Efficiency Financing for energy-saving investments by industrial and commercial enterprises, Green Home Financing for the purchase of environmentally certified residential properties, Green Vehicle Financing for electric and hybrid vehicles, Solar Energy System (SES) Financing for renewable energy investments by individuals and businesses, and Thermal Insulation Financing for building energy-saving projects.

CEO's Message

At Ziraat Katılım, we strongly emphasize integrating sustainable finance standards – shaped by national and international regulations – into our business model.

Our Bank earned a certificate of merit in sustainability.

Ziraat Katılım, by integrating the participation finance model with a sustainability perspective, was honored with the Certificate of Merit – Outstanding Business Sustainability Achievement by the European Organization for Sustainable Development. This recognition highlights the Bank's commitment to advancing sustainability through innovative financial initiatives.

We contributed to environmental and cultural heritage with a strong sense of corporate social responsibility.

As part of our corporate social responsibility efforts to preserve environmental and cultural heritage, we implemented effective social projects. With the participation of our employees and their families, we established the Ziraat Katılım Memorial Forest, planting 2,000 saplings and creating a green legacy for future generations.

To help safeguard historical values, we supported the restoration of the Sahn-ı Seman Madrasah, which has been revitalized and reopened for public use. Additionally, we contributed to the Digital Istanbul project, designed to protect and promote Istanbul's cultural heritage.



Throughout 2024, we strengthened our sustainability governance structure.



2000
Number of saplings planted as part of the Ziraat Katılım Memorial Forest initiative

This initiative allows the broader public to access real-time information on registered cultural assets via mobile technology, bringing our historical legacy closer to a wider audience.

We align our efforts with Türkiye's sustainability goals.

Today, all industries are undergoing a profound transformation, commonly referred to as the “twin transition,” in which digitalization and environmental transformation advance in parallel. Within this framework, the shift of industry toward a low-carbon economy has become one of the most critical global and national priorities. Ziraat Katılım remains committed to playing an active role in this transformation with the vision of becoming a value-generating, widely respected, universal, and leading financial institution.

Türkiye's Long-Term Climate Strategy, announced at the 29th Conference of the Parties (COP29), outlines the roadmap toward achieving the country's Net Zero Emission Target for 2053 – an initiative strongly supported by President Recep Tayyip Erdoğan. Against this backdrop, the banking sector is positioning its financial strength and resources as a driving force for this transition.

We view Türkiye's Green Deal Action Plan and the 2053 Net Zero Emission Target as a call to develop innovative solutions, create new business opportunities, and establish sustainable business models. At Ziraat Katılım, we believe that the financial sector plays a critical role in contributing to Türkiye's sustainable growth and is fully committed to fulfilling its responsibilities.

Combating the climate crisis is central to our sustainability strategy.

At Ziraat Katılım, we strongly emphasize integrating sustainable finance standards – shaped by national and international regulations – into our business model. By positioning climate-focused initiatives at the core of our sustainability strategy, we have elevated our commitment in this area. Recognizing the urgency of combating climate change, we have prioritized it within our strategic objectives and developed thematic retail and commercial products that generate environmental and social value for our customers.

Our commitment to responsible and ethical banking drives our contribution to Türkiye's sustainable development by financing projects in renewable energy, electric vehicles, sustainable agriculture, and SME support. By identifying the requirements of the green transition, we aim to become a trusted solution partner for producers with the value propositions we have developed. As we scale the number of sustainable projects, we embed digital solutions across our business processes.

Beyond the financial resources Ziraat Katılım allocates to real sector investments, we actively monitor industry best practices to assess the potential impacts of climate change. As part of our climate risk management approach, we formulate forward-looking strategies and undertake comprehensive planning efforts. We have accelerated our work in this arena by identifying priority sectors for climate risk assessment. As we expand the scope of our greenhouse gas emissions measurements, which began last year, we are committed to initiating actions that will reduce carbon emissions in line with our 2030 targets.

Throughout 2024, we implemented sub-projects developed under our Sustainability Committee and further strengthened our sustainability governance structure. Aligning with the Türkiye Sustainability Reporting Standards and relevant international frameworks, we have made compliance with sustainability and climate-related disclosures a key governance priority.

With the objective of raising awareness of environmental and social responsibility in the financial sector, Ziraat Katılım published its inaugural sustainability report in 2024.

I sincerely thank all our stakeholders who have contributed to our achievements.

Together, we will continue to fulfill our social responsibilities and create shared value in line with our common goals. I am particularly grateful to all our employees and stakeholders whose efforts have played a crucial role in advancing our sustainability journey.

The year 2024 marked significant progress for our Bank in several key areas, including financial growth, technological innovation, customer experience, and sustainability. It was a year in which we strengthened our forward-looking strategies and further enhanced our competitive edge. All initiatives and practices highlighted in this report reflect the solid steps we have taken in alignment with our mission and vision.

It is with great pride and enthusiasm that we present the Ziraat Katılım 2024 Integrated Annual Report, published for the first time this year.

Kind regards,

Metin Özdemir
CEO

Our Performance in 2024

Ziraat Katılım achieved **strong performance results** in 2024.

Number of Employees

2,864 employees

As a result of continued growth, Ziraat Katılım's workforce increased from 2,430 at the end of 2023 to 2,864 by the end of 2024.

Total Assets

34% increase

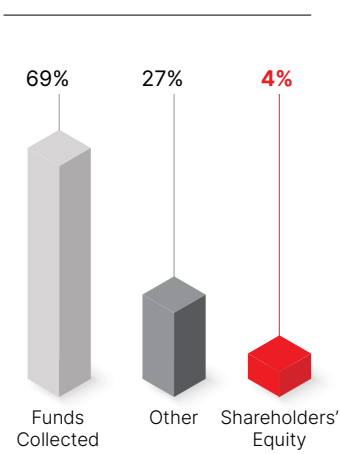
Total assets rose from TL 384,257 million in 2023 to TL 515 billion in 2024, marking a 34% year-over-year growth.

Funds Extended

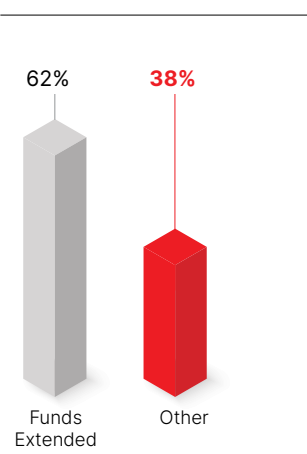
22% increase

Extended funds grew by 22% in 2024, reaching TL 318 billion, compared to TL 259,771 million in 2023.

Liabilities



Assets



Financial Indicators

(TL million)	2023	2024	Annual Change (%) *
Total Assets	384,257	515,328	34
Funds Extended**	259,771	317,864	22
Funds Collected	304,372	357,653	18
Shareholders' Equity	19,832	22,371	13

For detailed information on Ziraat Katılım's financial performance in 2024, [please click](#).

*Represents the change recorded as compared to 2023 indicators.

**Financial leasing, expected loss provisions and non-performing receivables are included.

Social Indicators

Total number of employees***:	Average training per person:
3,158	72 man/hour
Female employee ratio:	Annual average training hours per employee by gender:
36%	Female 29 Male 43
Employees under collective bargaining agreement:	Ethics training provided to new hires:
2,473	3,745 hours
Total number of managers:	Sustainability and environmental training program:
311	3,800 hours
Total female manager ratio:	Unionized employee ratio:
9%	86%
Female employee ratio in STEM**** positions:	Face-to-face OHS training:
10%	750 employees 2 hours/person 1,500 total hours

Governance Indicators

Board of Directors Meetings	Sustainability Committee Meetings	Number of Projects Evaluated under ESRA
38	2	8 projects
Release of the Sustainable Sukuk Framework	2024 Strategy Workshop	***Total number of employees, including outsourced personnel: 3,158 (2,864 + 294) ****STEM (Science, technology, engineering and mathematics)

Environmental Indicators

Total (Scope 1 + Scope 2) tons CO ₂ e
2,801
Emissions per employee (tCO ₂ e/number of employees)
0.98
Emissions by consolidated asset size (tCO ₂ e/TL million)
0.005
Emissions by consolidated net profit (tCO ₂ e/TL million)
0.81

About Ziraat Katılım

Ziraat Katılım operates with a robust corporate structure, an innovative and contemporary management approach, and a **highly qualified, dynamic team**.

Ziraat Katılım **supports its customers through products and alternative distribution channels** aligned with the principles of participation banking.



October 10, 2014 Date of Establishment

Ziraat Katılım Bankası A.Ş. was established with a capital of TL 675 million, pursuant to the permission granted by the BRSA, numbered 6046, dated October 10, 2014.



210 Number of Branches

Ziraat Katılım further expanded its geographical presence in 2024 by opening 19 new branches, increasing the total number of branches, including international locations, to 210.

Established as the first state-owned participation bank in Türkiye, Ziraat Katılım Bankası A.Ş. (Ziraat Katılım) provides a wide range of products and services in line with the principles of participation banking. Through its diversified delivery channels, the Bank aims to be a reliable financial partner for its customers at all times. Listening closely to customer needs and delivering tailored solutions lies at the heart of its business philosophy. Ziraat Katılım also strives to generate value for its customers, shareholders, society, and all stakeholders.

Ziraat Katılım Bankası A.Ş. was incorporated with a paid-in capital of TL 675 million, fully provided by the Republic of Türkiye Undersecretariat of Treasury, pursuant to the permission of the Banking Regulation and Supervision Agency (BRSA) dated October 10, 2014, and numbered 6046, as published in the Official Gazette dated October 15, 2014, and numbered 29146. The Bank was registered on February 16, 2015.

Ziraat Katılım obtained its operating license with BRSA Decision No. 6302 dated May 12, 2015 published in the Official Gazette numbered 29355 dated May 14, 2015. The Bank started its participation banking operations with its principle of "More as We Share" as of May 29, 2015.

In accordance with its strategies focused on profitable, healthy and sustainable growth, Ziraat Katılım provides products, services and solutions with high added value which are in line with participation banking principles through strong distribution channels and with competent human resources.

As of year-end 2024, the Bank employed 2,864 people. With the opening of 19 new branches during the year, its total number of branches, including international locations, reached 210.

Ziraat Katılım actively operates in the fields of Retail, Commercial, Corporate, Private, and Agricultural Banking, with a strategic focus on driving growth across these key segments. In addition to its traditional branch network, the Bank delivers its products and services through advanced alternative distribution channels, including 129 ATMs, Internet Banking, a renewed Mobile Banking platform, Call Centers, Open Banking applications, and approximately 10,594 POS terminals. Within the scope of its Digital Banking activities, Ziraat Katılım meets the financial needs of its customers with the Ziraat Mobile application at the most convenient points and with an approach focused on high customer satisfaction.

As of year-end 2024, Ziraat Katılım's total assets increased by 34% compared to the previous year, reaching TL 515 billion. The net profit of Ziraat Katılım was TL 3.5 billion. The Bank's equity size, reaching TL 22 billion, provides the strength required for sustainable growth.

With its well-established and solid structure, modern and innovative management approach, and experienced and dynamic personnel, Ziraat Katılım works in strong cooperation with Ziraat Bank, which has been the driving force of the Turkish banking sector for 161 years, within the framework of its correspondent agreement.

Behind Ziraat Katılım's continuously developing business model lies an approach focused on customer satisfaction, digitalization and efficiency. As it works towards becoming an effective, leading and respected participation bank, the Bank continues to take firm steps without compromising its asset quality, creating added value in line with its disciplined and sustainable growth strategy.



Our Vision, Mission, and Strategies

Our Mission

Our mission is to become a participation bank that fully understands the expectations and needs of its customers, offers the most reliable solutions and value propositions through the most appropriate channels, and operates with world-class sustainable profitability and efficiency. We are committed to the principles of participation banking and ethics, and we aim to facilitate access to financial services with a strong focus on customer satisfaction.

Our Vision

Our vision is to become a universal, respected and leading participation bank that strengthens participation banking not only in Türkiye but also in the region, producing continuous value and offering more as we share with our customers at every stage.

Our Strategies

Our core strategic pillars are defined as:

- Sustainable Profitability
- Competency Transformation
- Focused Growth
- Participation Banking
- Agricultural Banking

Shareholding Structure

The majority shareholder of Ziraat Katılım is T.C. Ziraat Bankası A.Ş.

Shareholding Structure (as of 31.12.2024)

Title	Paid-in Capital (TL thousand)	Share Ratios (%)
T.C. Ziraat Bankası A.Ş.	10,350,000	99.99999996
Ziraat Gayrimenkul Yatırım Ortaklığı A.Ş.	-	0.00000001
Ziraat İşletme Yönetimi ve Gayrimenkul Geliştirme A.Ş.	-	0.00000001
Ziraat Teknoloji A.Ş.	-	0.00000001
Ziraat Yatırım Menkul Değerler A.Ş.	-	0.00000001
Total	10,350,000	100.00

The entire paid-in capital of Ziraat Katılım, amounting to TL 10,350,000,000, is fully funded by the Ministry of Treasury and Finance of the Republic of Türkiye. Ziraat Katılım’s capital is divided into 10,350,000,000 shares, each valued at TL 1.00.

The Chairman and members of the Board, members of the Audit Committee, CEO and Assistant General Managers do not own shares.

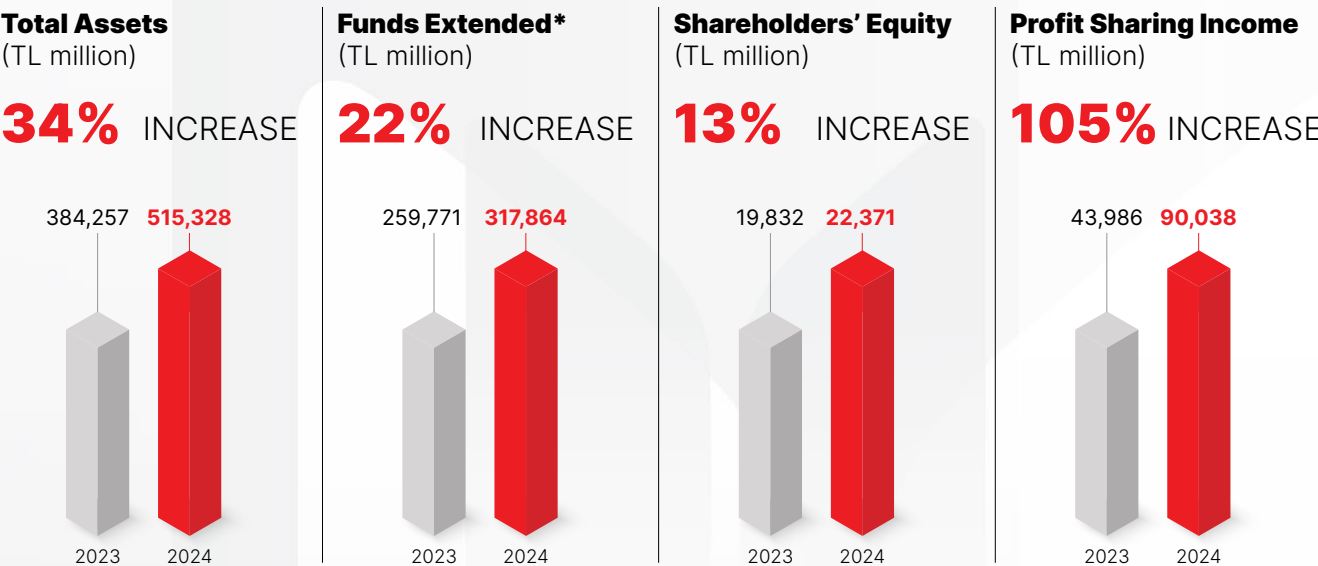
Changes in Articles of Association in 2024

DRAFT AMENDMENT PROPOSAL SHOWING THE OLD AND NEW VERSIONS OF THE ARTICLES TO BE AMENDED OF THE ARTICLES OF ASSOCIATION OF ZİRAAT KATILIM BANKASI A.Ş.

OLD VERSION	NEW VERSION
COMPANY HEADQUARTERS Article 4 The Company is headquartered in Fatih, Istanbul. The company’s address is at Hobyar Eminönü Mah. Hayri Efendi Cad. Bahçekapı No:12 34112 Fatih/İstanbul.	COMPANY HEADQUARTERS Article 4 The Company is headquartered in Umraniye, Istanbul. The company’s address is at Finanskent Mah. Finans Cad. B Blok No:44B İç Kapı No:29 Ümraniye/İstanbul.
Article 4.1. In the case of a change of address, the new address shall be registered with the trade registry and announced in the Trade Registry Gazette of Türkiye. Additionally, it shall be notified to the Ministry of Trade and the Banking Regulation and Supervision Agency. Any notification sent to the registered and published address of the Bank shall be considered as delivered to the Bank. Failure by the Bank to register its new address within the legal time frame, despite moving from the registered and published address, shall constitute grounds for termination of the Bank.	Article 4.1. In the case of a change of address, the new address shall be registered with the trade registry and announced in the Trade Registry Gazette of Türkiye. Additionally, it shall be notified to the Ministry of Trade and the Banking Regulation and Supervision Agency. Any notification sent to the registered and published address of the Bank shall be considered as delivered to the Bank.
Article 4.2. The Bank, with a decision from the Board of Directors, may establish branches, regional offices, agencies, offices, representative offices, or other service units both domestically and internationally, in compliance with applicable laws and regulations, and may establish correspondent relationships. Additionally, the Board of Directors may decide to use branches of another bank/institution as correspondents, aside from the Bank’s own branches, regional offices, agencies, and representative offices.	Article 4.2. The Bank, with a decision from the Board of Directors, may establish branches, regional offices, agencies, offices, representative offices, or other service units both domestically and internationally, in compliance with applicable laws and regulations, and may establish correspondent relationships. Additionally, the Board of Directors may decide to use branches of another bank/institution as correspondents, aside from the Bank’s own branches, regional offices, agencies, offices, and representative offices.

Summary Financial Indicators

In 2024, total assets increased by 34%, loans granted by 22%, **equity by 13%, and dividend income by 105%.**



(TL million)	2023	2024	Change (%)
Total Assets	384,257	515,328	34
Liquid Assets and Banks	73,659	124,104	68
Securities Portfolio	43,136	61,340	42
Funds Extended*	259,771	317,864	22
Funds Collected	304,372	357,653	18
Shareholders' equity	19,832	22,371	13
Profit Shares Income	43,986	90,038	105
Profit Shares Expense	38,557	85,901	123
Profit Before Tax	4,417	4,241	-4
Net profit-loss	4,004	3,453	-14

*Financial Leasing, Expected Loss Provisions and Non-Performing Receivables are included.



Our Awards and Achievements



Double Win at the Stevie Awards!

Ziraat Katılım was honored with two prestigious awards at the 21st annual “2024 International Business Awards,” organized by Stevie Awards. The Bank received a Silver Award in the “Banking Large” category for its “Automatic Transfer-Cleansing” project. In addition, Ziraat Katılım won the People’s Choice Award, determined through public voting. Competing against over 3,600 projects from 62 countries, Ziraat Katılım’s initiative was recognized by both the esteemed jury and the public for its innovative impact in the prestigious event where 141 institutions were awarded.

Ziraat Katılım Wins the “Islamic Capital Markets Deal of the Year” Award

At the Global Banking and Markets Awards, a recognized platform celebrating the most innovative and groundbreaking transactions since 2014, Ziraat Katılım received the “Islamic Capital Markets Deal of the Year” award in 2023. The award was in recognition of the bank’s successful issuance of a USD 500 million international sukuk, underscoring its leadership in the global Islamic finance market.



Sustainability Merit Award at the Global Sustainable Finance Conference!

Ziraat Katılım was presented with the “Certificate of Merit – Outstanding Business Sustainability Achievement” at the “Sustainable Finance Awards,” organized by the European Organization for Sustainable Development (EOSD). The award recognizes the bank’s exceptional performance in sustainability governance and reporting, reinforcing its commitment to driving positive change in sustainable finance.

SocialBrands Data Analytics Awards

In collaboration with BoomSonar and Marketing Türkiye, the Social Brands Data Analytics Awards evaluate brands’ social media performance based on unbiased data and analytics. Ziraat Katılım has been consistently recognized for its outstanding social media presence, securing the title “Most Effective Participation Bank on Social Media” in the Participation Banks category for five consecutive years (2019-2024).

Our Milestones

Ziraat Katılım expanded its branch network, reaching a total of 208 branches across Türkiye in 2024.

2015

- As the first publicly funded participation bank, the Bank began operations on 29 May 2015, followed by a grand opening with the participation of President Recep Tayyip Erdoğan.
- Ziraat Katılım became the first participation bank to receive Participation Banking Activity Ratification Certificate approving compliance of the general framework of our operations with the Principles of Participation Banking.

2016

- Ziraat Katılım proudly completed its first year, a full of firsts, with a net profit of TL 30.7 million.
- The first profit-loss sharing partnership was carried out in different sectors.
- The first Sukuk issuance was undertaken by establishing an Asset Leasing company.
- The first Murabaha Syndication took place.

2017

- Ziraat Katılım continued to take firm steps to reach its goals of sustainable profitability and efficiency and recorded a profit of TL 159 million.
- Ziraat Katılım founded its second subsidiary ZKB Varlık Kiralama A.Ş.
- FILIKA (Limited Financing Card) has been offered to customers.
- Transition to TFRS 9 has been completed.
- A project financing transaction has been performed through “İstisna” product in the participation banking sector.
- Ziraat Katılım started the Gold Collection Days.

2018

- Ziraat Katılım concluded the year with stable growth, recording a net profit of TL 323 million.
- The bank signed a cooperation agreement under the “Joint Investments Model,” making a first for both the banking sector and the country.
- Ziraat Katılım became the first participation bank to mediate in the issuance of the Gold Lease Certificate.
- The number of branches increased to 80 branches in 41 different cities.
- The necessary permits were obtained for the transfer of Ziraat Finansal Kiralama A.Ş. to Ziraat Katılım.
- In accordance with the agreement made between all public banks, including Ziraat Katılım, the “free use of a Common ATM” system was implemented, and the protocol was signed.

2019

- Ziraat Katılım continued its healthy growth with its effective and efficient balance sheet management and completed the year 2019 with a net profit of TL 516.7 million.
- Ziraat Katılım completed a Murabaha Syndication transaction at an amount of USD 250 million for the third time.
- Ziraat Finansal Kiralama A.Ş. was transferred to Ziraat Katılım as of March 1, 2019.
- Subordinated loans were secured from T.C. Ziraat Bankası A.Ş. and Türkiye Wealth Fund.

- Virtual POS product was launched for customers.
- “Mobile Financing” option was launched to conduct financing transactions through the Katılım Mobile application.

2020

- Ziraat Katılım reached a total asset size of TL 60.2 billion.
- The Sudan Branch, the bank's first international branch, commenced operations.
- Work on the new payment system, FAST (Instant and Continuous Transfer of Funds), was completed. The system allows the Bank's customers to perform money transfers between their accounts in different banks 24 hours a day, 7 days a week.
- Through its subsidiaries Ziraat Katılım Varlık Kiralama A.Ş. and ZKB Varlık Kiralama A.Ş., Ziraat Katılım realized approximately TL 12.6 billion in lease certificate issuances in TL terms in the local market.

2021

- Ziraat Katılım's asset size reached TL 98.3 billion in 2021.
- A lease certification issue of TL 300 million was realized through public offering for the first time.
- A subordinated loan of TL 500 million was obtained from the main shareholder T.C. Ziraat Bankası A.Ş.
- A new product, Eli Bol (Generous) account was launched for customers.
- Currency Protected TL Participation Account and Gold Conversion TL Participation Accounts were introduced.

- Ziraat Katılım obtained three separate lease certificate issuance approvals from Capital Market Board at amounts of TL 12 billion, TL 15 billion and TL 1 billion to realize TL-based lease certificate issuances in domestic market with its subsidiaries Ziraat Katılım Varlık Kiralama A.Ş. and ZKB Varlık Kiralama A.Ş. In this context, a total of TL 11.4 billion in lease certificate issuances was realized.

2022

- Ziraat Katılım's assets increase by 117%, reaching TL 213.3 billion.
- Paid-in-capital increased to TL 2.65 billion.
- The Bank provides services in 55 cities in all regions with 155 domestic branches.
- With the “Instant Financing” product, customers can easily and rapidly finance their purchases made from contracted stores through digital channels.
- Currency Protected TL Participation Account with Conversion to Physical Gold and My Home (Yuvam) account within the scope of Currency Protected account were implemented.
- Ziraat Katılım, along with its subsidiaries Ziraat Katılım Varlık Kiralama A.Ş. and ZKB Varlık Kiralama A.Ş., obtained four separate lease certificate issuance ceilings, two of them for TL 15 billion, one for TL 1 billion, and one for TL 12 billion from the Capital Market Board (CMB) to issue lease certificates in TL at the domestic market. In this context, a total of TL 16.1 billion of issuances were realized.
- Establishing the sustainability management system.

2023

- Ziraat Katılım's asset base expanded by 80% to reach TL 384.3 billion.
- The Bank increased its paid-in capital to TL 10.35 billion.
- The Bank provides services through 189 domestic branches in 61 provinces throughout Türkiye.
- The Start-up SME Insurance, Limit Protection Insurance, Corporate Package Insurance, Individual Assurance Insurance, Personal Accident Insurance, Entrepreneurial Support Insurance, Farmer's Support Insurance, Farmer Friendly Insurance, Agricultural Finance Life Insurance, and State Supported Credit Insurance products have been added to the insurance product range and offered to customers.
- The “SME Katılım Dijital” brand was created to facilitate ERP Solutions, Open Banking, and Smart Cash Flow financial transactions.
- Ziraat Katılım's share in the participation banking sector was 17.9% at the end of 2022, while it was 18.8% at the end of 2023. The Bank aims to increase its share in the sector in 2024.
- Ziraat Katılım became a financial stakeholder of the New Home Housing Campaign.
- Immediately after the devastating earthquakes that struck Kahramanmaraş on February 6th, work was carried out to meet all the needs of the Bank's employees and their families. The situation of Ziraat Katılım employees and the branches was closely monitored by keeping in touch with the employees working in the region through Coordination with İSAD.
- Sustainability policies have been published.
- An environmental and social impact analysis was initiated in financing transactions.

2024

- Ziraat Katılım's asset base expanded by 34% to reach TL 515.3 billion.
- In 2024, the bank expanded its domestic branch network, reaching a total of 208 branches across Türkiye.
- In the field of digital banking, Ziraat Katılım launched the Web Developer Portal and developed open banking services.
- The agricultural financing volume has increased by 435%, reaching TL 10.7 billion.
- Ziraat Katılım has shared its first Sustainability Report with the public, highlighting its ongoing efforts and commitment to sustainability practices.
- In line with social responsibility awareness, Ziraat Katılım, along with its employees, planted 2,000 saplings in Pendik Balıca, Istanbul, creating the “Ziraat Katılım Memorial Forest.”
- The protocol for the “Digital Istanbul” project, aimed at providing access to registered cultural assets in Istanbul through QR code technology, has been signed. As part of the project, information about the construction history, architect, and background of 200 mosques has been made accessible in digital format.

Key Highlights of Ziraat Katılım in 2024

Ziraat Katılım has **published its first Sustainability Report**, detailing its work in the field of sustainability.



2,000 saplings

As part of the “Ziraat Katılım Memorial Forest” project, the initial 2,000 saplings were planted on December 7, 2024, by a pioneering group comprising Deputy General Manager Ms. Seher Elif Ekici, Ziraat Katılım employees, and their families.



The overarching sustainability policy of the Ziraat Finance Group and the international participation finance principles have guided the Bank's sustainability efforts and reporting process.

Ziraat Katılım Publishes First Sustainability Report!

Ziraat Katılım has published its first Sustainability Report, detailing its efforts and initiatives in the field of sustainability. Guided by the overarching sustainability policies and principles adopted by the Ziraat Financial Group and aligned with the best practices in international participation finance principles, the Bank has navigated its sustainability efforts and reporting process. In a statement about the report, CEO Mr. Metin Özdemir highlighted the projects implemented to integrate sustainability into the bank's core operations and participation finance cycle. He also discussed the Bank's steps towards sustainability and shared the long-term vision for the future. The Ziraat Katılım Sustainability Report, prepared in accordance with the Global Reporting Initiative (GRI) Standards, is available on the Bank's corporate website.

2024 Strategy Workshop and Evaluation Meeting

The meeting commenced with an opening speech by CEO Mr. Metin Özdemir, followed by presentations from Deputy General Managers and Group Heads, each outlining their respective business units. Under the leadership of the Strategy Planning

Department, the session began with an in-depth presentation from the Strategy Planning Department Head, followed by evaluations from the General Manager and Deputy General Managers on the process.

In the second phase of the meeting, all participants engaged in working groups to analyze key issues and evaluate findings and potential solutions. Throughout the workshop, structured questions were addressed by the working groups, and the top three ideas, selected based on survey results, were awarded.

Pedaling for Freedom from July 15th to Gaza

In collaboration with the 15 July Foundation, the Ministry of Youth and Sports, and the Turkish Cycling Federation, Ziraat Katılım supported the “Pedaling for Freedom from July 15th to Gaza” cycling tour. Cyclists participated in this event to commemorate the martyrs of the July 15, 2016 coup attempt and raise awareness for the freedom struggle in Gaza.



The event, which began at Dolmabahçe Palace, featured Minister of Youth and Sports, Mr. Osman Aşkın Bak, Ziraat Katılım General Manager, Mr. Metin Özdemir, and the President of the Turkish Cycling Federation, Mr. Emin Müftüoğlu, who also joined the participants in the cycling tour.

Ziraat Katılım's Green Legacy: Ziraat Katılım Memorial Forest

Ziraat Katılım, in its commitment to corporate social responsibility, has launched the “Ziraat Katılım Memorial Forest” creating a lasting green legacy for future generations. On December 7, 2024, an inaugural group consisting of Deputy General Manager Ms. Seher Elif Ekici, along with Ziraat Katılım employees and their families, planted the first 2,000 saplings of the project. The “Ziraat Katılım Memorial Forest,” intended to serve as a green legacy for future generations, is situated on land allocated to the Bank by the Istanbul Regional Directorate of Forestry in Ballica, Pendik.

Renovation of Historic Sahn-ı Seman Madrasa Completed with the Support of Ziraat Katılım

The renovation of the historic Sahn-ı Seman Madrasa, a legacy of Fatih Sultan Mehmet, has been completed with the support of Ziraat Katılım. The refurbished section was officially opened at the Sahn-ı Seman Madrasa, located in the courtyard of Fatih Mosque, and attended by Ziraat Katılım General Manager Mr. Metin Özdemir, İlim Yayma Foundation President Yusuf Tülün, and their delegation. During the opening ceremony, Ziraat Katılım General Manager Mr. Özdemir visited the library and classrooms designed to serve students at the renovated section.

“Digital Istanbul” Project Made Possible with Ziraat Katılım's Contributions

A protocol ceremony was held to launch the “Digital Istanbul” project, which aims to provide access to accurate and up-to-date information about Istanbul's registered cultural assets. As part of the project to be implemented

with the support of Ziraat Katılım, accurate and up-to-date information on registered immovable cultural assets in Istanbul will be made accessible through QR code technology using smartphones, tablets, and similar devices, paving the way for the city's cultural heritage to be shared via digital technologies. This initiative will allow the digital sharing of Istanbul's rich cultural heritage, including 200 mosques. It will provide historical data, architects, construction techniques, and notable features. The information will be accessible in multiple languages on the project's dedicated website, benefiting both Istanbul residents and visitors.

Macroeconomic Outlook

The year 2024 marked a period in which tight monetary policies yielded results in the fight against inflation, **paving the way for implementing monetary easing measures.**



50 Basis Point Cut (Fed)

In the fourth quarter of 2024, the Federal Reserve implemented a total interest rate cut of 50 basis points, bringing the policy rate to a range of 4.25%-4.50%.



According to the OECD Economic Outlook Report, global growth is projected to be 3.2% in 2024 and 3.3% in 2025 and 2026.



Global Economic Outlook

In 2024, the effects of tight monetary policies implemented to combat inflation in global economies began to materialize, and steps towards monetary easing were initiated. In this context, the final quarter of the year witnessed interest rate cuts by major central banks, led by the U.S. Federal Reserve (Fed). Throughout 2024, elections that affected half of the world's population were held, with the U.S. presidential election in November standing out as the most prominent. Heightened geopolitical risks stemming from the Middle East and the ongoing Russia-Ukraine war and their impact on energy markets were closely monitored.

In the World Economic Outlook report published in the fourth quarter of 2024, the International Monetary Fund (IMF) stated that significant progress had been made in the fight against inflation and projected that global inflation could decline to 3.6% by the last quarter of 2025. While maintaining its global growth forecast at 3.2% for 2024, the IMF slightly revised its 2025 forecast downward by 0.1 percentage points to 3.1%. According to the OECD Economic Outlook Report, global economic growth is expected to reach 3.2% in 2024 and 3.3% in 2025 and 2026. These projections indicate a broadly stable growth trajectory for the global economy over the next two years.

The Federal Reserve began to ease its long-standing tight monetary policy in the second half of 2024. In the year's final quarter, the Fed implemented a total interest rate cut of 50 basis points, lowering the federal funds target rate to the 4.25%-4.50% range. Fed Chair Jerome Powell noted that monetary policy was gradually moving toward a neutral stance and emphasized that future policy decisions would not follow a preset path. He also acknowledged that achieving the 2% inflation target might take another one to two years, although progress was being made. Following the December meeting of the Federal Open Market Committee (FOMC), the Fed's signals that the pace of its monetary policy easing cycle could slow triggered risk perceptions in the markets. The dot plot reflecting FOMC members' interest rate expectations pointed to two rate cuts totaling 50 basis points in 2025. In the fourth quarter of 2024, Donald Trump's re-election as President of the United States heightened uncertainties surrounding the Fed's monetary policy and the global economic landscape. Although Trump's economic agenda is expected to support growth through tax cuts, uncertainty surrounding trade policies and the prospect of protectionist measures may intensify inflationary pressures. These risks have reinforced expectations of more limited interest rate cuts in 2025. This could result in policy rates remaining higher for longer.

In the final quarter of 2024, one of the main economic topics in the EU was the trajectory of the disinflation process. The European Central Bank (ECB) conducted its fourth interest rate cut of the year 2024, reducing the deposit facility



rate to 3%. ECB President Christine Lagarde emphasized that a data-driven approach would continue in the coming year and stated that inflation in the Euro Area was on track to reach the ECB's 2% target. The ECB revised its inflation projections to 2.4% for 2024 and 2.1% for 2025. Nonetheless, external factors such as escalating geopolitical tensions, rising energy prices, and increasing risks in global trade could put additional pressure on the Euro Area economy. A deepening of economic challenges in Europe may necessitate further monetary easing by the ECB.

Shifting policies and mounting risks continued to shape global economies. Financial conditions in emerging markets have tightened further due to the potential changes in U.S. trade tariffs. The re-election of Donald Trump as President is expected to pose economic challenges for countries such as Mexico, South Africa,

China, and other Asian economies. The currencies of these countries have already started to depreciate against the US dollar. Trump's anticipated implementation of more aggressive tariffs on China is viewed as a major threat to the Chinese economy, potentially exacerbating global trade tensions and deepening existing trade disputes. In response to increased tariffs and a slowing economy, the Chinese government announced its intention to adopt a more accommodative monetary policy in 2025 to stimulate economic growth. This signals that China is preparing to take steps to support its economy in the face of mounting challenges.

Developments in the Turkish Economy

According to the report published by the European Commission, the Turkish economy is **projected to grow by 3% in 2024 and 3.2% in 2025, and inflation is expected to continue reducing over the forecast period.**



Türkiye's credit risk premium has notably decreased, leading to lower foreign borrowing costs.



The KKM experienced a decline from a peak of TL 3.4 trillion to TL 1.12 trillion. The CBRT plans to end the KKM application in 2025.



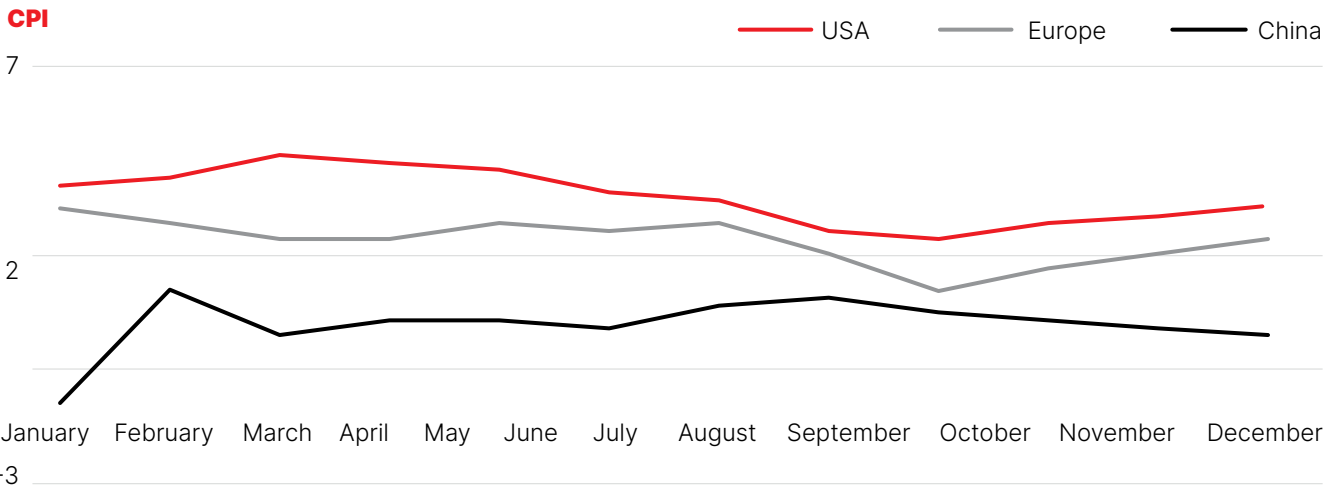
The Economic Outlook for Türkiye

The Central Bank of the Republic of Türkiye (CBRT), which has maintained a tight monetary policy for an extended period, reduced its policy rate by 250 basis points in December, bringing it down to 47.50%. In addition to the rate cut, the CBRT narrowed the interest rate corridor from 300 basis points to 150 basis points. Along with these adjustments, the CBRT announced plans to reduce the number of meetings in 2025 from 12 to 8. The CBRT has stated that it will maintain its tight monetary policy stance until a clear and sustained decline in the core inflation trend is achieved, and inflation expectations approach the projected range.

During this period, domestic demand weakened, contributing to a continued decrease in goods inflation, while service inflation showed signs of improvement. As part of the disinflation process,

interest in Turkish lira-denominated assets increased, and the balance of the protected deposit scheme (KKM) saw a significant decline. The KKM experienced a decline from a peak of TL 3.4 trillion to TL 1.12 trillion. The CBRT plans to end the KKM application in 2025. The monetary tightening supported by macroprudential measures has contributed to balancing domestic demand.

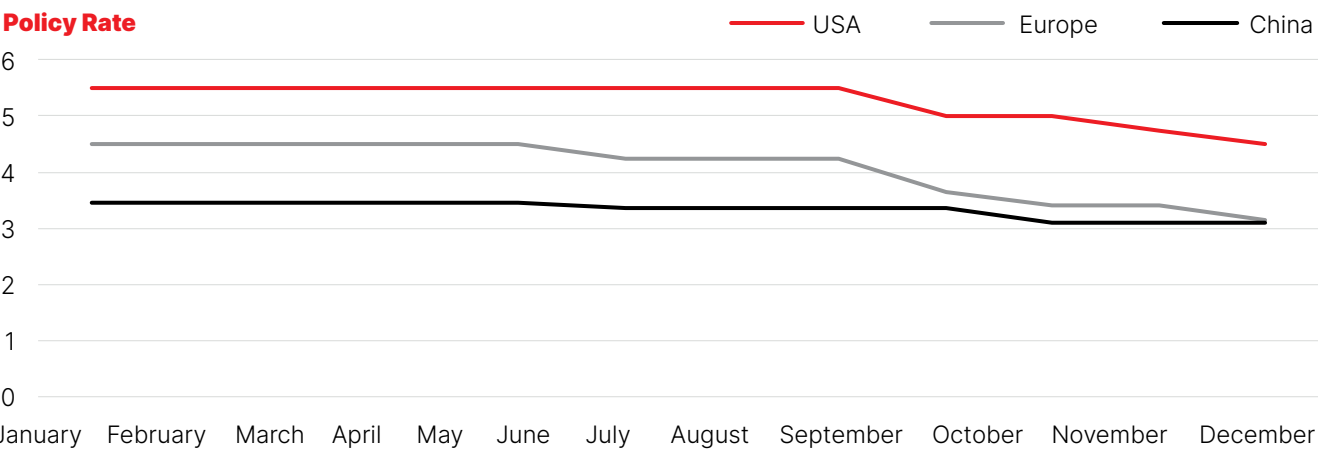
Türkiye's credit risk premium has notably decreased, leading to lower foreign borrowing costs. Among the notable developments, Türkiye was the only country whose credit rating was upgraded by two notches by the three major credit rating agencies. According to the report published by the European Commission, the Turkish economy is projected to grow by 3% in 2024 and 3.2% in 2025, and inflation is expected to continue reducing over the forecast period.



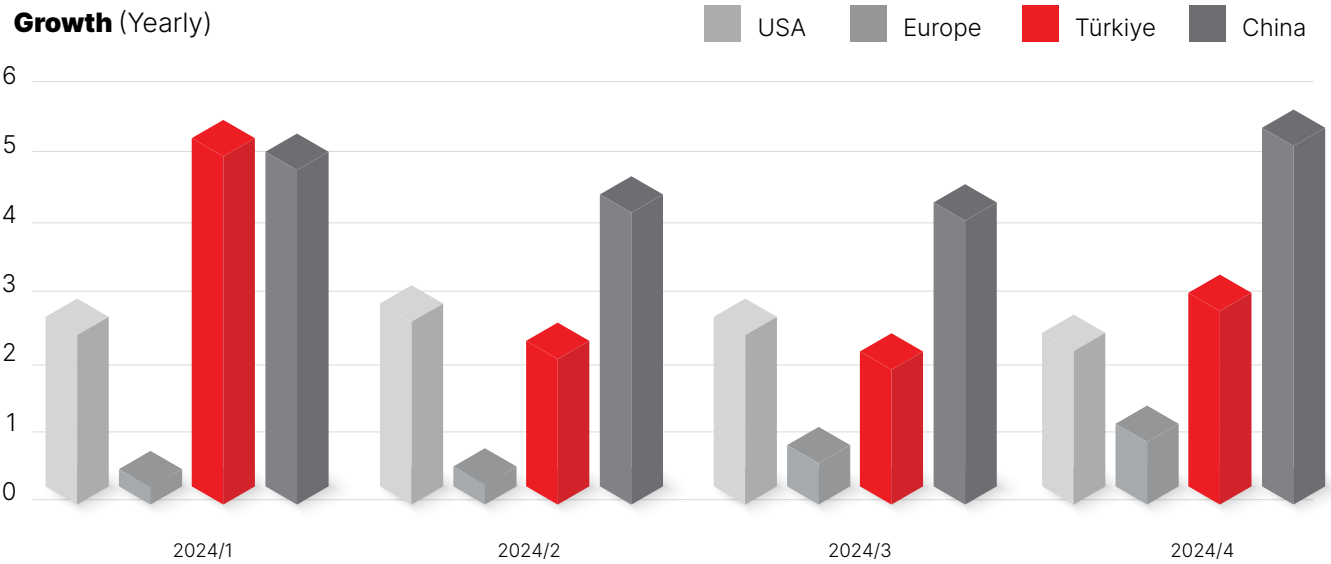
CPI (Yearly) 2024												
Countries / Month	January	February	March	April	May	June	July	August	September	October	November	December
USA	3.1	3.2	3.5	3.4	3.3	3	2.9	2.5	2.4	2.6	2.7	2.9
Europe	2.8	2.6	2.4	2.4	2.6	2.5	2.6	2.2	1.7	2	2.2	2.4
Türkiye	64.9	67.1	68.5	69.8	75.5	71.6	61.8	52.0	49.4	48.6	47.1	44.4
China	-0.8	0.7	0.1	0.3	0.3	0.2	0.5	0.6	0.4	0.3	0.2	0.1

Developments in the Turkish Economy

In addition to the rate cut, the CBRT narrowed the interest rate corridor from 300 basis points to 150 basis points.

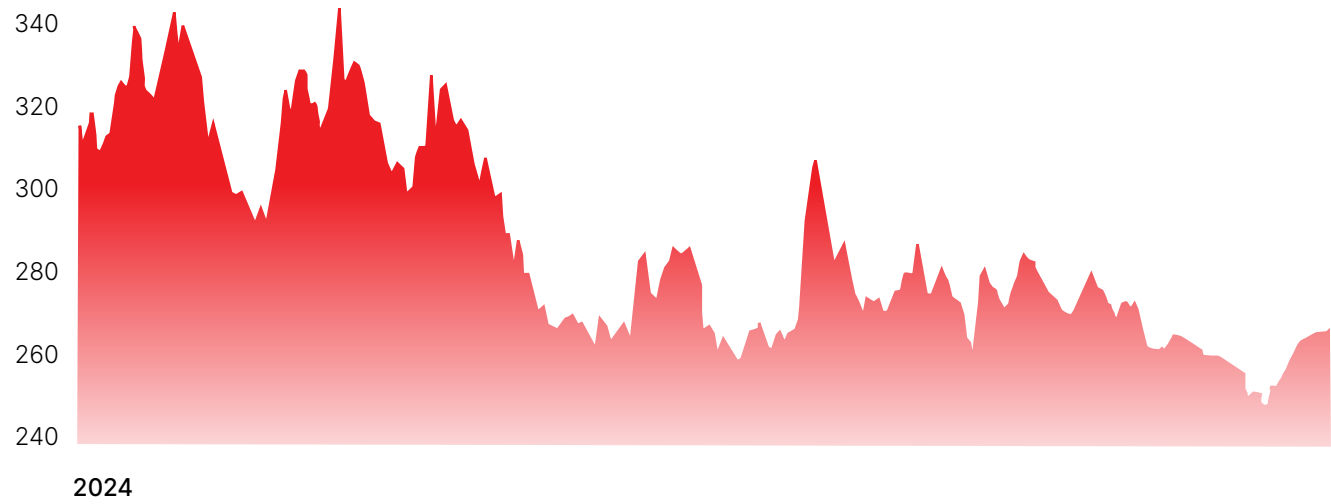


Policy Rate for 2024												
Countries / Month	January	February	March	April	May	June	July	August	September	October	November	December
USA	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.0	5.0	4.8	4.5
Europe	4.5	4.5	4.5	4.5	4.5	4.3	4.3	4.3	3.7	3.4	3.4	3.2
Türkiye	45.0	45.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	47.5
China	3.5	3.5	3.5	3.5	3.5	3.5	3.4	3.4	3.4	3.1	3.1	3.1



Growth in 2024				
Countries / Quarters	2024/1	2024/2	2024/3	2024/4
USA	2.9	3	2.7	2.5
Europe	0.5	0.5	1	1.2
Türkiye	5.4	2.4	2.2	3
China	5.3	4.7	4.6	5.4

Türkiye's CDS over 5 Years



Developments in the Climate and Sustainability Ecosystem

As part of Türkiye's plan to achieve the Net Zero target by 2053, **the Emission Trading System will be supportive of the country's Nationally Determined Contribution (NDC).**



**300
USD Billion**

During COP29, it was pledged that developing countries undergoing climate change adaptation would receive up to USD 300 billion in annual financial support until 2035.



In alignment with the UN's Paris Agreement on climate change, countries have pledged to achieve net-zero carbon emissions within 30 years.

Combating Climate Change

According to the World Meteorological Organization's report for 2024, the risk of a dangerous acceleration in global temperature rise continues to persist. The average surface air temperature has risen 1.54°C above pre-industrial levels, making 2024 the hottest year on record.

Global climate change now constitutes a distinct risk category, which places it at the forefront of sustainability-related assessments. In combating climate change, the banking sector's critical tasks include identifying risks in carbon-intensive sectors with low adaptation capacity, promoting efforts to increase adaptation capacity, and assessing sectoral sensitivity to potential changes, as this sector directs financing sources to the real economy.

Over 200 countries participated in the latest Conference of the Parties (COP29) of the United Nations Framework Convention on Climate Change (UNFCCC), held in November in Baku, Azerbaijan.

The COP29 agenda focused on key issues such as climate finance, carbon markets, reducing fossil fuels, and addressing the needs of developing countries.

During COP29, it was pledged that developing countries undergoing climate change adaptation would receive up to USD 300 billion in annual financial support until 2035. These measures for adaptation to climate change are expected to enhance the resilience of the global ecosystem.

In Türkiye, developments in 2024 regarding climate change monitoring included preparing a guide by the Türkiye Banks Association on "Creating Heat Map Methodologies." This guide marks an important step in tracking climate change data on a sectoral basis and making plans related to risk management.

Green Transition and CBAM

In alignment with the UN's Paris Agreement on climate change, countries have pledged to achieve net-zero carbon emissions within 30 years. Achieving this goal necessitates global collaboration between the public and private sectors and economic transformation.



The European Green Deal, developed by the European Union, sets environmental targets to reduce climate change, adapt to and transition to a circular economy, prevent pollution, and protect biodiversity and ecosystems. The Carbon Border Adjustment Mechanism (CBAM), which complements the Green Deal Action Plan, foresees various measures for EU member states and countries engaged in foreign trade.

The CBAM aims to protect European Union companies investing in green technologies and seeks to prevent companies from relocating their production to countries with insufficient environmental regulations, thereby addressing carbon leakage. The mechanism is also seen as a development that could impact the foreign trade balances of countries like Türkiye, which have energy-intensive economies and high carbon emissions, while encouraging compliance with climate goals.

Under the CBAM framework, obligations related to verification and pricing are expected to come into effect on January 1, 2026. From this date, the CBAM is set to introduce a carbon cost on exports from sectors such as cement, electricity, aluminum, iron, steel, fertilizers, and hydrogen, based on the carbon content of the products that exceed the established limits.

Emissions Trading System

The Emissions Trading System (ETS), along with the Carbon Border Adjustment Mechanism (CBAM), forms a crucial part of the sustainability ecosystem. As part of Türkiye's plan to achieve net-zero emissions by 2053, the system will support the country's Nationally Determined Contribution (NDC). It effectively tackles climate-related risks by setting a cap on greenhouse gas emissions from facilities covered by the system. One of its key advantages is that it offers policymakers precise data on the expected emission levels over a specified period. Ziraat Katılım is analyzing the implementation of the system in Türkiye and planning related activities, while also examining ETS's relationship with current energy and climate policies.

In the past two years, Türkiye has made significant progress in transitioning to ETS. The launch of the pilot ETS application in October 2024 is one of the most notable steps. The Ministry of Environment, Urbanization, and Climate Change has accelerated its efforts to establish a legal framework for ETS in Türkiye, working on a Climate Law. The draft bill, which will set the country's climate adaptation policies, has been presented to the Grand National Assembly of Türkiye (TBMM). In line with its 2053 carbon-neutral target, Türkiye is shaping the strategic aspects of ETS within the framework of the 12th Development Plan and the Medium-Term Program. The Memorandum of Understanding signed between the Energy Markets Operating Corporation (EPIAŞ) and the European Energy Exchange AG in 2024 has further accelerated official efforts to establish the ETS in Türkiye. With the enactment of the Climate Law, the legal and institutional framework of the ETS will be further strengthened, and it is expected to become an even more significant element for the Turkish banking sector in the coming years.

Developments in the Climate and Sustainability Ecosystem

According to data from the Banking Regulation and Supervision Agency (BRSA), 18 banks in Türkiye have subjected a total of TL 564 billion in loans to ESRA processes.

Environmental and Social Risk Management

Another key development in the context of sustainability and climate is the management of banks' risks associated with environmental and social factors. Environmental and Social Risk Management (ESRM) practices involve evaluating the potential environmental and social impacts of projects or investments considered for financing. If deemed risky, measures such as withholding financing, planning improvement, and corrective actions, as well as follow-up and regular reporting, are taken through Environmental and Social Risk Assessment (ESRA) processes. These practices are significant for the banking sector and its stakeholders.

According to data from the Banking Regulation and Supervision Agency (BRSA), 18 banks in Türkiye have subjected a total of TL 564 billion in loans to ESRA processes. These loans account for approximately 7.4% of their total loan portfolios. In terms of risk categories, loans with medium and high risk levels constitute 43% and 40%, respectively. Among non-performing loans, the largest share—65%—consists of loans



As part of its Environmental and Social Risk Management Policy, Ziraat Katılım evaluates corporate financing transactions that exceed the threshold value through an environmental and social impact assessment.



The Türkiye Sustainability Reporting Standards (TSRS), published by the Public Oversight, Accounting, and Auditing Standards Authority (POA) in 2023, came into effect on January 1, 2024.

categorized as high-risk. This indicates that, in Türkiye, loans with high environmental and social risks are more likely to carry repayment risk from a banking perspective.

Aiming to minimize potential negative impacts arising from environmental and social risks, Ziraat Katılım subjects corporate financing transactions exceeding the threshold value set by the Ziraat Katılım Sustainability Committee to a comprehensive evaluation within the scope of its Policy on the Management of Environmental and Social Risks in Financing Activities.

Turkish Sustainability Reporting Standards (TSRS)

The Türkiye Sustainability Reporting Standards (TSRS), published by the Public Oversight, Accounting, and Auditing Standards Authority (POA) in 2023, came into effect on January 1, 2024. Developed based on the global standards issued by the International Sustainability Standards Board (ISSB) and the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), the TSRS framework consists of two core standards and supplementary sector-specific volumes.

TSRS 1, General Requirements for Disclosure of Sustainability-related Financial Information, mandates that companies meeting certain size and revenue thresholds disclose material sustainability-related risks and opportunities. The standard is critical from a financing perspective, as this information will be used in financial reporting that supports capital allocation decisions. TSRS 2 focuses on Climate-related Disclosures. It requires companies to disclose information on climate-related risks and opportunities that will support informed financial decision-making.

Digitalization, Artificial Intelligence, and Cyber Security

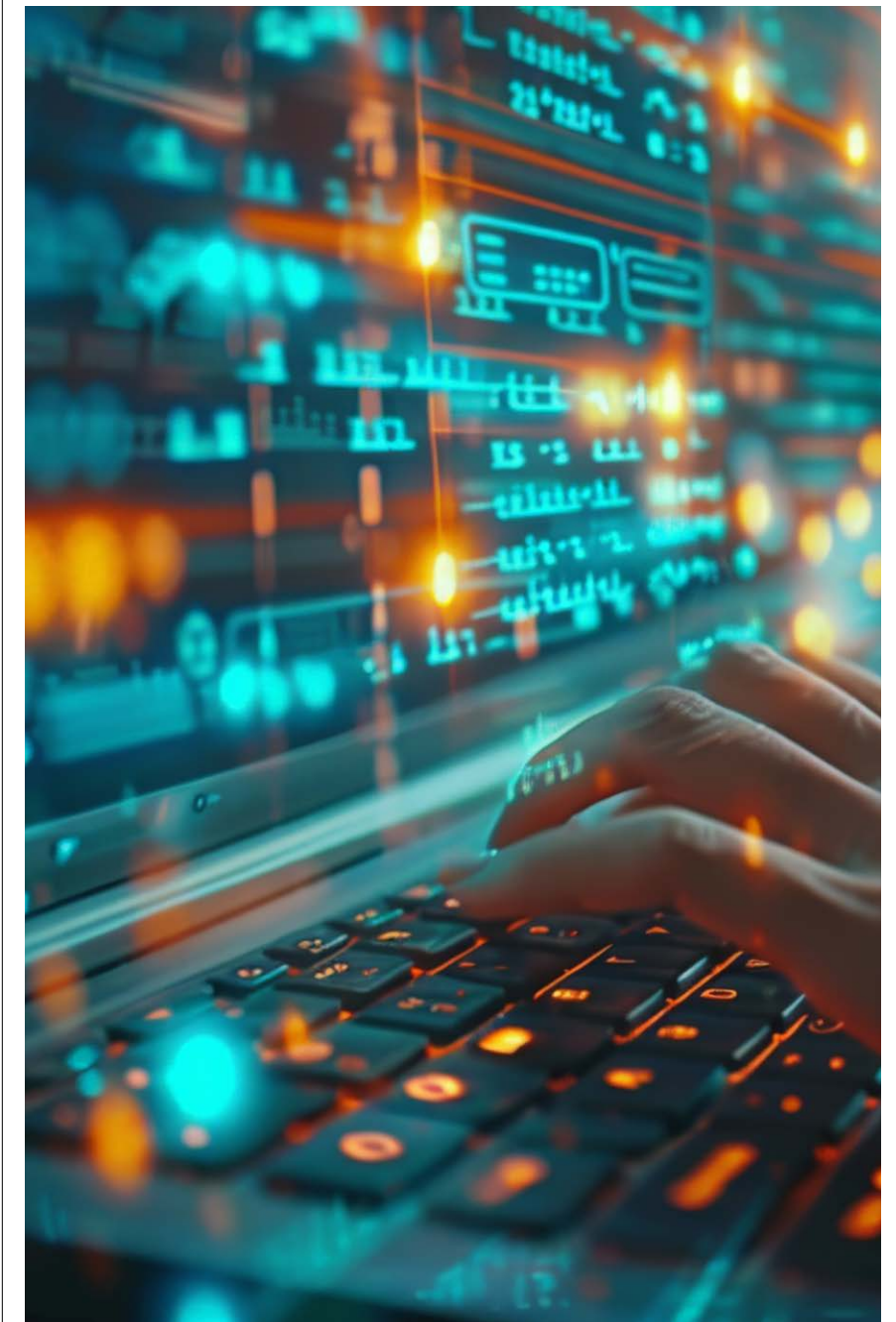
The post-pandemic era has accelerated digital transformation, accompanied by the rapid growth of an ecosystem where sustainability and artificial intelligence (AI) are increasingly integrated. As one of the most prominent investment areas in 2024, AI technologies have become an essential component of data analytics and process automation across industries.

In the banking sector, digitalization has not only reshaped customer experiences, but also significantly enhanced operational efficiency. According to 2024 digital banking data compiled by Deloitte, more than 30% of banks' total revenues are now generated through digital channels. Demand for banking services delivered via digital platforms has witnessed a notable increase. In Türkiye, the number of digital banking users exceeded 117 million as of September 2024.

Focusing on the development of innovative financial products and services, Ziraat Katılım continues to fully digitalize its offerings, thereby enriching the customer experience while driving operational efficiency.

As the financial sector becomes more digitized, ensuring cyber security and protecting digital assets has become increasingly vital. According to the IMF's 2024 Global Financial Stability Report, the number of cyber attacks has doubled since the global pandemic began in 2020.

20% of these attacks target the financial sector. Proactive threat assessment, data integrity, encryption protocol robustness, and the adoption of zero-trust architecture are the most critical measures for ensuring cyber security.



Value Generation Model of Ziraat Katılım

Operating with the goal of being a pioneer in participation banking, Ziraat Katılım monitors the interaction of its financial and non-financial resources with clear indicators in order to measure the value created in economic, environmental, and social domains.

Ziraat Katılım addresses the added value offered to all its stakeholders through financial capital, intellectual capital, manufactured capital, social and relational capital, human capital, and natural capital from a holistic perspective within the framework of the “Value Generation Model.”

In line with this approach, the Bank continues its operations with the goal of creating long-term value for its stakeholders and contributes to sustainable development with its sustainability endeavors as well as its financial achievements.

Policies of Ziraat Katılım

While managing its activities with a sustainability perspective, Ziraat Katılım **benefits from a set of policies complementing its Sustainability Policy.**

Ziraat Katılım's sustainability approach, ESG perspective and operational framework are explained in the Sustainability Policy approved by the Board of Directors. While managing its activities with a sustainability perspective, the Bank benefits from a set of policies

complementing its Sustainability Policy. All policies released by Ziraat Katılım are approved by the Board of Directors.

The Bank has established process control measures to assess the integration and implementation

of policy commitments in its operations and business relations. In this context, the audit teams conduct regular controls to identify any potential deficiencies and implement the necessary actions.

Sustainability-Related Complementary Policies		
Environment and Climate Change Policy	Ziraat Katılım aims to fulfill its responsibility towards environmental values at every stage of its activities, to support the efficient use of finite natural resources, and to improve its environmental performance.	
Policy on the Management of Environmental and Social Impacts of Financing Activities	Ziraat Katılım recognizes that the financial products and services it offers in line with the principles of participation banking have an impact on the environment and society, and aims to manage the impacts arising from its financing activities.	
Ziraat Katılım Bank List of Non-Financed Activities	Policy on the Management of Environmental and Social Impacts of Financing Activities, Annex.1	
Human Resources and Human Rights Policy	Ziraat Katılım, which is diligent in fulfilling the requirements of international conventions to which Türkiye is a party, especially the United Nations Universal Declaration of Human Rights, the basic principles of the International Labor Organization (ILO) such as human rights, labor rights, children's rights and social justice, aims to create a work environment that respects human rights and to raise the awareness and consciousness of its employees to the highest level within the framework of its sustainable banking approach.	
Customer Satisfaction Policy	Ziraat Katılım is focused on delivering fast, accurate, and high-quality solutions that meet the expectations and requirements of its customers. In this context, customer satisfaction is a fundamental and ongoing goal, as well as a significant determinant of overall performance.	
Policy on Anti-Money Laundering and Combating the Financing of Terrorism	Ziraat Katılım is committed to fully complying with applicable national and international laws and regulations and sanctions programs in order to prevent the use of the products and services it provides by its customers in activities related to money laundering, financing of terrorism, financing of the proliferation of weapons of mass destruction, and other financial crimes.	



Sustainability Governance and Organizational Structure

The Ziraat Katılım Sustainability Policy provides a basic framework defining the Bank’s sustainability vision, goals, approach, and organization.

Ziraat Katılım has a sustainability governance organization prioritizing environmental, social, and governance risks in line with its sustainable banking goals. Sustainability practices at Ziraat Katılım are carried out by the Sustainability Committee, Sustainability Coordination Office, and Sustainability Working Groups within the framework of the Corporate Sustainability Management System established under the supervision of the Board of Directors and the leadership of the General Manager.

The Ziraat Katılım Sustainability Policy provides a basic framework defining the Bank’s sustainability vision, goals, approach, and organization. In addition, the

responsibilities of the Sustainability Committee are determined and updated through the Bank’s internal procedures. The Policy in question includes information on the duties and authorities of the Sustainability Committee.

Ziraat Katılım Sustainability Policy

In conjunction with the Sustainability Policy, the Bank has the Policy on Management of Environmental and Social Impacts in Financing Activities and the Environment and Climate Change Policy, Human Resources and Human Rights Policy, Customer Satisfaction Policy, and Policy on Prevention of Laundering Proceeds of Crime and Financing of Terrorism.

Sustainability is not only a part of the Bank’s environmental responsibility approach but also a key component of its strategic vision. The Bank evaluates the environmental, social, and governance (ESG) dimensions of each decision through its policies and effective sustainability governance organization. By adopting an approach prioritizing long-term value creation in all business lines, the Bank integrates a sustainability perspective into all its decision-making processes, ranging from credit processes and risk management to operational processes and product development.

Ziraat Katılım Sustainability Organizational Structure



Operating Principles of the Ziraat Katılım Sustainability Committee

The Sustainability Committee, chaired by the General Manager, sets and reviews the goals and material topics and takes the necessary decisions. The Committee is also responsible for monitoring the impact of environmental and social activities, ensuring the compliance of projects, and monitoring other material topics determined within the scope of the Sustainability Management System.

The Committee, which meets twice a year or upon the call of the Committee Chairman, has decided to convene 4 times a year as of 2025. The resolutions are rendered by the majority of votes at the Committee. In case of equal number of votes, the Chairman’s vote shall be decisive.

At Ziraat Katılım, units are assigned as required to work on strategic projects. When necessary, relevant department heads are invited to the Committee meetings.

Ziraat Katılım will require compliance with the strategies and criteria outlined by the Sustainability Committee in all projects exceeding certain limits.

Members of the Sustainability Committee

- Member of the Board
- General Manager (Chairman)
- Executive Vice Presidents

- Group Presidents
- Head of Strategy Planning Department (Sustainability Coordinator and Committee Secretariat)
- Head of Corporate Communications Department
- Head of International Banking Department
- Head of Project Finance and Financial Partnerships

In 2024, it was decided to include a Board Member other than the General Manager in the Committee in order to increase representation in the Committee and to ensure that the Board of Directors closely follows the work carried out in the Committee. In 2024, the Head of International Banking Department and the Head of Project Finance and Financial Partnerships Department were included in the Committee.

Sustainability Committee’s Duties and Authorities

The Ziraat Katılım Sustainability Committee serves as the highest-level body responsible for establishing the Bank’s sustainability goals and material topics. The duties and authorities of the Committee are as follows:

- Ensuring the coordination of the business plans and the operational tasks within the scope of the Bank’s sustainability strategy, vision, and goals,

- Developing the Sustainability Policy and complementary policies and updating them as required, ensuring integration into all business processes,
- Managing the potential environmental, social, and economic risks and opportunities that can arise within the scope of financed projects and other loans,
- Tracking national and international legislation and standard approaches concerning environmental and social risks, which are material in terms of Bank’s crediting process,
- Identifying the areas and institutions that the Bank will collaborate with in this context to expand the Bank’s sustainability network,
- Adopting sustainability-oriented initiatives within the Bank and supporting capacity development,
- Developing social responsibility projects,
- Monitoring and integrating the Bank’s studies on banking products and processes that support sustainable development,
- Managing direct and indirect environmental and social impacts, closely monitoring the endeavors to mitigate these impacts; managing the potential risks that can have adverse impact on the reputation of Ziraat Katılım,
- Ensuring communication of sustainability initiatives to be conducted within the Bank,
- Defining the duties, authorities, and responsibilities of the sustainability coordinator and additional sub-working groups to be established,
- Providing assessment of sustainability-oriented measurements and reporting, review, and approval of the sustainability-related section of the activity report,
- Ensuring that all decisions taken and projects conducted within the framework of the Bank’s sustainability governance system comply with Ziraat Katılım’s other policies and relevant guidelines.

Sustainability Governance and Organizational Structure

The Sustainability Committee convened twice in 2024, in July and December.

The Sustainability Committee convened twice in 2024, in July and December. The agenda of the Committee meetings included evaluations on sustainability-related sub-projects, priority issues, sustainability key performance indicators, climate strategy and risk measurement project, and environmental and social risk assessment processes in project loans.

The coordination of the Bank's sustainability endeavors and the secretariat of the Sustainability Committee are conducted under the Strategy Planning Department. The Head of Strategy Planning Department, a member of the Sustainability Committee, holds a sustainability expertise certificate.

Within the scope of this duty, it carries out the following tasks:

- Coordination of committee activities,
- Formation of working groups for sustainability-oriented projects,
- Reporting, monitoring, and archiving decisions,
- Identifying the necessary actions in accordance with the Committee's decisions, tracking realizations and potential deviations and
- Reporting to the relevant units through the committee.



Six working groups in different fields were established under the Sustainability Coordination Office.

Duties of the Ziraat Katılım Sustainability Coordination Office

- Monitoring all sustainability initiatives within the Bank and providing reports to the Committee,
- Ensuring the coordination of Sustainability working groups,
- Managing consultancy services to be received within the scope of sustainability, projects, and sub-projects,
- Engaging in the activities conducted by the BRSA, the Participation Banks Association of Türkiye, the Bank Association of Türkiye, etc., within the scope of sustainability and transferring information to the relevant business units and working groups,
- Executing actions that are not followed in the working groups and ensuring their integration into the Bank's business processes.

Sustainability Working Groups

6 working groups in different fields were established under the Sustainability Coordination Office. The Strategy Planning and Sustainability Service, which reports to the Strategy Planning Department, participates in all working groups, and personnel from 26 different services of the Bank take part in the working groups.

The competencies required for the relevant project are incorporated into these working groups, and when necessary, consultancy and similar services are received from external resources and best practices are utilized. The number and focus areas of the working groups, which have an important place in the sustainability structure of Ziraat Katılım, may vary according to the pertinent sustainability agenda and the Bank's strategies.

Tracking Mechanism for Sustainability Risks and Opportunities

The Ziraat Katılım Sustainability Committee is responsible for planning the goals for risks and opportunities related to sustainability and monitoring the progress of the work carried out on material issues.

In addition, audits regarding risks and opportunities are put on the agenda and evaluated by the Sustainability Corporate Governance working group. The Audit Board

and Internal Control Departments are informed in order to integrate the issues on the agenda of the Sustainability Corporate Governance working group into the Bank's internal audit plans. Assessed issues and progress on sustainability activities are presented to the Sustainability Committee.

Sustainability-related risks and opportunities are communicated to the Bank's Senior Management and Committee members at the Sustainability Committee meetings.

Ziraat Katılım Sustainability Working Groups and Their Duties

Sustainability Corporate Governance Group

- Updating sustainability policies
- Conducting internal audits of sustainability initiatives
- Coordinating sustainability reporting

Corporate Social Responsibility and Training Group

- Identifying and implementing Corporate Social Responsibility project themes
- Conducting sustainability and sponsorship activities
- Organizing sustainability training programs throughout the Bank and ensuring capacity development

Operational Environmental Impacts Group

- Planning and monitoring energy and environmental management initiatives in the Bank buildings
- Developing and ensuring the continuity of a greenhouse gas inventory of the Bank's internal emissions
- Conducting sustainable supply chain operations

Indirect Environmental Impacts Group

- Ensuring the Implementation of Environmental and Social Risk assessment system for Project Loans
- Providing consultancy services, project monitoring and reporting activities for Environmental Social Risk assessments
- Conducting environmental and social impact analysis of the financing portfolio

Sustainable Sukuk and Products Group

- Developing and updating the sustainable finance framework
- Formulating sustainability-themed financing products
- Providing assistance for sustainable sukuk and other borrowing operations

Climate Risks Group

- Ensuring measurement and management of climate risks
- Ensuring integration of climate risks into the overall risk system
- Monitoring financed portfolio emissions

Sustainability Strategy and Approach

Ziraat Katılım's sustainability strategy is to **support investments in line with the 2053 Net Zero goal and the Green Deal Action Plan.**



Ziraat Katılım meticulously analyzes the expectations of its internal and external stakeholders while shaping its business strategies and priorities within the framework of sustainable banking practices.



Alongside commercial success, Ziraat Katılım considers its contributions to the environment and society and its long-term responsibilities among its main priorities.



While supporting economic development through the financial resources it provides and the employment created, Ziraat Katılım aims to increase its position and competitiveness in the sector and generate more shareable value for all its stakeholders through the sustainability practices it implements.

Acting with the awareness that the financial products and services it offers in line with the principles of participation banking have an impact on the environment and society, the Bank attaches importance to the correct and effective management of environmental and social risks in its operations. As a stakeholder in combating the global climate crisis, Ziraat Katılım's goal is to spread, cultivate, and maintain sustainability throughout the value chain.

Ziraat Katılım's sustainability strategy is to support investments to ensure sustainable development in line with Türkiye's national goals, especially its 2053 Net Zero goal and the Green Deal Action Plan.

Ziraat Katılım meticulously analyzes the expectations of its internal and external stakeholders while shaping its business strategies and priorities within the framework of sustainable banking practices. Assessing the short, medium, and long-term impacts of its operations, the Bank adopts a sustainable and value-oriented approach by prioritizing the impact on its stakeholders and the added value it generates.



Alongside commercial success, the Bank considers its contributions to the environment and society and its long-term responsibilities among its main priorities. In this context, it combines its sustainability approach with environmental, social, and governance (ESG) factors and integrates them into its business processes, aiming to achieve tangible progress in its strategic focus areas.

The Bank addresses different dimensions of sustainability through 3 main focus areas under its sustainability strategy.

In line with its Climate Action and Transformation strategy, the Bank aims to fully measure its operational emissions, expand its sustainable financing activities in addition to its mitigation plans, and measure the emissions it finances. In this process, it aims to contribute to a more sustainable future by prioritizing the transformation of carbon-intensive sectors.

With its Social Contribution and Value strategy in focus, the Bank not only stands by its customers but also works to build a strong and inclusive economy and supports social development with a multifaceted approach through projects implemented by understanding the requirements of society.

With its governance strategy in focus, on the other hand, the Bank aims to inform its stakeholders regularly by transparently sharing its economic performance as well as its progress in sustainability issues within the framework of the communication it establishes with them.

Impact of Sustainability Risks and Opportunities on Strategic Decisions

Ziraat Katılım has designed 9 main projects and 28 sub-projects focusing on the Bank's development and transformation areas within the framework of its Strategic Plan for the 2022-2025 period. The Sustainability and Climate Change Strategy project is one of the 9 main projects within the scope of the Strategic Plan, and Ziraat Katılım has been integrating developments in the focus of sustainability and climate change into the Bank's business processes since 2022. The Bank follows developments in different topics through sub-projects and actions under the main project and brings its practices closer to best practices in the sector. Ziraat Katılım considers the balance between sustainability-related risks and opportunities in its strategic decisions.

Climate change, biodiversity loss, social problems, and other environmental, social, and governance (ESG) factors pose significant risks to the economy. In its strategic plans, the Bank takes into account development areas and legal regulations to

contribute to the sustainability and climate change ecosystem. It also develops and updates its corporate policies and internal regulations to include ESG factors.

The Bank comprehensively assesses sustainability-related risks and opportunities in its strategic decision-making processes and develops approaches to balance these factors. In this process, both short-term operational requirements and long-term sustainability plans are taken into consideration.

Ziraat Katılım focuses on value creation, guided by its principle of generating responsible income for the Bank and its stakeholders, by integrating ESG criteria into the identification of material issues, the execution of related projects, and the development of corresponding plans.

In lending decisions, for investments over USD 20 million, environmental and social risk governance factors are taken into account and integrated into the Bank's internal regulations in order to observe environmental and social factors, and the process is advanced through trainings to ensure the capacity development of the relevant personnel. Taking environmental and social criteria into account in lending decision-making processes enables the Bank to include sustainability-oriented risks in its core business. Ziraat Katılım is building a structure to contribute to the implementation of environmental legislation and other relevant standards in our country with its environmental and social risk management system based on international standards. In addition, the Bank continues to systematically track and monitor resource consumption and waste data of the Bank's Headquarter and branch locations and to measure greenhouse gas emissions. Although system improvements in these areas involve additional costs, they have a positive impact on the environment, facilitate compliance with changing regulations, and provide a competitive advantage for the Bank.

Sustainability Strategy and Approach

Ziraat Katılım considers the sectors it finances, public policies, technological developments, market and investor preferences, and national and international regulations while assessing risks.

Financing Sources Planned to Implement the Sustainability Strategy

Ziraat Katılım's planned sources of financing for implementing its climate-related strategy are based on a multi-faceted approach covering both its own equity and national and international funding opportunities. In this sense, the Bank aims both to support the transition to a low-carbon structure in its existing operations and to implement new sustainability-themed projects.

- Internal resources of the Bank
- National Resources (government-sponsored funds and incentives)
- International Resources (international funds and loans)
- Participation Banking Ecosystem and Partnerships (stakeholder collaborations)

Adaptation to Uncertainties Arising from Sustainability Risks

While observing the status of the economic sectors and sub-activities financed in evaluating risk factors, Ziraat Katılım includes public policies, technological developments, market and investor preferences, and national and international regulations in its planning.



Considering combating the climate change among its high-priority issues, Ziraat Katılım released its Environment and Climate Change Policy in 2023.

In connection with environmental risks, it has developed internal procedures to incorporate risk factors into its loan processes. The Bank develops an integrated risk management perspective and identifies the financial risks that can arise from these risk types by measuring the impact on the environment and society, as well as the financial analysis of its customers and the projects it finances through the environmental and social risk assessment model it has started to use. In order to obtain more quantitative information in this area, sub-projects are planned to expand the scope of the data collection infrastructure for clients and projects subject to financing. In this context, initiatives that can provide the Bank and the sector with a sound data infrastructure are also under consideration.

Ziraat Katılım integrates the developments it has made with a focus on climate change into its operations. Considering combating the climate change among its high-priority issues, Ziraat Katılım released its Environment and Climate Change Policy in 2023.

Climate-related risks and opportunities foreseen by Ziraat Katılım are detailed on page 76 of the Report. The two main categories of climate-related risks are physical risks and transition risks. Physical risks are mostly related to the current situation, arising directly from environmental factors, and can have acute effects. Transition risks, on the other hand, are risks arising in the process of adapting to sustainability policies and regulatory changes, are generally long-term in nature, and involve economic transition processes.

Impacts of Climate Risks and Opportunities on Business Model and Value Chain

In line with Ziraat Katılım's sustainability and climate change strategies, seizing climate-related opportunities and effectively managing risks are critical to ensuring the Bank's long-term financial and social sustainability. The Bank has developed plans to identify the risks arising from climate change and to measure their impact on the business model and value chain. At the point of finalizing the plans and transforming them into action as a result of qualitative and quantitative analyses, the climate risk and strategy project was carried out in 2024 and evaluated by the Bank's climate risk working group.

In this process, the Bank has initiated qualitative and quantitative studies with transition risks as top priority. First of all, stress tests are conducted for the electricity generation and iron and steel sectors within the Bank's portfolio in line with the scenarios based on transition risks by using heat maps, and the anticipated opportunities are incorporated into the Bank's strategy. The Bank, which has conducted a more general assessment of physical risks, has developed a roadmap to manage these risks more concretely in the forthcoming period.



The Bank formulates strategies to manage these risks and opportunities in key areas such as its branches and business centers, financial products, financed projects, and supply chain. In this process, it aims not only to improve its financial performance but also to fulfill its social responsibility by adopting the principles of environmental sustainability.

Ziraat Katılım considers that climate-related risks and opportunities may have an impact on various areas of its business model and value chain. First, transition risks are an important focus for financial products and services; as demand for sustainability-oriented financial products increases, investments in such products will provide the Bank with a competitive advantage. However, market volatility poses a risk factor in this transition process, and the development of sustainability-themed funds and investments may present new opportunities in the Bank's financial strategy.

Physical risks are particularly pronounced in the Bank's branches and operational facilities, and natural disasters such as extreme weather events, floods, and forest fires can cause asset losses. Climate-related risks and opportunities also play an important role for the loan portfolio. Physical risks can lead to losses in the value of real properties and other assets; in particular, projects that are vulnerable to natural disasters and investments in areas vulnerable to climate risks can lead to financial losses. In addition, green and sustainable debt instruments offer significant opportunities to provide financing to reduce the carbon footprint. However, increased demand for such projects, along with the development of sustainability-themed investments, may lead to a loss of value for projects and products not sensitive to environmental risks.

Sustainability Strategy and Approach

In 2024, Ziraat Katılım launched new loan products to support carbon reduction and energy efficiency for retail and commercial customers.

Direct Mitigation and Adaptation Endeavors for Climate Risks

Ziraat Katılım established the Climate Risks Working Group in 2023 to translate its direct mitigation and adaptation endeavors related to climate-related risks into concrete actions.

In 2024, the Bank launched new loan products to support carbon reduction and energy efficiency for retail and commercial customers. In order to identify projects aligned with the Bank's sustainable finance framework, the Bank started to develop data collection and analysis systems.

In 2024, a heat map of the Bank's portfolio was prepared to quantify climate-related transition risks, and modeling studies were launched for the electricity generation and iron and steel sectors, which were identified as priority areas within the portfolio.

In addition, inventories causing leakage emissions are included in the greenhouse gas emission inventory in order to measure and analyze operational emissions accurately.



In order to identify projects that are compatible with its sustainable finance framework, Ziraat Katılım started to develop data collection and analysis systems.



A heat map of the Bank's portfolio was created to quantify climate-oriented transition risks in 2024, and modeling studies were initiated for the electricity generation and iron and steel sectors.

As part of the Bank's 2025 plans, sub-projects such as calculating portfolio emissions and collecting customers' climate-related data and including them in the data infrastructure have been included in the agenda. Furthermore, financial and non-financial services that can offer solutions to customers in the transformation of carbon-intensive sectors in 2025 have been designed. In line with these plans, endeavors have been initiated to guide customers and to translate the climate-related risks and opportunities identified into actionable steps.

Ziraat Katılım's loan and financing products for climate-friendly projects make it easier for customers to invest in projects such as renewable energy, energy efficiency, and sustainable agriculture. The Bank offers assistance to businesses reduce their environmental impact and lower their carbon footprint. The Bank also aims to raise awareness across its supply chain in this regard and contribute to an environmentally responsible way of doing business in the upcoming period by finalizing the preparatory work for a policy encouraging its suppliers to comply with sustainability criteria.



Transition Processes for Combating Climate Change

Ziraat Katılım continues its endeavors to develop a transition plan to support its long-term planning for combating climate change. The Bank's transition plan aims to align its business models, operational processes, and portfolio structures with climate change. The Bank is developing a portfolio transformation strategy to reduce its risks in carbon-intensive sectors. In this context, new financing products and services are developed by focusing on financing areas such as renewable energy, energy efficiency, and sustainable agriculture.

Plan for Greenhouse Gas Emission Goal

The Bank's 2025 plans include actions to set science-based targets for greenhouse gas emissions. The actions and sub-projects scheduled by year are shared with and evaluated by the Sustainability Committee. As a

result of the assessments, Addressing to the Sustainability Coordination Office and the relevant working groups is performed and the process is regularly monitored by the project sponsor. The Bank plans to elaborate and quantify climate-related goals in line with its proactive governance model.

Scenario Analyses for Climate-Related Transition Risks

In line with the scenario analyses conducted within the scope of climate-related transition risks, the key issues taken into consideration in the Bank vary based on the dynamics of the sector and projected developments.

The main topics and key items addressed in the Bank's scenario analysis are climate policies, macroeconomic conditions, market supply-demand relationship, technological developments, and energy utilization and diversity.

Internally sourced data and data obtained from external sources are consolidated to serve as input for the models developed, thereby enabling relevant calculations. The prioritized scenarios are evaluated through a literature review in line with the topics mentioned in the risk management, strategy, and sustainability functions. Analyses are carried out based on the heat map created for this purpose and the current status of the loan portfolio, and sectoral and company-based stress tests are applied using the aforementioned data.

Stakeholder Map and Communication with Stakeholders

Ziraat Katılım takes into account stakeholder expectations, **the short-, medium-, and long-term effects of its activities, and the added value it generates** when determining its strategy.

Ziraat Katılım’s main stakeholders include all individuals and institutions that directly or indirectly interact with the Bank, affect its operations, and are affected by the Bank’s operations. The Bank adopts an approach based on the principles of transparency, inclusiveness, and prioritization in identifying its stakeholders.

Stakeholders
Ziraat Katılım considers the expectations of its internal and external stakeholders when determining its business strategy and priorities, and takes into account the short-, medium-, and long-term effects of its operational processes on stakeholders and the added value it generates. Understanding the issues and expectations that stakeholders consider material for Ziraat Katılım contributes to the effective management of risks and opportunities by the Bank.

Ziraat Katılım’s internal stakeholder group consists of its shareholders, the Board of Directors, and employees.

Ziraat Katılım also conducts its operations in collaboration with its external stakeholders, which encompass customers, suppliers, regulatory authorities, national and international banks and financial institutions, credit rating agencies, sectoral unions and organizations, media, society, etc.

Stakeholders								
Internal Stakeholders	Shareholders			Employees			Board of Directors	
External Stakeholders	Customers	Suppliers	Regulatory Authorities	National and International Banks And Financial Institutions	Credit Rating Agencies	Sectoral Associations and Organizations	Media	Society

Stakeholder Communication
Stakeholder communication, conducted during most of the service cycle, provides Ziraat Katılım with a crucial foundation for accurately understanding and evaluating stakeholder demands and expectations.

Customers are at the heart of Ziraat Katılım’s business processes and constitute one of the most critical stakeholder groups.

The Bank improves the customer experience and enhances its value proposition by taking into account customer demands and feedback.

Ziraat Katılım’s employees are one of the most important assets that are among the fundamental elements for the sustainability of Ziraat Katılım. The Bank regularly updates and improves its working model, training and development programs, and benefits offered to respond to the

expectations of its employees and ensure that they are prepared for the future business world.

24/7 communication opportunity with stakeholders
Ziraat Katılım values the perspectives and suggestions of its stakeholders regarding sustainability. Stakeholders of Ziraat Katılım can provide suggestions and views on the Bank’s sustainability initiatives and performance by utilizing the contact form available on the sustainability section of the corporate website.

	Stakeholder Group	Communication Frequency	Communication Channels
Internal Stakeholders	Shareholders	General Assembly When required	Annual ordinary general assembly meetings Public disclosure activities carried out by Ziraat Katılım (statements made to the Public Disclosure Platform (KAP), presentations, etc.) Annual and quarterly activity reports and other presentations
	Board of Directors	Within the context of the business cycle When required	Board of Directors meetings, the number and frequency of which are set in accordance with the Turkish Commercial Code, Banking Law and other applicable legislation
	Employees	Within the context of the business cycle Daily	Recruitment process, training and development programs for employees, performance evaluation processes, internal communication practices, executive interviews and information meetings, regular strategy and goal meetings, employee surveys
External Stakeholders	Customers	Within the context of the service cycle 7/24	Ziraat Katılım branches, alternative distribution channels (ATM, internet banking, mobile banking, call center), customer relations representatives, customer visits
	Suppliers	Within the context of the business cycle Daily	Procurement and logistics process of outsourced services and products
	Regulatory Authorities	Within the context of the business cycle When required	Reporting, correspondence, and relevant meetings conducted in compliance with the legislation
	National and international banks and financial institutions	Within the context of the business cycle Daily	Correspondent banking operations Meetings and discussions with the financial institutions we collaborate with
	Credit rating agencies	Within the context of the business cycle When required	Meetings, reporting, presentations and correspondence
	Sectoral associations and organizations	Within the context of the business cycle When required	Meetings, presentations and daily communications
	Media	Within the context of the business cycle When required	Activities aimed at ensuring transparent and timely disclosure to the public (through press conferences, press releases, interviews, and addressing inquiries received, etc.) Advertising and marketing activities
	Society	Within the context of social responsibility projects	Corporate social responsibility projects and charitable activities

Corporate Memberships and Initiatives We Support

Representation on several platforms **strengthens Ziraat Katılım's respected position and corporate reputation in the financial world.**

Representation on several platforms strengthens Ziraat Katılım's respected position and corporate reputation in the financial world. Memberships and activities conducted within the scope of the represented platforms have a positive impact on the recognition and reputation of the Ziraat Katılım brand, as well as contributing to the enhancement of professional skills and awareness.

Engaging in memberships and collaborations with stakeholders from many geographies and cultures facilitates communication and connections and contributes to enhancing the perception of progress in the field of participation banking in Türkiye.

TKBB

Ziraat Katılım, a member of the Participation Banks Association of Türkiye (TKBB), is represented on the Board of Directors of TKBB. The Bank also engages in the sub-working groups on sustainability formed by TKBB.

ADFIMI

Ziraat Katılım is a member of the Association of National Development Finance Institutions in Member Countries of the Islamic Development Bank (ADFIMI)

TCMA

Ziraat Katılım is a member of the Turkish Capital Markets Association (TCMA). Through this membership, it contributes to the development of capital markets and plays an active role in regulations related to the sector.

KKB

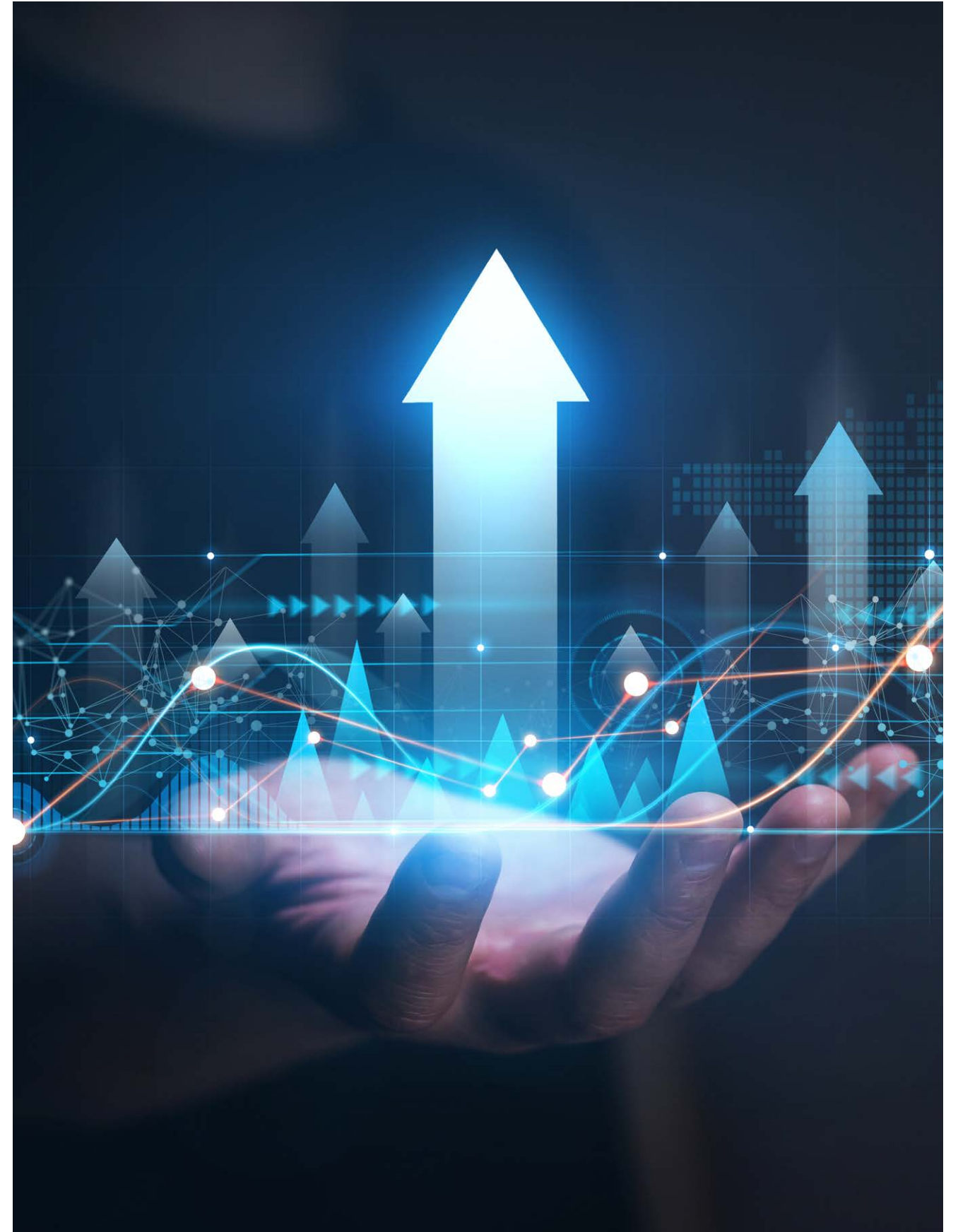
Ziraat Katılım is a member of Kredi Kayıt Bürosu (the Credit Bureau-KKB). This membership enables the Bank to effectively manage its customers' credit information and utilize KKB's services in assessing credit risks.

BKM

Ziraat Katılım is a member of the Interbank Card Center (BKM). Under this membership, the Bank ensures that debit and credit card transactions are executed securely and efficiently, and leverages the shared infrastructure services provided by BKM.

KFK

Ziraat Katılım Bankası A.Ş. is a 15% shareholder of Katılım Finans Kefalet A.Ş. (KFK). Within the framework of this partnership, Ziraat Katılım offers financing opportunities to its customers by utilizing the guarantee support provided by KFK.



Material Topics and Materiality Matrix

Material topics are analyzed in line with national and international banking and **finance sector trends and sustainability reporting innovations.**

Methodological Approach

Ziraat Katılım conducted its materiality analysis for the first time in 2023, taking into account the Bank’s short-, medium-, and long-term strategy, Strategy Plan 2022-2025, and business model, as well as the developments during the reporting period. The materiality analysis was renewed in 2024 in line with current assessments and developments. The material topics, which are the outputs of the stakeholder analysis, form the basis of the Ziraat Katılım 2024 Integrated Annual Report.

With the materiality analysis, it was aimed to create an inclusive and up-to-date list of topics. In the

process of identifying material topics, the main trends in the national and international banking and finance sector, global megatrends, and innovations in sustainability reporting frameworks were examined in detail.

The Bank’s senior management and the managers of units with strategic importance met to compile the opinions on substantial goals and future strategies and to reflect them in the analysis.

The materiality of the topics for stakeholders and the extent to which the relevant topic would be material for the Bank were assessed within the context of the materiality

analysis. Additionally, during the reporting period, suggestions, appreciations, and complaints submitted to the Bank through various channels by customers, employees, and other stakeholders were analyzed, compiled, and included as input in the materiality study.

As a result of all these evaluations, Ziraat Katılım has successfully developed a materiality matrix that focuses on sustainability and ESG axes. The Bank will continue to update the materiality study as needed, taking into account developments within the framework of its operations.

Materiality Matrix		
Impact Generated	Material	Material
		Financial Impact
		Highly Material
Highly Material	- Operational Excellence and Sustainable Service Quality - Financial Inclusion and Literacy	- Combating Climate Change - Responsible Products and Services
Impact Generated	- Anti-Bribery and Anti-Corruption - Corporate Social Responsibility	- Corporate Governance - Employee Wellbeing, Engagement, and Satisfaction - Talent Management and Employee Development
Material	Corporate Culture Principles	Equality, Diversity and Inclusion

Material topics that have a very high impact on stakeholders and Ziraat Katılım’s performance

Digital Transformation and Innovation

Ziraat Katılım focuses on strengthening its digital product offering competencies and technological infrastructure in this process where artificial intelligence is increasingly involved in the business and daily life cycle. To this end, the Bank designs end-to-end digital processes, increases the accessibility of financial products, and aims to increase its competitiveness by positioning its products and services in various channels.

Control Mechanism

The material topics are monitored by the Ziraat Katılım Strategy Committee and the Information Systems Steering Committee at certain intervals.

Integrated Risk Management

Ziraat Katılım considers global and local macroeconomic conditions and strives to manage financial and non-financial risks in an effective and holistic manner, taking into account the existing regulatory framework in Türkiye in terms of risk management. The Bank aims to play an active role in managing climate-related risks and opportunities. In addition, risks arising from natural disasters such as earthquakes, which are not directly related to climate change, are also included in the Bank’s Integrated Risk Management process. In this way, the Bank adopts a management approach that is sensitive to environmental risks.

Control Mechanism

The material topic is overseen by the Internal Systems Group Presidency, affiliated with the Audit Committee at Ziraat Katılım.

Business Ethics, Transparency, and Legal Compliance

Ziraat Katılım focuses on knowing its customers (Know Your Customer-KYC) and developing relationships within the framework of the rules stipulated by law and ethical standards. The Bank prioritizes the safety, security, and legal compliance of customer transactions and considers the prevention of financial and economic crimes (money laundering, the financing of terrorism, bribery, and corruption) as its duty.

Control Mechanism

The material topic is overseen by the Internal Systems Group Presidency, affiliated with the Audit Committee at Ziraat Katılım.

Cyber Security and Data Privacy

Ziraat Katılım strives to have the highest standards of cyber security infrastructure in the sector by focusing on endeavors to identify emerging risks and continuously improve system security in order to protect the confidentiality and security of customer and Bank data. This approach is shaped with an integrated information security management strategy that includes the implementation of advanced and multi-layered defense systems, supported by comprehensive security policies and standards, as well as a strong security awareness and training program.

Control Mechanism

At Ziraat Katılım, activities related to information security are carried out by the Information Security Unit, which reports to the General Manager. The processes are subject to audits conducted by the Internal Systems Group Presidency and Banking Regulation and Supervision Agency (BRSA). Also, the relevant processes are subject to ISO 27001 audits.

Sustainable Financial Growth and Profitability

The financially sound, sustainable, resilient, and competitive performance of Ziraat Katılım, which operates in accordance with the principles of participation banking, is of great importance not only for corporate sustainability but also for contributing to the development of the Turkish economy and the welfare of its stakeholders. The Bank’s financial performance and profitability are also critical and indispensable for the successful implementation of the strategic goals and projects set in the sustainability and ESG axes.

Control Mechanism

The activities carried out in coordination with all units of Ziraat Katılım are periodically audited by the Asset and Liability Committee and the Board of Directors. The relevant processes and outcomes are also subject to internal audit, independent external audit, and public audit.

Sustainable Development Goals We Contribute to

Associating Material Areas with Sustainable Development Goals

Ziraat Katılım materiality analysis outputs were assessed within the framework of SDGs, and the Bank's material topics and associated activities and SDGs to which it directly and/or indirectly contributes were determined.

	Direct Impact*	Indirect Impact**
Very Highly Material Topics		
Digital Transformation and Innovation	 	
Integrated Risk Management	 	
Business Ethics, Transparency, and Legal Compliance		 
Cyber Security and Data Privacy	 	
Sustainable Financial Growth and Profitability		 
Highly Material Topics		
Customer Experience and Satisfaction		
Combating Climate Change	 	     
Responsible Products and Services	   	     
Corporate Governance		
Employee Wellbeing, Engagement, and Satisfaction	  	 
Talent Management and Employee Development	  	 
Equality, Diversity and Inclusion	 	
Material Topics		
Operational Perfection and Sustainable Service Quality		 
Financial Inclusion and Literacy	  	    
Corporate Social Responsibility	    	 
Corporate Culture Principles		

*Direct impact refers to SDGs to which the relevant material topic makes a direct contribution. The material topic in question contributes to more than one of the sub-goals of the relevant SDGs.

**Indirect impact refers to SDGs where the relevant material topic contributes to at least one of its sub-goals.

Management of Sustainability Risks and Opportunities

Ziraat Katılım evaluates material sustainability topics by matching them with risks and opportunities and reveals the environmental, social and governance (ESG) impact and financial impact of each topic. In this manner, the Bank adopts a holistic approach to its sustainable value creation strategy.

Material Topics	ESG Impacts	Financial Impacts
Digital Transformation and Innovation	The Bank's products offered through digital platforms contribute to the environment by reducing paper consumption. In addition, digital banking enhances financial inclusion by enabling the Bank to extend its services to a broader segment of society.	Digital transformation enables operational efficiency and reduced costs. Moreover, innovative digital services and solutions help the bank to generate new revenue streams.
Integrated Risk Management	The integrated risk management approach facilitates decision-making by taking ESG risks into account and enhances resilience against risks such as climate change and natural disasters.	Managing risks in an integrated manner reduces uncertainties and contributes to building sounder financial foundations.
Business Ethics, Transparency, and Legal Compliance	Ensures the fulfillment of social responsibility by developing environmentally sensitive practices in line with the principles of business ethics, transparency, and legal compliance.	Business ethics, transparency, and legal compliance enhance the bank's brand value and minimize legal risks. They support financial performance by minimizing reputational and legal risks.
Cyber Security and Data Privacy	Cyber security and data privacy must be integrated with environmentally responsible technologies as part of the digital transformation process.	Strong cyber security measures protect the bank's financial data and prevent losses from potential cyberattacks.
Sustainable Financial Growth and Profitability	Sustainable financial growth entails not only the generation of profits but also the fulfillment of environmental and social responsibilities.	Sustainable financial growth increases the bank's profitability and ensures long-term stability.
Responsible Products and Services	Offering responsible products and services raises public awareness and helps reduce environmental impacts.	Expanding the range of responsible products and services diversifies the Bank's income streams by attracting a broader customer base and meeting the growing demand for sustainability- and digitally-oriented solutions.
Employee Wellbeing, Engagement, and Satisfaction	Employee wellbeing, engagement, and satisfaction enable the establishment of a healthy and productive work environment within the bank.	Employee engagement and satisfaction increases productivity and reduces labor turnover, resulting in cost savings for the bank.
Combating Climate Change	The Bank contributes to reducing global emissions by financing projects that combat climate change. It also supports sustainability-oriented investments by considering environmental and social impacts in financing.	Investing in projects that prevent climate change generates long-term gains for the Bank. Moreover, the growing share of sustainable investments in the portfolio contributes to the Bank's financial resilience.
Customer Experience and Satisfaction	Customer experience can enable the Bank to effectively reflect its environmental, social, and governance responsibilities.	Customer satisfaction contributes to sustainable financial growth and financial profitability by creating a loyal customer base.
Corporate Culture Principles	Corporate culture contributes to the internalization of sustainability values in the organization.	A strong corporate culture supports employee engagement. This can generate financial benefits through the effective management of the resource.
Talent Management and Employee Development	Talent management and employee development contribute to the achievement of the Bank's sustainability goals.	A skilled and trained workforce increases productivity and improves the Bank's financial performance.
Corporate Governance	A strong corporate governance structure contributes to the effective management of ESG factors and their adoption throughout the organization.	Corporate governance based on ethical values and transparency ensures that financial risks are managed effectively and a stronger position is achieved in capital markets.
Equal Opportunity, Diversity	Policies that promote equal opportunities and diversity support social sustainability goals. It contributes to creating an inclusive work environment and empowering disadvantaged groups.	Diversity and equal opportunities ensure talent retention, increase employee engagement, and boost productivity.
Financial Inclusion and Literacy	Financial inclusion contributes to reducing economic inequalities by enhancing access to the financial system for all segments of society.	Financial inclusion expands the Bank's revenue base by reaching new customer segments.
Operational Excellence and Sustainable Service Quality	Operational excellence minimizes environmental impact by optimizing energy and resource use.	Efficient operational processes reduce costs and increase profitability.
Corporate Social Responsibility	Corporate social responsibility (CSR) projects create positive impacts on environmental and social sustainability goals.	CSR activities strengthen the Bank's corporate value by considering social and environmental benefits.
Anti-Bribery and Anti-Corruption	Anti-bribery and anti-corruption policies strengthen the Bank's ethical framework by enhancing transparency and accountability in the governance area.	Preventing corruption risk provides protection from legal sanctions and financial losses.

Management of Climate Risks and Opportunities

The climate risk heat map is a **visual tool created based on** sectors’ exposure to climate change risk and their share in the portfolio.

among the sectors with the highest concentration of elevated climate risk within the portfolio. Based on the prepared heat map, sectors identified as high or medium-high risk are subjected together with the companies within them to stress testing under different scenarios, using parameters derived from climate scenarios selected as appropriate for the Bank. Parameters such as customers’ sectors and fields of business, customer financials, financial information on the loan portfolio, climate scenarios, sectoral market information, emission factors, customer production-consumption information are used in stress tests. Ziraat Katılım uses the climate risk definition and categorization made by the International Sustainability Reporting Standards (ISSB) as a reference when assessing the nature of the impacts, probability, and magnitude of risks. Accordingly, the Bank categorizes climate risk into two main risk categories: “Transition Risks” that may arise during the transition to a low carbon economy that may affect its financial position and operations, or “Physical Risks” arising from environmental impacts caused by climate change. The table containing these risks and their sub-headings is shown below.

i

Ziraat Katılım uses the climate risk definition and categorization made by the ISSB as a reference when assessing the nature of the impacts, probability, and magnitude of risks.

i

The heat map study aims to identify priority sectors based on climate risk exposure and portfolio size for scenario analyses and stress tests.



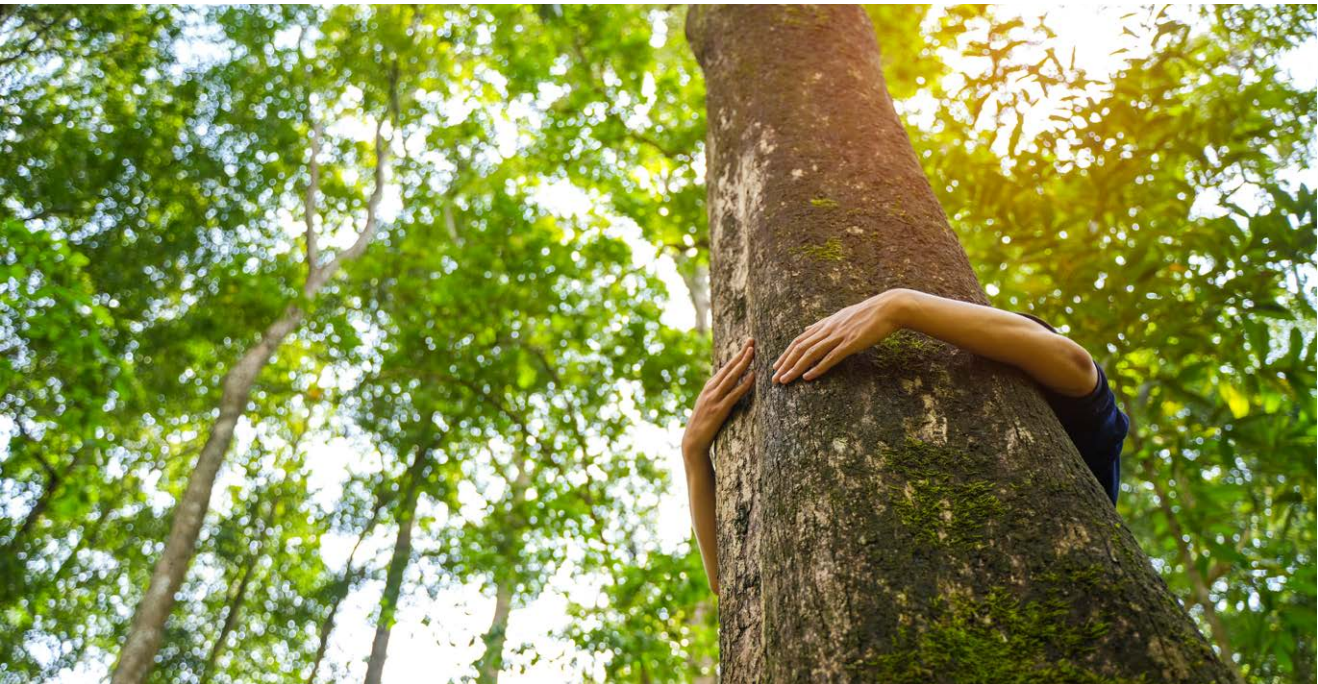
Climate Risk Heat Map
The heat map is one of the key tools used to identify, prioritize, and monitor climate-related risks. The climate risk heat map is a visual tool created based on the exposure levels of the sectors in the Bank’s portfolio to climate change risk and the shares of these sectors in the portfolio. The main objective of the heat map study is to identify the sectors to be prioritized for scenario analyses and stress tests, taking into account climate risk exposure and portfolio size. While preparing a climate risk heat map, climate risk scoring at the level of transition risk and physical risk is combined. Using the heat map, sectors are classified into 5 categories based on their level of climate risk. The iron and steel industry, along with the power generation sector, are

Transition Risks	Supply Demand	The risk of changes in the supply and demand for specific commodities, products, and services.
	Legal/Regulatory	The risk factor arising from the increase in operational costs incurred in the process of adaptation to the policies and legal regulations established within the scope of combating climate change.
	Technology	The risk that low-carbon technologies pose to the competitiveness and costs of firms.
	Reputation	The risk of reputational damage resulting from unfavorable perceptions due to environmentally harmful activities during the transition to a low-carbon economy.
Physical Risks	Acute	The risks that cause sudden/indirect damage to the organization's assets or operational disruption as a result of sudden and severe events.
	Chronic	These are persistent physical risks arising from long-term climate change that occur gradually over time and can have lasting impacts.

A heat map is created by standardizing, weighting, and scoring the data obtained according to the exposure levels of the sectors in the Bank’s portfolio to climate change risk and the shares of these sectors in the portfolio. Analyses are conducted on the basis of all sectoral breakdowns of this portfolio, and these sectors are categorized into 5 different risk groups based on international standard-setting organizations and peer bank studies.

Management of Climate Risks and Opportunities

Ziraat Katılım considers climate risk as a risk factor affecting traditional risks within the scope of emerging risks.



Classification and Prioritization of Climate-related Risks by Type
In the ICAAP report, which is prepared on a solo basis in order to internally calculate the level of capital to cover the risks to which the Bank is and may be exposed and to ensure that the Bank's activities are carried out with capital above this level, climate risk is included in the same second structural pillar together with liquidity, customer concentration, country concentration, and banking

account profit share risks. The first structural pillar includes capital requirements calculated using the standardized approach for credit risk (including counterparty credit risk), market risk, and operational risks. Ziraat Katılım addresses climate risk using an emerging risks methodology and calculates an internal capital requirement for climate risk under 'other risks' as part of its internal capital assessment.

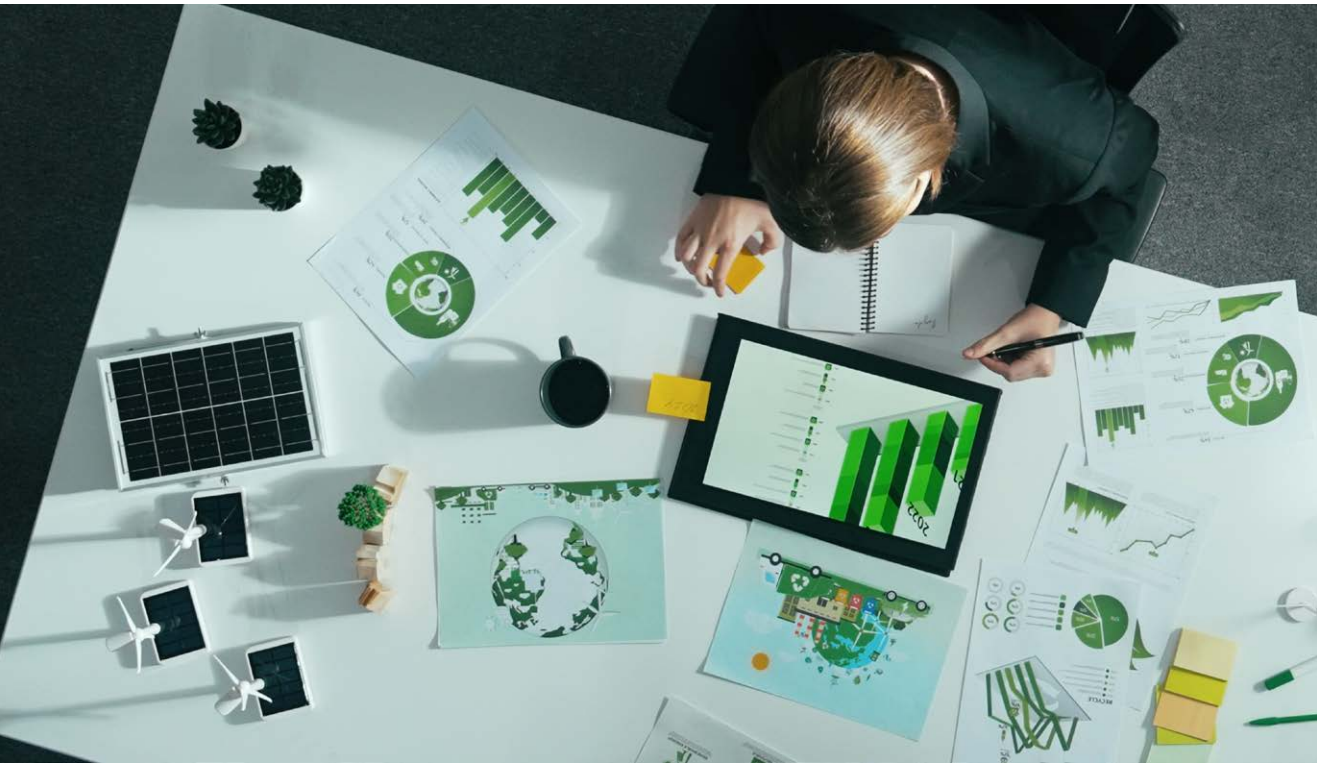
The Bank considers climate risk as a risk factor affecting traditional risks within the scope of emerging risks. In this context, the table below addresses the impact of transition risk and physical risk on credit, operational, and market risks, with reference to the ISSB's definitions together with the general conjuncture and relevant examples.

The nature of the potential impacts of these risks is given in the table on the next page.

Traditional risk	Climate risk	Climate risk heading	Factors	Impacts
Credit risk	Transition risk (short-medium term)	Legal/Regulatory	Regulations such as Emissions Trading System and Border Carbon Regulation	-Impact on the income and profitability of bank customers operating in carbon-intensive sectors -Financial burden of long-term climate policies on customers
		Technology	Increased and widespread use of low-carbon energy technologies	Companies that are slow to transition to low-carbon technologies lose their competitive advantage and costs increase as a result of investment expenditures in new green technologies
		Supply-demand	Changes in the supply and demand of commodities	Increased production costs and fluctuations in commodities due to supply constraints and changing input prices
	Physical risk (long term)	Acute (Floods and Inundations, Erosion, Forest Fires)	Heavy rains and extreme weather events	-Loss or diminution in the financial value of collateral, which is one of the important credit risk mitigation techniques -Deterioration in customer payment performance due to disruptions in their business operations.
		Chronic	Rising sea levels, prolonged droughts, ecosystem degradation, and habitat losses	-Impacts on customers' financial performance such as production interruption, loss of value chain, and increased operational costs -Risks arising from loss of value of customer tangible assets, loss of investor confidence, and increase in insurance premiums
	Operational Risk	Transition risk (short-medium term)	Legal/Regulatory	Greenhouse gas emissions reporting obligations
Technology			Integration of climate change-related sanctions into the Bank's system and processes	Additional infrastructure costs and data security risk for digital transformation
Physical risk (long term)		Acute (Floods and Inundations, Erosion, Forest Fires)	Heatwaves, elevated energy demand, heavy rainfall, flooding, and forest fires	-Key properties such as offices, branches, and data centers become unusable -Interruptions in transportation and telecommunication infrastructure as a result of disasters such as floods, resulting in the loss of banks' operational competencies
		Chronic (Water Shortage, Extreme heat)	Drought, rising sea levels, heatwaves	-Increased costs as a result of moving operations in risky geographies to safer regions -Exposure of banks' branches and data centers in coastal areas to flooding, damaging banks' physical assets
Short Term		Medium Term		Long Term
0-3 years		3-10 years		10 years and above

Management of Climate Risks and Opportunities

The management of climate risks is integrated with Ziraat Katılım’s sustainability strategy and risk management policies and supported by analysis methods.



Management of Climate-Related Risks

The process of managing climate-related risks is carried out in an integrated manner with Ziraat Katılım's sustainability strategy and risk management policies and is supported by various analysis methods.

Climate risk is evaluated with a holistic structure within the Bank's risk criteria and is positioned within the prioritized

traditional risks. Credit risk stands out among the related risks. In addition, climate-related risks are also included within the scope of operational risks.

Processes and internal documents related to the management of climate-related risks are developed with the principle of continuous improvement. Climate risk management is addressed in a process cycle consisting of stages such as risk identification,

risk assessment, risk measurement, risk control, and monitoring and reporting risk processes. The table below shows the sectors in the Bank's portfolio, the classes of these sectors according to the scoring made based on the climate risk methodology and the weight of these sectors in the portfolio.

Risk Distribution Outlook of the Bank’s Loan Portfolio by Climate Risk Level

Climate Risk Level*	Sector	(%) 2023***	(%) 2024***
High	Iron-Steel	5.63	3.51
	Power Generation (Renewable & Non-Renewable)**	2.37	2.54
	Other Metals	1.97	2.41
	Petroleum Products	0.84	0.86
	Maritime Transportation	0.51	0.75
	Livestock Farming	0.33	0.74
	Aluminium	0.82	0.74
	Road Transportation	0.39	0.50
Medium-high	Cement	0.18	0.19
	Agriculture	4.65	3.24
	Construction Materials	2.59	2.57
	Mining	2.00	2.44
	Automotive	2.28	1.88
	Other Chemical Products	1.67	1.73
	Basic Chemical Products	1.19	1.54
	Water Supply and Waste Management	0.46	0.25
Medium	Other Road Transportation	0.02	0.08
	Air Transportation	0.62	0.06
	Textile	10.50	11.01
	Food	6.57	7.22
	Infrastructure Construction	6.38	6.39
	Forestry	3.20	3.07
	Automotive Trade	3.11	2.98
	Accommodation	0.96	0.75
Medium-low	Electricity Transmission and Distribution	0.76	0.40
	Electricity Trading	0.15	0.16
	Fishery	0.02	0.08
	Construction	10.93	14.16
	Other Production	5.31	4.78
	Retail Trade	4.03	3.86
	Financial Services	3.64	2.35
	Trade in Chemical Products	1.41	1.46
Low	Real Estate Activities	1.43	1.37
	Storage	0.28	0.62
	Food Services	0.27	0.43
	Public Administration and Defense	0.28	0.20
	Rail Transportation	0.02	0.01
	Electronic Products	7.07	7.03
	Administrative Services	1.73	2.16
	Health	0.84	1.11
	Professional Services	1.06	0.99
	Contact	0.95	0.84
	Education	0.21	0.27
	Entertainment and Art	0.25	0.18
	Other Services	0.13	0.07
TOTAL		100.00	100.00

*The risk categories has been weighted towards transition risk during the scoring phase.
**The risk categories of sub-activities of the activities categorized as renewable and non-renewable differ.
***Risk weight calculation is based on cash and non-cash loans.

Management of Climate Risks and Opportunities

The top 10 sectors based on portfolio weight are presented in the table below and these sectors account for more than half of the portfolio with a total of 64%. As of year-end 2024, 50% of the Bank's portfolio consists of medium and medium-low risk classes.

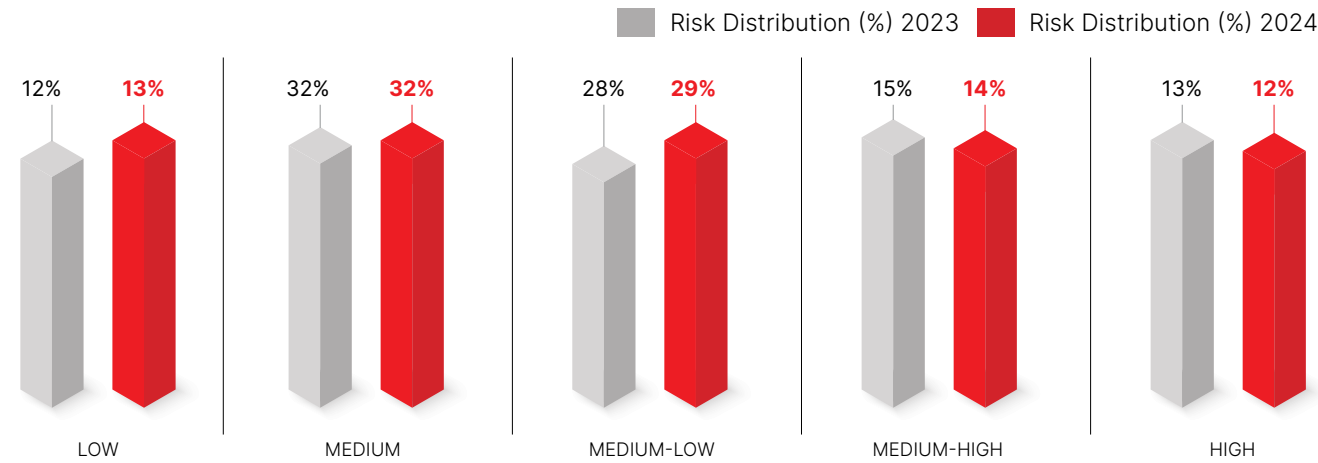
Climate Risk Distribution of the Top 10 Sectors in the Bank's Portfolio

Sector	Climate Risk Level*	(%) 2023	(%) 2024
Construction	Medium-low	10.93	14.16
Textile	Medium	10.50	11.01
Food	Medium	6.57	7.22
Electronic Products	Low	7.07	7.03
Infrastructure Construction	Medium	6.38	6.39
Other Production	Medium-low	5.31	4.78
Retail Trade	Medium-low	4.03	3.86
Iron-Steel	High	5.63	3.51
Agriculture	Medium-high	4.65	3.24
Forestry	Medium	3.20	3.07

(*) The risk categories has been weighted towards transition risk during the scoring phase.

Considering the Bank's risk class distribution by years, there was a 1% decrease in high and medium-high risk classes as of year-end 2024 year-on-year. The Bank's risk class distribution by years is presented in the graph below.

Risk Class Distribution Change



Monitoring Climate Related Risks

Although the Bank does not yet have an existing system enabling proactive monitoring of climate risk, project planning is underway in this regard. The actions planned by the climate risk working group include calculating bank portfolio emissions and preparing this system for the legal reporting process, which is expected to become mandatory in 2026. Moreover, work is underway to integrate climate risk criteria into the credit allocation process.

Sustainability and Climate Goals

In 2024, Ziraat Katılım identified its material issues as employee welfare, engagement, and satisfaction, talent management and employee development, combating climate change, digital transformation and innovation, and corporate social responsibility, and established sustainability goals in material areas in line with the Sustainability Committee evaluations.

ESG-E	Material Topics	Topic	Explanation
G	Employee Wellbeing, Engagement, and Satisfaction	Employees-Employment	Improving employee engagement.
S	Employee Wellbeing, Engagement, and Satisfaction	Employees-Employment	Increasing the proportion of women employees.
S	Talent Management and Employee Development	Employee Development	Increasing the duration and quality of training provided for employees.
S	Talent Management and Employee Development	Employee Development	Increasing the number of employees receiving sustainability training and the total length of training.
E	Combating Climate Change	Emissions	Reducing the Bank's internal emissions (Scope 1-Scope 2) in line with science-based targets.
E	Combating Climate Change	Emissions	Aligning portfolio emissions with Türkiye's 2053 Net Zero goal.
E	Combating Climate Change	Financing	Increasing the amount of financing provided to renewable energy projects.
E	Combating Climate Change	Financing	Increasing the amount of financing provided to sustainable agriculture projects.
E	Combating Climate Change	Financing	Increasing the number of projects for which environmental and social impact assessments are conducted.
E	Digital Transformation and Innovation	Digitalization	Increasing the number of digital and mobile banking users.
E	Digital Transformation and Innovation	Digitalization	Increasing the number of products and services provided through digital and mobile channels.
S	Corporate Social Responsibility	Volunteering Activities	Increasing the number of individuals reached and the positive environmental impact created within the scope of social responsibility.
S	Corporate Social Responsibility	Volunteering Activities	Increasing the number of employees participating in volunteering activities.

Operational Network of Ziraat Katılım

Ziraat Katılım opened 19 new branches and **expanded its total number of branches to 210, including overseas branches.**



129

Number of ATMs

In addition to its branches, Ziraat Katılım provides services through 129 ATMs, Mobile and Internet Banking, Call Centers, and 10,594 POS terminals.



Ziraat Towers attracts attention with its unique architecture and superior technological equipment.

The project includes two towers, one with 46 floors 219 meters high and the other with 40 floors 193 meters high.



Ziraat Towers - New Headquarters

The Istanbul Finance Center (IFC) Ziraat Towers Project, which began hosting Ziraat Katılım Headquarters as of 2024, is among the leading projects not only in Türkiye but also worldwide with its eco-friendly design, smart applications with advanced technology, and an approach focused on environmental sustainability.

Ziraat Towers attracts attention with its unique architecture and superior technological equipment. The project includes two towers, one with 46 floors 219 meters high and the other with 40 floors 193 meters high. The towers include a podium, an atrium area, and an auditorium where special events

such as conferences and trainings can be held. With their steel, wood, and natural stone claddings, these buildings exhibit an aesthetic and structural feature distinguishing them from their counterparts.

During the reporting period, Ziraat Katılım expanded its geographic presence by opening 19 new branches, bringing its total to 210, including overseas branches.

Ziraat Katılım offers a wide range of products and services through advanced alternative distribution channels, including 129 ATMs, Mobile and Internet Banking, Call Centers, and around 10,594 POS terminals, in addition to its traditional branch network.



The Bank operates 2 international branches, one located in Mogadishu, the capital city of Somalia, and the other in Khartoum, the capital city of Sudan.

A Total of 210 Branches Across the Country in 63 Provinces and 2 Countries Abroad

Ziraat Katılım, which creates its branch range in the light of changing customer demand and market conditions, continues its activities in 7 geographical regions across the country with the aim of providing services to every corner of Türkiye and stands by the society. Ziraat Katılım offers its products and services to its customers through a total of 210 branches in 63 provinces in Türkiye and 2 countries abroad.

Offering its products and services under a triple segmentation of Retail, Commercial, and Private Banking, the Bank has aligned its branch organization with this segmentation.

As of year-end 2024, Ziraat Katılım has been delivering its services to its customers through

- 185 Retail branches
- 17 Commercial branches
- 6 Corporate branches
- 2 Overseas branches

Ziraat Katılım with Over 20,000 ATMs Across Türkiye!

As of the end of 2024, Ziraat Katılım operates a network of 129 ATMs, with 124 located at branches and 5 at off-site locations.

All Ziraat Katılım ATMs have been integrated into the ATM networks of Ziraat Bank, Halkbank, Vakıfbank, PTT, Vakıf Participation Bank, and Emlak Participation Bank, joining the "Türkiye's ATM Center (TAM ATM)*" structure, which boasts a broad coverage of 20,000 ATMs across the country.

Banking transactions are highly convenient via the Customer Contact Center

0 850 220 50 00 Customer Contact Center is one of Ziraat Katılım's unlimited and timeless banking channels. The Bank's customers can carry out their transactions over the phone 24/7 by calling the Center.

*Ziraat Katılım is a member of Türkiye's ATM Center (TAM ATM).

Treasury Management and International Banking

Ziraat Katılım, the first public participation bank in Türkiye, is **taking firm steps towards becoming a leader in participation banking.**



19.4%
Participation Banking Market Share

Ziraat Katılım is the second bank with the highest asset size with a 19.4% share in Participation Banking as of year-end 2024.



268
TL Billion
Ziraat Katılım reached TL 268 billion in funds disbursed by the end of 2024.

As of year-end 2024, Ziraat Katılım's asset size increased by 34% year-on-year, reaching TL 515 billion. According to TKBB data, the total asset size of the participation banking sector amounted to TL 2,660 billion at the same time. With a 19.4% share of the sector, Ziraat Katılım ranked as the second-largest participation bank by asset size. While Ziraat Katılım's assets grew by 34.1% year-on-year, the sector's overall asset growth rate was 38.7% during the same period.

On the financing side, Ziraat Katılım reached TL 268 billion in total disbursed funds as of year-end 2024. The participation banking sector closed the year with TL 1,223 billion in disbursed funds, bringing Ziraat Katılım's market share to 22%. The Bank's disbursed funds grew by 22% year-on-year, below the sector average growth rate of 37%.

In financial leasing transactions, the Bank reached TL 53.3 billion as of year-end 2024, representing a 37.9% share of the participation banking sector, which concluded the year with a total size of TL 140.8 billion.

Ziraat Katılım's non-performing loan (NPL) balance stood at TL 2.9 billion at the end of 2024, compared to TL 16.5 billion for the overall participation banking sector. The Bank's share of total sector NPLs was 16%. While the sector's NPLs rose by 68% year-on-year, Ziraat Katılım recorded a lower increase of 49%, demonstrating a more favorable performance.

According to BRSA data, as of year-end 2024, the participation banking sector had a total shareholders' equity of TL 213.8 billion and a net profit of TL 63.2 billion. In the same period, Ziraat Katılım reported TL 22.4 billion in shareholders' equity and TL 3.5 billion in net profit, representing 10% and 5.4% shares of the sector, respectively.

Ziraat Katılım also distinguished itself in agricultural lending, increasing its agricultural loan portfolio by 435% year-on-year to TL 10.7 billion by the end of 2024.

Ziraat Katılım, the first public participation bank in Türkiye, is taking firm steps towards becoming a leader in the sector with its items feeding the asset.

Vast Correspondent Bank Network
Ziraat Katılım makes use of its extensive correspondent network in conducting foreign trade and treasury intermediation activities and increases the number of correspondent accounts (nostro accounts) in foreign currencies day by day thanks to the long-term collaborations it has established. As part of its treasury management activities, the Bank continues its endeavors to secure long-term funding in TL and FC in the most efficient and cost-effective manner.

Ziraat Katılım adopts a dynamic approach to expand its international correspondent network and improve its relations with international financial institutions from which it obtains funds.

Ziraat Katılım, which reached 49 correspondent accounts in 16 different currencies with correspondent banks in 2024, has mutual wakala/murabaha agreements with numerous banks. As part of these agreements, interbank murabaha and wakala transactions are conducted, and resources contributing to funding diversity are provided.

In 2024, as part of Treasury Management and International Banking activities;

- A US dollar nostro account was opened at Standard Chartered Bank.
- RMA connection has been established with 6 different banks.
- Ziraat Katılım participated in and was represented at -BAFT, Sarajevo Business Forum and SIBOS 2024 China event.
- ISDA, Tahavvud, MCMA, and Wakala agreements were signed with 15 banks to provide intermediation services for treasury transactions.



- As part of investment banking operations, private borrowings and subordinated loan transactions were carried out from abroad with the establishment of the MTN program, and many bilateral borrowing, club loan, and TIER 1 transactions were carried out.

Opening Overseas Branches
Launched in 2023, Ziraat Katılım Somalia-Mogadishu Branch has pioneered the Somali financial system's access to the international financial system and its integration into the global system. In 2024, the branch achieved a steady growth trend and has been effective in facilitating foreign trade transfer transactions of both Turkish and Somali businessmen.

2025 and Beyond
As part of its International Banking operations, Ziraat Katılım will continue its endeavors to establish overseas branches and shape its overseas branch organization in line with international developments and state policies in 2025.

The new Port Sudan Branch is scheduled to open in March 2025, replacing the Bank's Khartoum Branch, which suspended operations in 2023 due to the civil conflict in Sudan. Ziraat Katılım will continue its efforts to expand its presence across various countries on the African continent in line with Türkiye's Africa strategy. As in previous years, the Bank will continue to inform customers engaged in trade with African countries through on-site visits in 2025.

As part of its investment banking activities, the Bank aims to diversify its TL- and FC-denominated borrowings (bilateral, club loan, syndication, TIER 1 and TIER 2, sovereign loans, etc.) and add different instruments to its portfolio in 2025 in order to realize short-medium and long-term TL - and FC-denominated borrowings efficiently and cost-effectively. It is planned to establish close interaction with the Bank's branches and customers through field visits.

Corporate Banking

Ziraat Katılım **continues to stand by its customers** with its customer-oriented service approach.



Ziraat Katılım serves in an organization empowering its customers, understands customer needs and expectations in the best way, and offers them the most appropriate solutions and value propositions through the most appropriate channel.



Ziraat Katılım contributes to the financial development of customers with the services it offers, while achieving high customer satisfaction at the same time.

Ziraat Katılım Corporate Banking operates with the priority of providing services to corporate, commercial, and private segment customers by prioritizing the provision of services through the most accurate channel with a focused banking approach.

Ziraat Katılım offers banking products and services to its corporate segment customers through 6 corporate branches in 3 different provinces and to its commercial segment customers through 17 commercial branches in 11 different provinces in accordance with the principles of participation banking. Continuing to stand by its customers with a customer-oriented service approach, the Bank provides services to corporate segment customers, in addition to commercial segment customers, through its commercial branches in provinces where it does not have a corporate branch. The Bank offers its Private Banking services to private segment customers in corner areas in 8 branches, including the corner areas, which were established in Alanya/ Antalya and Florya/Istanbul branches in 2024.

End-to-end holistic Value Proposition

In 2024, as part of its Commercial Banking Value Proposition, the Bank completed the development of value propositions for a total of six

products: contribution-based leasing, payment request, bulk payment, renewable energy insurance, fuel collection system, and cash/check collection. Total output was 36 projects and work was underway as of year-end 2024.

As part of its Private Banking Value Proposition, Family Banking service, new consultancy services, customized financing products, Accumulating Savings Account, and Ziraat Portfolio Multi-Asset Participation Funds were launched in 2024.

It is aimed to receive the pricing requests and approvals of corporate and commercial branches in the specified amounts meeting the specified criteria through the system upon the completion of the work enabling value-based pricing. It is therefore aimed to make pricing effectively, efficiently, and quickly and to save time by taking into account customer-based data, such as segment, rating, yield ratio, number of active products, collateral structure, and cross-product information.

Ziraat Katılım serves in an organization empowering its customers, understands customer needs and expectations in the best way, and offers them the most appropriate solutions and value propositions through the most appropriate channel.

In 2024, the Corporate Branch Banking continued to offer its customers cost packages, tax and social security collections, sustainability-themed financing products, and agricultural financing products having a high impact on profitability.

In 2024, new Supplier Financing System (SFS) and Direct Debit System (DDS) agreements were signed between the Bank and corporate customers.

Financing support for agricultural production

In 2024, more than TL 1 billion in financing was provided for the purchase of goods and services needed by individual/legal entity producers engaged in agricultural production activities as part of Corporate Banking.

Financial leasing projects

While contributing to the financial development of its customers with the services it offers and achieving high customer satisfaction at the same time, the Bank continues to support the public and private sectors in financial leasing and investment areas in addition to its core banking activities.

In 2024, in respect of financial leasing projects facilitated in 2023 and before and expected to be finalized for at least 6 months, projects amounting to TL 4.2 billion were finalized across the Bank, of which TL 2.2 billion was finalized within the Corporate Banking. In 2024, the Bank sold cross-products amounting to TL 57 million in relation to these finalized projects.

Proactive portfolio management

In 2024, in line with both the securities and growth-allocation communiqués, Ziraat Katılım focused on growth in TL financings,



particularly net exporter, investment financing, and leasing-sale and leaseback products, by taking marginal costs into account, while also prioritizing growth in foreign currency financings. By closely monitoring the legal regulations, the Bank conducted marketing endeavors to get widespread and low-cost funds. The aim was to prevent an increase in the Bank's funding costs and optimize the segment and corporate profit.

The Commercial Branch Banking business family started 2024 with a total operating size of TL 91 billion, including TL 24.8 billion in funds and TL 66.1 billion in financing. As of year-end 2024, the Commercial Branch Banking business family recorded a year-on-year growth of 144% in TL current assets, 107% in FC participation assets, and 61% in total funds.

Products and services in compliance with the principles of participation banking

In 2024, Ziraat Katılım continued to offer diverse range of investment instruments where private segment customers can invest their savings. The Accumulating Savings Account was launched for customers who wish to invest their savings for retirement, education, and Hajj/ Umrah. ZBI/Ziraat Portfolio Multi-Asset First Participation Fund and ZCK/Ziraat Portfolio Multi-Asset Second Participation Fund were launched to enable customers to invest their savings in accordance with participation banking principles. On the other hand, tailor-made financing products such as Boat/ Yacht Financing, Education Financing, and FC-denominated Housing Financing were offered to customers.

Corporate Banking

Ziraat Katılım aims to meet the expectations of its customers at the highest level by designing privileged consultancy services for Private Banking customers.

In addition to the investment products and financing alternatives it offers, Ziraat Katılım aims to meet the expectations of its customers at the highest level by designing privileged consultancy services for Private Banking customers. In this context, The Bank has begun offering consultancy in new areas such as company valuation, software consulting, and the transportation of currency and precious metals.

The process enabling customers to execute stock trades via the Ziraat Katılım Mobile application was completed. The Bank sustains its endeavors to integrate privileged products and services for special segment customers into the Katılım Mobile application and plans to enhance accessibility by differentiating the mobile application in terms of both design and content.

Expansion of Private Banking services with Family Banking
In line with the 2022-2025 Strategy Plan, Ziraat Katılım, which offers special investment strategies and innovative products for wealthy customers in the field of Private



In 2024, Weekly Financial Bulletins began to be published on the Private Banking website.

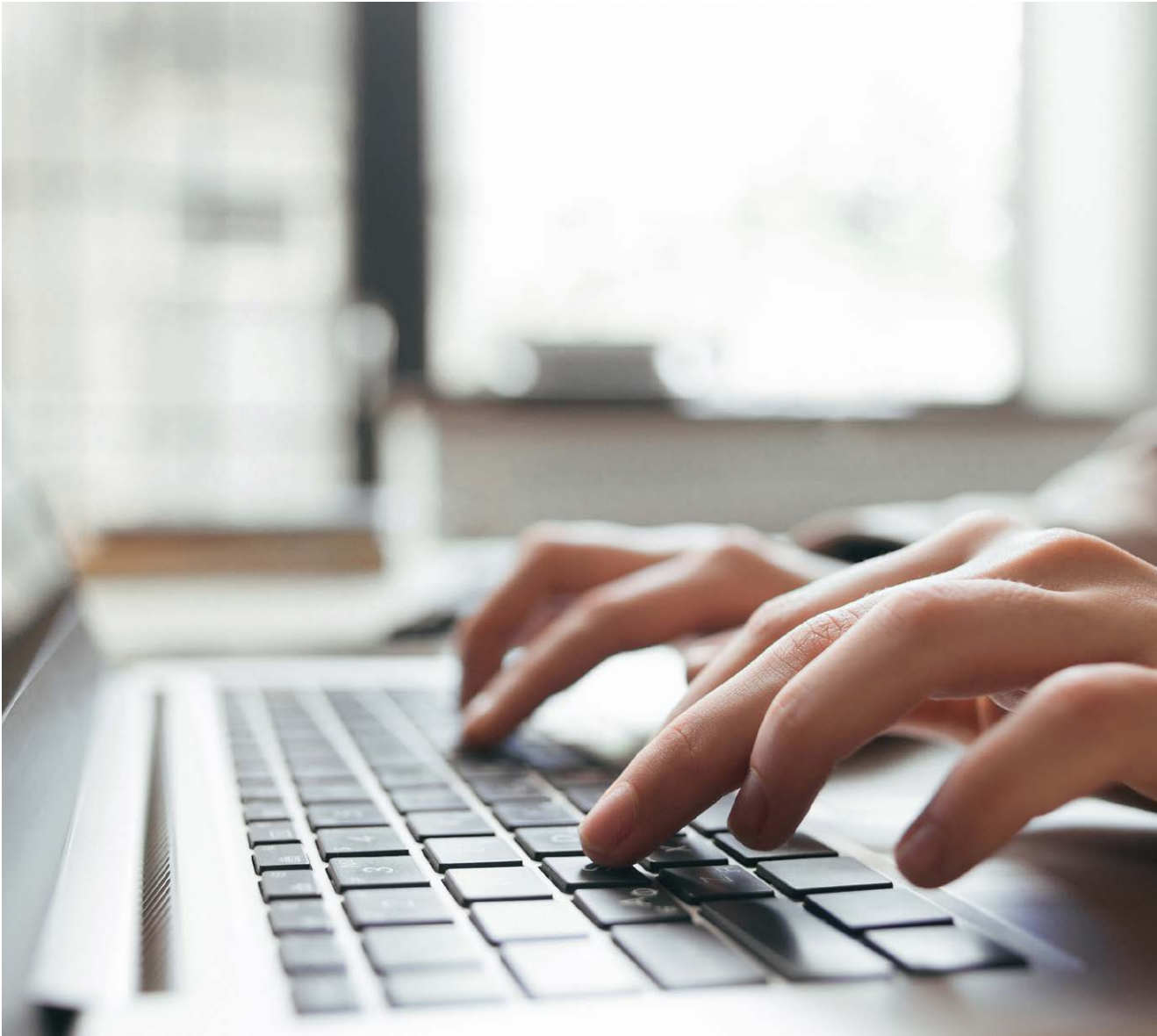


In 2025, Ziraat Katılım Corporate Banking plans to focus on its marketing endeavors to raise funds by offering innovative investment, treasury, and cash management products, in addition to its core banking activities.

Banking, launched the Family Banking service, which allows the spouses and children of private segment customers to benefit from Private Banking services.

Private Banking website
In 2024, Weekly Financial Bulletins began to be published on the Private Banking website. It is envisaged that the website will be enriched with blog posts, up-to-date information, announcements, and educational videos on financial issues for special segment customers. Work is underway to create a platform on the new website comparing the daily/weekly/monthly/yearly rates of return of investment products.

2025 and Beyond
Ziraat Katılım aims to grow in cash financing by closely monitoring growth rates within the framework of securities facility communiqués. In 2025, the Bank aims to achieve sustainable and healthy growth performance by taking into account the budget items and will continue to ensure effective risk management of the financing provided through customer visits and close monitoring practices carried out by the branches.



In 2025, Ziraat Katılım Corporate Banking plans to focus on its marketing endeavors to raise funds by offering innovative investment, treasury, and cash management products, in addition to its core banking activities. Furthermore, the Bank will continue to provide project and investment financing, financial leasing, import-export financing, and funding from the Islamic Development Bank, KGF, and KFK to both the public and private sectors.

In 2025, the Bank will sustain its endeavors to promote customer and product activity in agricultural financing through instruments such as Direct Debit System (DBS), supplier financing, financing sourced from KFK, financial leasing, treasury products, and commercial credit cards.

Expanding privileged consultancy services for Private Banking customers and differentiating the mobile application are among the future agenda items of the Bank. In 2025 and beyond, Value Proposition Projects, which were launched to manage customer assets more effectively within the scope of Private Banking, will continue to be developed and shared with customers, taking into account their demands and needs.

Retail Banking

Ziraat Katılım offers financial solutions for retail customers and SMEs, aiming to facilitate their business and **keep the country's economy vibrant.**



With 160 thousand new customers acquired in 2024, the number of Retail Banking customers reached 1.2 million as of year-end 2024.



Ziraat Katılım launched the Katılım Dijital product to support the e-transformation processes of SMEs focused on digitalization.

Ziraat Katılım manages its Retail Banking activities with a customer-oriented and accessibility-based approach. By offering diversified financial solutions to meet the needs of individual customers and small and medium-sized enterprises, the Bank aims to facilitate the businesses and lives of its customers, support them in achieving their financial goals, and thereby keep the national economy active and vibrant. Focusing on understanding the needs of its customers and meeting them with the right solutions, the Bank strives to add value not only to its customers but also to society and all its stakeholders.

Retail Banking includes individual, individual wealth, retail, and entrepreneurial segment customers. In addition, retail branches provide services to commercial and corporate segment customers in provinces where the Bank does not have commercial and corporate branches.

Opening new branches to ensure that more people and businesses have easy access to banking services, the Bank increased the number of retail branches from 169 at the end of 2023 to 185 in 2024.

With 160 thousand new customers acquired in 2024, the number of Retail Banking customers reached 1.2 million as of year-end 2024.

Full support to the real sector through digital channels and financing resources

Ziraat Katılım launched the Katılım Dijital product to support the e-transformation processes of SMEs focused on digitalization. The Bank has completed the second phase of the "SME Value Proposition" project, designed to meet the financial needs of SMEs comprehensively, and has started the final phase of the project, aiming to help SMEs manage their financial processes more effectively by launching the project in 2025. Ziraat Katılım continues to enhance its support for the real sector by offering both financing and non-financing solutions tailored to the needs of SMEs and producers.

Within the framework of its digitalization vision, the Bank informs its customers about its digital products, such as Katılım Dijital, Mobile Banking, Instant Market, etc., and directs them to digital channels.

In 2024, Ziraat Katılım achieved a successful growth performance in Retail Banking by expanding its branch network and offering products and services for different customer segments. The Bank, which stands out especially with its solutions for SMEs, digital banking services, and support for



the agricultural sector, ranks 12th in the banking sector and 2nd among participation banks with its asset size as of year-end 2024.

Ziraat Katılım considers changes in national legislation as the most essential risk factor, closely monitors the changes made by regulatory bodies within the framework of tight monetary policy, and quickly adapts its products and services accordingly.

Prominent product/service development activities in 2024

- The State Supported Credit Insurance (DDAS) Basic Plan product was developed and introduced to be used by SMEs.

- The Commercial Credit Card, designed to simplify company expenditures and expense management, was launched.
- The Supplier Financing product, which offers early collection opportunities for suppliers, was launched.
- In order to encourage customers to save, the Accumulating Savings Account was introduced, which allows customers to save for purposes such as Hajj, Umrah, education, and military service.
- Within the framework of the agreement with the Islamic Development Bank, the Bank continued to disburse the "Emergency Working Capital Financing" package to support SMEs in Türkiye.

- New support packages were created in cooperation with KFK, and the financing needs of companies eligible for the relevant package were met.

Contribution to environmental sustainability

In order to contribute to environmental sustainability and encourage low-carbon consumption, the Bank offers more advantageous conditions for the purchase of electric or hybrid vehicles compared to other types of vehicle financing. In order to increase the number of energy-efficient houses, it provides more favorable conditions for financing such houses. It offers financing products to support individual customers' investments in increasing energy efficiency.

Ziraat Katılım delivers products and services with environmental and social impact as part of its sustainability policy and banking service framework. By financing eco-friendly projects, the Bank plays an important role in encouraging sustainable practices. It plans to expand its portfolio of loans for renewable energy projects and sustainable agricultural practices.

As part of its goals of expanding its customer base and improving the customer experience, Ziraat Katılım plans to make its Retail Banking processes more effective and efficient, to provide fast and easily accessible solutions to its customers, and to increase its interaction with customers by offering appropriate financing and investment instruments for different needs in 2025. Furthermore, the Bank aims to expand its range of sustainability-oriented products and services by supporting environmental and social projects.

Resource and Cash Management

Ziraat Katılım displayed a **productive performance by expanding its product range and increasing its current volume** with many new products it designed and launched in 2024.



Ziraat Katılım completed its integration with Ziraat Yatırım and started to carry out stock trading, and transfer, and public offering transactions.



Ziraat Katılım completed its system integration for the issuance of TARSİM policies.

Ziraat Katılım, which manages the savings of individuals and legal entities in the most efficient way for the effective use of resources in line with its strategy based on the principle of “more as we share,” thereby reassuring its customers, carries out its activities in a structure prioritizing the duty to support the real sector in a way that directly contributes the collected funds to the trader, industrialist, entrepreneur, manufacturer, and agricultural sector.

In 2024, the Bank displayed a productive performance by expanding its product range and increasing the available volume of cash management products, with many new products designed and launched within the scope of resource and cash management services.

Operations in 2024

In 2024, Katılım Dijital, Instant Daily Account, Daily Participation Account, Accumulating Savings Account, MoneyGram, DDS Developments, Supplier Financing System, Pool Account, Rent Account, Secure Payment System, Stock Trading Transactions, Stock Transfer-Public Offering Transactions, and new insurance products were developed and made available to customers.

Accumulating Savings Account

The Bank aims to strengthen its customer base with products such as Hajj Account, Umrah Account,

Education Account, etc., within the scope of the Accumulating Savings Account, which allows customers to utilize their savings for a specific purpose in certain periods.

MoneyGram

With the protocol signed with MoneyGram, the Bank's customers were able to benefit from alternative payment services.

Stock Transactions

Ziraat Katılım completed its integration with Ziraat Yatırım in order to provide stock trading brokerage services to its customers through Ziraat Yatırım and in line with the participation principles, and started to carry out stock trading and stock transfer, and public offering transactions.

State-Subsidized Agricultural Insurance

The Bank completed its system integration for the issuance of TARSİM policies. State-subsidized agricultural insurance contracts are issued in accordance with the participation principles through member insurance companies and/or agencies holding participation insurance licenses. All transactions related to these policies are carried out under the supervision of the Advisory Committee and in line with the participation principles.



DDS Transactions

Ziraat Katılım aims to increase its efficiency and product diversity by integrating the latest technologies into its business processes. In 2024, the Bank shortened and centralized DDS definition processes in this context and achieved a 119% increase in the number of main dealers, a 246% increase in the number of dealers, and a 472% increase in invoice collection volume year-on-year.

Invoice and Institution Payments

Ziraat Katılım offers its customers the convenience of automatic payments through digital channels by intermediating invoice and institutional payments.

Insurance Products

With the improvement of insurance processes and the contribution of new insurance products, the Bank increases commission income from insurance agency activities while maximizing customer satisfaction.

In line with its goal of encouraging society to save, the Bank continued to offer its customers the State-Subsidized Dowry Account and State-Subsidized Housing Account products issued by the Ministry of Family, Labor and Social Services and the Ministry of Treasury and Finance.

Ongoing and Planned Activities in 2025

Ziraat Katılım plans to continue its product development endeavors in 2025 by accurately identifying customer needs and making data-driven decisions, and to offer fund and cash management products that will proactively meet customer needs. Ongoing and planned activities include Shared Account, Site Dues Management, Supplier Financing System with defense industry companies, Eximbank Receivables Insurance integration, and Reserve Account products and services.

Financing Products Management

Ziraat Katılım **contributes to the economy by providing financing to exporters, manufacturers, SMEs, and non-SMEs** in cooperation with Eximbank and through its own resources.



Ziraat Katılım continues to provide reliable service to a wide customer base by constantly updating its technological infrastructure.

Ziraat Katılım aims to develop new products and services delivering customized financial solutions and proactively meet both sector-specific and customer needs through data-driven decision-making.

The Bank continues to develop customer-oriented solutions with innovative products offered through digital channels. It continues to provide reliable service to a wide customer base by constantly updating its technological infrastructure. During each product development process, analyses are conducted on the end-to-end management of non-branch channels or applicable parts of the product through digital channels, user experience is evaluated, and digital channel integration is ensured to enable customers to access products/services quickly, seamlessly, and online.

Financing applications provided through digital channels increase efficiency by making conventional financing processes more accessible and convenient.



Ziraat Katılım continues to develop customer-oriented solutions with innovative products offered through digital channels.

Financing Products Supporting Exports and Exporters

Ziraat Katılım supports exports and contributes to the economy with the financing solutions it offers to exporters, manufacturers, SMEs, and non-SMEs through its cooperation with Türkiye İhracat Kredi Bankası A.Ş. (Eximbank) and using its own resources.

- The Bank cooperated with Eximbank under the Interest-Free Pre-Shipment Export Financing Program. Accordingly, the Bank aims to meet the pre-export financing needs of exporters and final producers of export-oriented goods, and continues to provide interest-free Pre-Shipment Export Financing (PSIF) support.
- In addition, as a result of the negotiations between Eximbank and the Bank, an interest-free financial leasing program was established for SMEs and non-SMEs.

- The Export Readiness Support Financing product was developed to meet the financing needs of companies in the export readiness phase by increasing their competitiveness. The product in question is provided for raw materials, finished goods, semi-finished goods, and other production expenses of exporter customers, and disbursements continue.
- In order to contribute to the national economy, the "On Demand Export Financing" product was continued to be offered to provide SMEs and non-SMEs that are members of exporters' associations with access to long-term financing with favorable profit share rates.

Cooperation Protocol with Katılım Finans Kefalet A.Ş. (KFK)

As part of the main protocol on equity guarantees signed with Katılım Finans Kefalet A.Ş., Ziraat Katılım finalized the new protocols detailed below and made the support packages available to its customers.

- The "Equity Export Support Package" was developed to support access to finance for exporters or firms operating in the foreign currency-earning services sector, and disbursements continue.
- The "Financial Leasing Support Package" was developed to support access to finance for companies that wish to expand or modernize their existing facilities, operate in new production areas, or invest in energy savings.



- The "Sustainable Growth Support Package" was developed for the operating expenditures (production, raw materials, etc.) of SMEs and non-SMEs in order to encourage them to grow sustainably, improve their competitiveness, and increase their economic added value.

Emergency Working Capital Financing for SMEs

In return for the treasury guarantee of the Government of the Republic of Türkiye, the Islamic Development Bank (IDB) management provided a resource allocation in favor of the Bank. In this context, in order to mitigate the ongoing negative effects of the pandemic, the "Emergency Working Capital Financing" package to support SMEs in Türkiye continues to be offered.

Financing Products for Individual and Legal Entity Customers

- In order to meet the financing needs of individual customers, the development of a new product, Investment Fund Financing, was completed.

- Based on the collaboration agreement concluded between Türkiye'nin Otomobili Girişim Grubu A.Ş. (TOGG) and the Bank, the "TOGG Vehicle Financing" product was continued to be offered to meet the financing demands of real persons who want to purchase the national automobile brand TOGG.
- In order to provide our customers the opportunity to own a house at favorable financing terms, "My First House Financing" and "Extended House Financing" products continue to be offered.
- Applications for the "Special Needs Financing for Retirees" product, which aims to finance the needs of retired customers with favorable profit rates and repayment options, continue.
- The "Housing Finance for Non-Residents" product was developed to finance the purchase of real estate in Türkiye by natural persons residing abroad who are not citizens of the Republic of Türkiye.
- The system development of the "Advantageous Commercial Financing Model" project was completed in order to offer pricing options under favorable conditions for the financing demands of legal entity customers.

Financing Products Management

Ziraat Katılım continues to offer Environmental Financing Products for financing green transformation, reducing energy dependency, and achieving sustainable development.

Financing Support for Enterprises Affected by Natural Disasters

In order to provide financial support to enterprises affected by natural disasters, the following Protocols were signed between KOSGEB and Ziraat Katılım and their disbursements were completed;

- Amasya, Kastamonu, Sinop and Samsun Provinces Emergency Support Financing Program,
- Bursa, İnegöl Emergency Support Financing Program,
- İstanbul, Bursa, Düzce, Diyarbakır, Batman, and Zonguldak Provinces Emergency Support Financing Program,
- Earthquake Emergency Support Financing Program for 2023.

Support for Women Entrepreneurs

The Bank launched the Women Entrepreneur Support Financing product to support women entrepreneurs who add value to the economy. Within the framework of this financing product, natural person sole proprietorships or legal entities whose shares are at least 51% owned by women as of the application date can benefit.



Ziraat Katılım launched the Women Entrepreneur Support Financing product to support women entrepreneurs who add value to the economy.



Individual Energy Efficiency Loan is offered to customers to finance their individual energy efficiency investments.

Sustainable Financing Products

Ziraat Katılım continues to disburse Environmental Financing Products Under Sustainability in order to support endeavors in this regard by financing the green transformation, reducing the foreign dependence of the national economy on energy resources, contributing to sustainable development goals, and minimizing environmental damages.

Energy Efficiency Management Financing is offered to Apartment/ Site Managements to finance investments made to increase the energy efficiency of buildings.

Individual Energy Efficiency Financing is offered to customers to finance their individual energy efficiency investments.

Green House Financing: In order to contribute to increasing the number of energy-efficient housing units in Türkiye, in addition to the Bank's existing housing finance program, Green House Financing is offered to energy-efficient housing units with a more advantageous profit rate and allocation fee compared to other housing financing programs based on current conditions.



Green Vehicle Financing: In order to contribute to the environmental sustainability of our country and to promote low-carbon consumption, Green Vehicle Financing is offered for the purchase of electric or hybrid vehicles with a more advantageous profit rate and allocation fee compared to other vehicle financing based on current conditions.

SPP/Rooftop SPP/Licensed SPP Investment and Operation Financing was developed in consideration of the recent proliferation of solar electricity generation, licensed/ unlicensed SPP installations, and requests of companies to invest in rooftop SPPs for their plants and factories.

Energy Efficiency Investment and Operation Financing is offered to provide companies with financing for the purchase of energy-efficient machinery/equipment and to meet their working capital financing needs.

Renewable Energy Investment and Operation Financing: Operating finance can be offered to companies holding licenses for electricity generation from renewable energy sources (wind, geothermal, hydraulic and biomass) to meet their working capital needs, and investment finance can be offered to companies investing in renewable energy to finance their investments.

Waste Water Treatment and Recovery Investment and Operation Financing: It is offered for the financing of new investments to be made by companies that generate wastewater as a result of their production processes in order to protect/improve the environment, prevent environmental pollution, and support environment-related investments.

Residential Thermal Insulation Financing: Within the framework of sustainability, it enables natural person customers to finance their thermal insulation and roof insulation

expenditures under favorable conditions in order to increase the efficiency of the energy they use for heating in residential areas and to reduce their costs.

In 2025, the Bank plans first to complete the ongoing financing-product and infrastructure-development projects, and then to design and develop new financing products that align with customer and real-sector expectations. It is aimed to achieve customer satisfaction and sustainable efficiency by prioritizing product development requests to be submitted especially through digital channels. Aiming to sustain the effective management of financing products, the Bank will continue its activities to diversify financing products, create inclusive products, establish new financing collaborations, and design products that quickly adapt to regulations.

Foreign Trade Operations

Ziraat Katılım became the **first participation bank to send transfer messages in MX format** through the main banking system.



With the new interface structure, IWT, new currency transfer screens compatible with the MX format have been developed.



The list of SWIFT Correspondents was integrated into the “GBACC - IBAN/Correspondent/RMA Inquiry” screen, providing branches with instant inquiry and easy access, and RMA verification started to be fed from a single source.

As part of its foreign trade consultancy services, the Bank conducted 179 customer visits across 87 branches, primarily corporate and commercial branches, to identify on-site needs and delivered training sessions on foreign trade products.

Ziraat Katılım, which completed the necessary work to generate and send outgoing MX messages by the system within the scope of the ISO 20022 SWIFT integration project in international payments, became the first participation bank to send transfer messages in MX format through the main banking system.

With the new interface structure, IWT, new currency transfer screens compatible with the MX format have been developed. With this development, all processes and screens have been simplified by combining two transfer flows that account for the majority of foreign trade transactions.

Functions such as IBAN verification and auto-completion, filtering of requested documents by transaction type, and the ability to easily send repeated transactions through the registered transfer feature have been added, making the screen user-friendly and ensuring operational efficiency.

End-to-end automation of the process between Foreign Trade Operations and Compliance units for foreign currency transfers was completed.

As a result, operational efficiency, risk minimization, and customer satisfaction were achieved through the revision of the transfer process and the ability to follow it through the same flow.

The REM integration of intermediary bank notifications of Export Price Acceptance Certificate sent to and from the Bank was established.

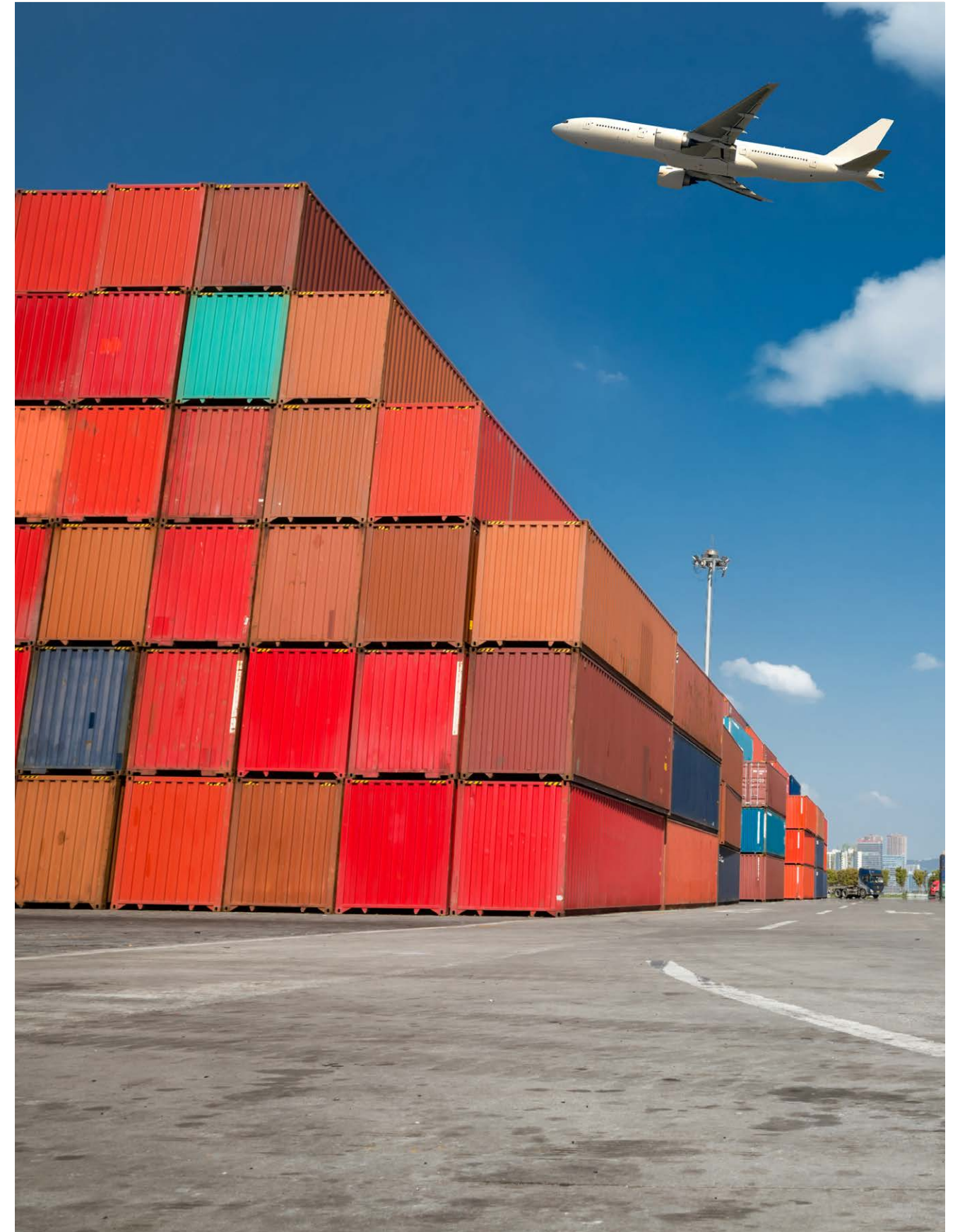
Foreign trade digital file/archive work was carried out, eliminating the need to use physical files.

An RMA was established between the Bank and the Somali Branch to ensure that all incoming and outgoing foreign currency transfers are completed in an end-to-end SWIFT environment.

“GPI - Outgoing Currency Transfer Reached Recipient” notification was added as the 24th notification to the Foreign Trade customer notification package.

The list of SWIFT Correspondents posted monthly on the Bank's portal was integrated into the “GBACC - IBAN/Correspondent/RMA Inquiry” screen, providing branches with instant inquiry and easy access. In the main banking system, all fields requiring RMA verification started to be fed from a single source.

The monitoring screen (IAKIZ), where SWIFT, document, receipt, and file information of letter of credit transactions can be easily accessed, was designed with the new interface structure IWT.



Operation Center

Ziraat Katılım Operation Center started to work on RPA&AI Technology in 2024.



In 2024, Business Continuity Plans were updated, along with their annexes, and the relevant changes were approved by the Board of Directors and posted on the Bank's internal communication portal.

In 2024, the strategic priorities of the Operation Center included the use of Robotic Automation and Artificial Intelligence (RPA&AI) technology in the Bank, launching the operational transformation project, optimizing operational processes, reducing the number of incoming calls, preparing the Emergency/Disaster Action Process Plan (EDAP Plan), and taking other necessary measures to strengthen the Bank's resilience.

In 2024, Ziraat Katılım Operation Center primarily worked on the use of IT and operational transactions business family RPA&AI technology. The Bank aims to increase efficiency in operational work by contributing to the standardization, improvement, and development of workflows for the work and transactions performed manually at the Bank.

As part of the Operational Transformation project, which was launched in 2024 in line with the Bank's strategic priorities, the automation, process optimization, virtual assistant, and performance scorecard transformation steps are planned to be completed in 2025.

Other activities carried out by the Operation Center in 2024 are listed below.

- A 24/7 shift system was introduced to ensure that transactions that can be subject to fraud can be investigated as quickly as possible.
- With the Portfolio Management arrangement under the Branch Operations Coordination, it was ensured that branches are managed/coordinated with operational portfolio distribution.
- Singularization of Cheque Notifications was completed.
- Accounts of individual and single shareholder/authorized legal entity customers started to be opened via digital document approval.
- The query of power of attorney and the check of dismissal of proxy for each transaction made by the proxy such as withdrawal, remittance, EFT, foreign currency transfer, etc. has been enabled to be performed by the system instead of manually.

Emergency Preparedness

In 2024, Business Continuity Plans were updated, along with their annexes, and the relevant changes were approved by the Board of Directors and posted on the Bank's internal communication portal.



Ziraat Katılım, which aims to increase its corporate resilience in line with its goal of becoming the leading participation bank of the financial ecosystem, has prepared a Disaster Emergency Process Plan (EDAP Plan) to be prepared for possible Marmara Earthquake and disaster situations.

The EDAP Plan, which was developed by taking advantage of the experiences gained during the Kahramanmaraş- centered earthquakes that struck on February 06, 2023, aims to minimize the Bank's, employees' and customers' exposure to damage in case of disasters and to minimize the operational, financial, legal, and reputational adverse effects. Under the Plan, preparations have been made for the measures to be taken for the Bank to continue its operations in all disasters/emergencies and the responsibilities and duties of business units and branches have been determined in detail.

In 2024, Disaster Center Tests were conducted and it was ensured that the Bank was ready for any Information Systems interruptions that may occur.

2025 Projects

Under the projects and studies that the Operation Center unit will focus on in 2025, the following matters are planned:

- Increasing operational efficiency by disseminating RPA & AI technology in the Bank's business and transaction processes,
- Completing the Operational Transformation Project by the end of 2025,
- Launch of the new Fraud Module,
- Completing the Performance Scorecard Integration (ERP) project, which was initiated in accounting operations in line with the goal of digitizing the performance scorecard of the departments under the Operation Center, throughout the Bank,

- Fulfilling the IWT transformations of the screens within the Banking Operations Department,
- Putting the Emergency Disaster Action Plan (EDAP) into effect in case of a possible Marmara Earthquake,
- Transition to Active-Active ODM structure for ODM tests,
- Providing the Virtual Assistant service as a digital solution that can respond quickly, accurately, and uninterruptedly to the needs of employees and, at a later stage, customers, by making use of the Bank's information resources more effectively,
- Reducing the telephone traffic from branches to the Operations Business Family and other Headquarter units, enabling employees to access the information they need more quickly.

Payment Systems Management

Ziraat Katılım **issued TROY debit card and TROY credit card**, the national card scheme in card payments, and **made them available to customers.**



Ziraat Katılım launched the Commercial Credit Card product in 2024 and continued its development endeavors.



As of year-end 2024, Ziraat Katılım's debit card turnover doubled, and credit card turnover increased 3.8 times year-on-year, maintaining its growth momentum.

Ziraat Katılım issued TROY debit card and TROY credit card, the national card scheme in card payments, and made them available to customers. Endeavors continued to increase the penetration of TROY card systems and their share in the portfolio. In this context;

- Co-badge cards were issued to enable the use of TROY cards internationally, thereby enhancing customer satisfaction. Both the Bank's commercial and retail credit cards were enabled for international use under the TROY scheme.
- Campaigns were organized and information activities were carried out on the Bank's social media accounts and digital platforms to support the use of TROY.

In 2024, the Bank launched its Commercial Credit Card product to diversify its products within the scope of payment systems and to provide alternative payment solutions to its commercial customers.

Ziraat Katılım continued to enhance its POS infrastructure to enable more efficient and faster transactions, while expanding its

merchant network by acquiring new customers through active marketing endeavors. As part of its collaborations with cash register POS companies, the Bank introduced discount opportunities and launched promotional campaigns offering advantageous prices to new customers added to the Bank's portfolio.

As of year-end 2024, the Bank's debit card turnover doubled and credit card turnover increased 3.8 times year-on-year, maintaining its growth momentum. In line with the merchant growth goals, the Bank's POS turnover increased by 100% in 2024 compared to the average of 2023.

In order to keep customer satisfaction at the highest level with respect to the management of payment systems, periodic workshops are organized with the relevant business units and suggestions, complaints, and requests submitted to the Bank are regularly evaluated. As part of field services, SLA reports are regularly monitored and evaluated at meetings organized with the participation of branches to improve service levels.

Ziraat Katılım monitors market shares, transaction volumes, and turnover data to measure the performance of payment systems and makes use of user feedback to evaluate service quality.

The Bank integrates emerging technologies into its payment systems to effectively address evolving customer habits and expectations with the best services. In 2024, in this context, the Bank conducted studies on the development of mobile payment systems and the use of data analytics.

Developments in mobile payment systems: The proliferation of smartphones allows users to make payments without the need to physically carry their card details. In this context, QR payment system developments were completed, and the Bank's customers were offered a more convenient payment alternative.

Contactless payment technologies: In order to expand fast and secure payments, contactless card conversion continued and effective steps were taken to reduce the number of magnetic cards in the system.

Data Analytics: Endeavors are underway to develop goal-oriented marketing strategies by analyzing user behavior, shopping trends, and market trends using big data analytics.

2025 and Beyond

Ziraat Katılım will continue to make both screen and flow improvements and arrangements as well as product and application developments as part of the Payment Systems Transformation Project carried out to renew the card payment systems infrastructure end-to-end. It is planned to increase the number of contracted cash register POS brands, to further develop brand partnerships and to expand the product range offered to customers.



Customer Satisfaction and Experience

Ziraat Katılım works to evaluate all processes **with a customer-oriented approach by creating customer experience maps.**



96% Domestic Customer Portfolio

Ziraat Katılım's extensive customer portfolio consists of 96% domestic and 4% foreign nationals.



65% Mobile Banking Channel Interaction Rate

17% of the Bank's customers interact through telephone banking, 20% through internet banking, 65% through mobile banking, and 58% directly through the branch channel.

Ziraat Katılım prioritizes customer satisfaction and adopts a systematic approach to achieving this goal. Feedback received through regular customer satisfaction surveys is meticulously evaluated. Feedback received through the Bank's 15 distinct channels is addressed within a maximum of 2 business days.

In line with these assessments, the areas for improvement are identified through workshops organized 4 times a year, aiming to continuously improve business processes.

The Bank creates customer experience maps for the products and services it offers to its customers and conducts studies to re-evaluate and improve all processes with a customer-oriented approach.

Ziraat Katılım's extensive customer portfolio, which includes salaried employees, farmers, SMEs, business owners and employees, corporate companies, and foreigners who own investment or wish to invest in Türkiye, consists of 96% domestic and 4% foreign nationals.

17% of the Bank's customers interact through telephone banking, 20% through internet banking, 65% through mobile banking, and 58% through the branch channel.

Activities carried out in 2024 to increase customer satisfaction

Customer Experience Maps:

In order to strengthen the Bank's customer-oriented approach, 8 distinct customer experience maps were developed. These maps were used to identify the challenges customers face when using the Bank's products and services. The identified development areas were evaluated together with the product owners and improvement activities were carried out.

Analysis of Customer Feedback and Workshops:

Notifications received from customers were analyzed in detail on a quarterly basis and workshops were organized. In these workshops, sector representatives met and discussed the points that need to be improved and evaluated solution proposals.



Renewal of internet and mobile banking applications:

As part of the Internet and mobile banking applications renewal project, in order to make the Bank's digital service channels more user-friendly and functional;

1. Netnography; customers' demands and complaints on the Internet and social media are reflected in the application design.
2. Usability (card sorting, tree testing, etc.) workshops were held with focus customer groups and the results were reflected in the application designs.

3. User experience design (UX Design) and customer experience design (CX Design) approaches and elements are made a part of application development processes.

Project-based collaborations:

Project-based collaborations were made with companies specialized in this field to improve customer experience. In addition, teams formed within the Bank were supported in terms of customer experience design through both recruitments

and training. At Ziraat Katılım Digital Branch, a development program was implemented to understand customer demands and expectations in the best way and to offer the most appropriate options.

Ziraat Katılım's customer satisfaction level measured by the customer satisfaction survey in 2024 was 91% for the Bank's digital channels and 94% for the call center channel. The Bank's average response time to customer feedback is 1.94 business days in 2024.

Sustainable Finance

Ziraat Katılım's sustainable finance approach is **in line with Türkiye's national goals and the Green Deal Action Plan.**



Ziraat Katılım develops environmental and social-themed retail and commercial products to support impact- and faith-based investments, and integrates these efforts into its sustainable finance practices.



Recognizing the impact of its financial products and services on the environment and society, Ziraat Katılım attaches great importance to the management of environmental and social impacts arising from its financing activities.



As a member of Ziraat Finance Group, the Bank aims to protect the environment while supporting economic development and to create value for all its stakeholders: customers, employees, shareholders, and society as a whole. Recognizing that the financial products and services offered in line with the principles of participation banking have an impact on the environment and society, the Bank attaches great importance to the management of environmental and social impacts arising from its financing activities.

Ziraat Katılım's sustainable finance approach is aligned with Türkiye's national goals, in particular the country's 2053 Net Zero goal and the Green Deal Action Plan. In order to support impact and faith-based investments, the Bank continues to develop and integrate environment- and social-themed retail and commercial products into its sustainable finance endeavors in line with best practices and evolving standards.

Ziraat Katılım Sustainable Sukuk Framework

Ziraat Katılım, which has incorporated ESG into its financing strategy, regards the existence and effectiveness of the sustainable sukuk market, whose use is becoming widespread on a global scale, as an important initiative. Sustainable sukuk aligns perfectly with Ziraat Katılım's current sustainability vision, ongoing environmentally friendly and social equity-driven practices, and its corporate commitment to contributing to the UN SDGs.

Ziraat Katılım released the Sustainable Sukuk Framework in the first quarter of 2024. The Bank intends to use all of the proceeds generated by its sustainable sukuk issuances to finance and refinance environmentally friendly and socially responsible projects that align with the eligibility criteria outlined in the subject sukuk framework.

While establishing its sustainable finance framework, Ziraat Katılım aims to provide more financial support to environmental and social projects, as well as to measure the impact of projects. Under the sustainable sukuk framework, it aims to provide resources for projects that contribute to environmental projects such as renewable energy projects, green buildings, energy efficiency, clean transportation, and sustainable water and wastewater management, as well as projects that are intended to have an impact on social areas such as job creation, access to basic services, socioeconomic progress and empowerment, affordable housing and food security.

In this context, the Bank has established the sustainable sukuk framework by identifying the following in order to measure the impact of the financing products it has developed;

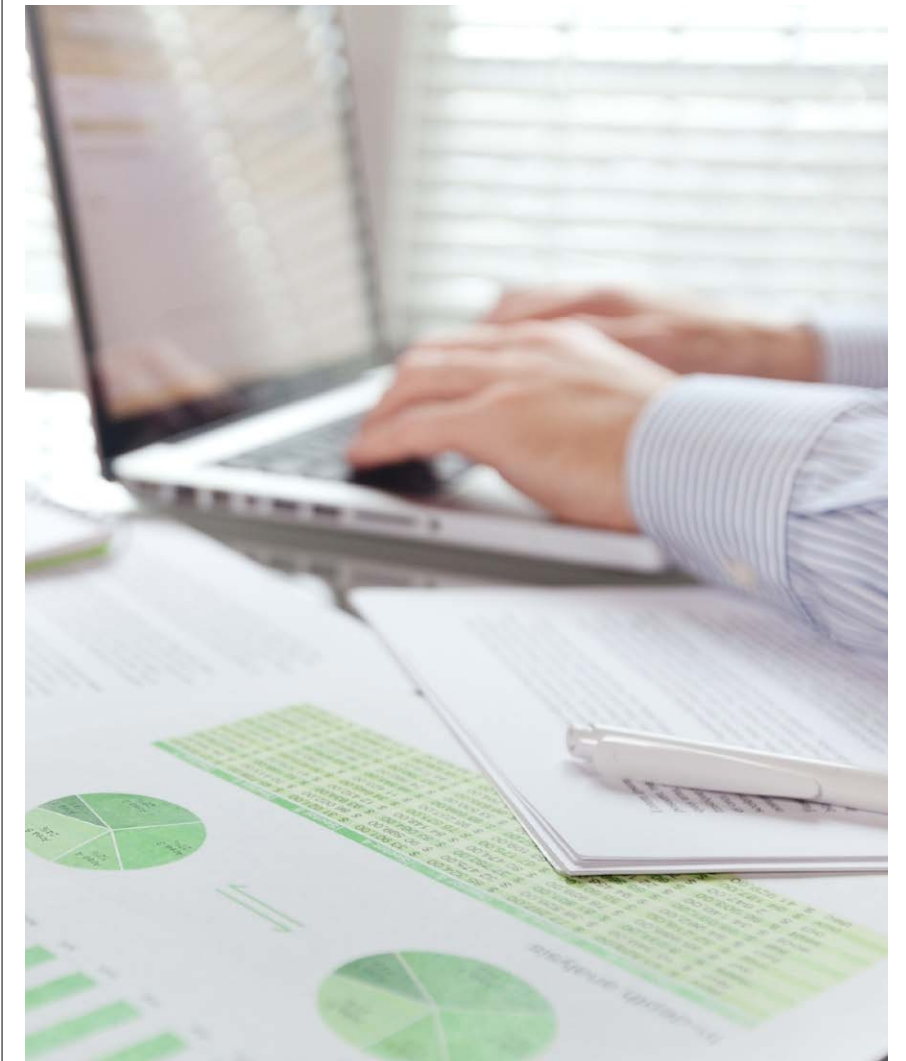
- The usage areas and purposes of environmentally and socially appropriate credit products,
- Criteria for projects to be disbursed according to IICMA and LMA standards,

- Contribution of products to the SDGs,
- Impact metrics.

Ziraat Katılım has developed the Sustainable Sukuk Framework by analyzing the Paris Climate Agreement, the EU Green Deal, and Türkiye's Green Deal Action Plan.

The targeted projects outlined in the framework were determined in alignment with the International Capital Markets Association (ICMA) Green Bond Principles (GBP), Social Bond Principles (SBP), Sustainability Bond Guidelines (SBG), and LMA Green Loan Principles (GLP), LMA Social Loan Principles (SLP) standards. To access the Sustainable Sukuk Framework, please [click](#).

Ziraat Katılım monitors ESG trends and evaluates climate-related risks that may affect the credit risk profile at the portfolio level. Environmental and social risks are taken into account in projects with an investment amount of USD 20 million or more. The Bank has prepared internal regulations to integrate processes that will enable monitoring and additional actions to be taken on a project and sector-specific basis for projects identified as having high and medium risk scores as a result of environmental and social impact analysis into the credit processes. Projects assessed as having low risk are recorded and no additional process is applied.



Sustainable Finance

Ziraat Katılım conducted a comprehensive study within the framework of the management of environmental and social risks and released the Policy for the management of environmental and social impacts in financing activities.

Environmental and Social Risk Assessment (ESRA) System

Ziraat Katılım is confident that the ESRA system will enhance the intellectual capital and knowledge that the Bank is developing in the fields of sustainability and ESG, while also making valuable contributions to the project assessment process. ESRA will additionally enhance ESG awareness in companies by providing them with resources.

In the upcoming period, the Bank will closely monitor any changes in external conditions in order to ensure that the ESRA remains up-to-date and will incorporate the weights of high-risk issues into the calculation process, considering the evolving risks and integrating them into the model.

ESRA aims to minimize the adverse impacts that can arise from environmental and social risks. It aims to assess opportunities and risks while maximizing positive impacts on both nature and society.

The resource allocation actions within the participation banking scope identify the sector's most intense leverage effect and the broadest sustainability impact



Ziraat Katılım will monitor external conditions to keep the ESRA up-to-date and internalize the weights of high-risk issues in the model by evaluating them in light of changing risks.



Ziraat Katılım is committed to generating value in line with the principle of responsible income generation for both the Bank and its stakeholders through ESRA.

it produces. The Bank has conducted a comprehensive study on environmental and social risk management and has released the Environmental and Social Risk Management Policy in Financing Activities as a result of this process. Ziraat Katılım does not finance resource requests within the scope of the List of Non-Financed Activities, the annex of the subject Policy, under any circumstances. The Bank's assessment criteria in the environmental and social context are outlined in the Environmental and Social Risk Management Policy in Financing Activities.

The Bank also encourages its customers to ensure occupational health and safety, protect public health and welfare, foster social development, preserve the natural environment and biodiversity, etc.

With ESRA, it is envisaged that projects that are candidates for resource use will be examined under 2 main headings and according to 10 criteria.

Ziraat Katılım is committed to generating value in line with the principle of responsible income generation for both the Bank and its stakeholders through ESRA.



New investment projects or project financing requests exceeding the investment threshold, for which financing was requested in 2024, were assessed for their potential environmental and social impacts. The scores of the assessed requests are categorized as High (A), Medium (B), and Low (C) risk.

In 2024, the environmental and social impact analysis of 8 projects was conducted as part of the ESRA application developed in line with our Policy on the Management of Environmental and Social Impacts in Financing Activities. There were no projects rejected due to the list of Non-Financed Activities or due to their risk category.

GRI 2-6, 3-3, 201-1, 203-1, 203-2

ES Risk Categories of Investments Evaluated in 2024

High (A)	4 investments
Medium (B)	2 investments
Low (C)	2 investments

Sectoral Breakdown of Investments Evaluated in 2024

Production	3 investments
Energy	3 investments
Mining and Quarrying	2 investments

**The International Finance Corporation (IFC) stipulates that customers adhere to eight Performance Standards throughout the investment period: Assessment and Management of Environmental and Social Risks and Impacts, Labor and Working Conditions, Resource Efficiency and Pollution Prevention, Community Health, Safety and Security, Land Acquisition and Involuntary Resettlement, Biodiversity Conservation and Sustainable Management of Living Natural Resources, Indigenous Peoples, and Cultural Heritage.*

Responsible Products and Services

In 2024, Ziraat Katılım **carried out financing product development activities** by identifying customer and sector needs.

Ziraat Katılım increases and diversifies the number of SDG-related products and services under the guidance of participation banking principles. In 2024, the Bank carried out financing product development activities in order to meet financing needs through the most accurate channel by precisely identifying customer and sector needs.

Financing products announced in 2024 are categorized as contributing to providing social development and benefits.

- Sustainable Growth Support Package (KFK)
- Emergency Working Capital Financing (IDB)
- Special Needs Financing for Retirees

Retail products

Green House Financing, Green Vehicle Financing, Individual Energy Efficiency Financing, and Energy Efficiency Management Financing products continue to be offered to customers.

Commercial products

Energy Efficiency Investment Loan, Energy Efficiency Operation Financing, Renewable Energy Business and Investment Financing, Wastewater Treatment and Recycling Investment and Operation Financing are made available.

GRI 2-6, 3-3, 201-1, 203-1, 203-2

Two financing products, namely Energy Efficiency & Wastewater Treatment and Recycling Machinery Investment and Renewable Energy Investments, are also continued to be offered to customers as financial leasing products.

Ziraat Katılım designs sustainability-themed financing products, which

- Provides funding for the green transformation, which is critical for the future of nature and society,

- Contributes to reducing our country's external dependency on energy resources and supporting the clean energy transition,
- Contributing to the SDGs,

and continues to offer them to its individual and commercial customers.



Sustainability Themed Products

For Retail Customers	Contributed SDG
Green House Financing	The product aims to facilitate the proliferation of energy-efficient houses. In addition to Ziraat Katılım's current housing finance application, this product is provided to energy-efficient houses with more favorable terms compared to other financing options. It is available within the scope of financing the houses with an Energy Performance Certificate (EKB) and energy performance A and B classes. 7 SUSTAINABLE AND CLEAN ENERGY 11 SUSTAINABLE CITIES AND COMMUNITIES 13 CLIMATE ACTION
Green Vehicle Financing	This product is designed to promote environmental sustainability and encourage low-carbon consumption. It is available for electric or hybrid (gasoline-electric) vehicle purchases. Based on the current conditions and in comparison to other vehicle loans offered by the Bank, it provides more favorable terms. The Green Vehicle Financing is available for vehicles labeled as electric or hybrid (gasoline-electric) on the pro forma/final invoice for brand-new vehicles and on the vehicle registration document for second-hand vehicles. 11 SUSTAINABLE CITIES AND COMMUNITIES 13 CLIMATE ACTION
Individual Energy Efficiency Financing	This product is designed to finance energy efficiency investments to be made individually by customers and offers advantageous payment plans. 7 SUSTAINABLE AND CLEAN ENERGY
Energy Efficiency Management Financing	This product is designed for the financing of investments aimed at enhancing the energy efficiency of buildings by apartment and site management, with advantageous payment plans. 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
For Commercial Customers	Contributed SDG
SPP, Rooftop SPP, SPP Investment and Operation Financing	This product was developed with the aim of expanding electricity generation from solar energy. It is used to finance licensed/unlicensed SPP installations and rooftop SPP investments in companies' plants and factories. 7 SUSTAINABLE AND CLEAN ENERGY 11 SUSTAINABLE CITIES AND COMMUNITIES
Renewable Energy Investment and Operation Financing	It is available for companies that have a license to generate electricity based on renewable energy sources (WPP, GPP, HEPP and biomass) and companies that invest in renewable energy with operating financing within the scope of their working capital requirements. 7 SUSTAINABLE AND CLEAN ENERGY 11 SUSTAINABLE CITIES AND COMMUNITIES
Energy Efficiency Investment and Operation Financing	This is available for financing investments that involve the acquisition of energy-efficient machinery and equipment, as well as meeting working capital requirements for companies investing in energy efficiency. 7 SUSTAINABLE AND CLEAN ENERGY 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
Wastewater Treatment and Recycling Investment and Operation Financing	This product, which aims to protect and improve the environment, prevent environmental pollution, and support environment-related investments, is extended to companies, the production processes of which generate wastewater, to finance investments in new wastewater infrastructure, wastewater treatment, deep sea discharge, waste disposal, solid waste recovery facilities or investments for the improvement of existing facilities. Operation financing for working capital financing needs of companies investing in wastewater treatment and recovery is also considered under this heading. 6 CLEAN WATER AND SANITATION

For detailed and up-to-date information about sustainability-oriented products, please refer to our corporate [website](#).

In 2025, Ziraat Katılım aims to finance more projects that will create positive environmental and social impacts by increasing the diversity of responsible products and services offered to its customers.

GRI 2-6, 3-3, 201-1, 203-1, 203-2

Sustainable Supply Chain

Ziraat Katılım has **developed a Sustainable Supply Chain Policy** for the effective management of the supply chain established with third-party companies in the supply of goods and services.



Ziraat Katılım conducts a pre-assessment of procurement for the scope of procurement requests, maximization of benefit, and compliance with the budget.



Ziraat Katılım creates a diversified supplier portfolio by working with large, medium, and small enterprises in accordance with its procurement needs.

Ziraat Katılım has developed the Sustainable Supply Chain Policy to ensure the effective management of the supply chain established with third-party companies in meeting the needs for goods and services at the Headquarters and branches.

As part of its assessment process, the Bank carefully analyzes potential suppliers and the advantages they offer, taking into account the specific requirements, quantity, and characteristics of each purchase request received from its units and branches. Additionally, the Bank conducts thorough pre-supply assessments to optimize the benefits and ensure adherence to the expenditure budget. The Bank prioritizes adding value to the supply chain by establishing long-term strategic partnerships with suppliers.

The first stage of the Bank's procurement assessment process involves determining whether the product or service needed can be procured from the existing supplier pool. If not, or in cases where it is decided to be procured from a new supplier, market research is conducted/outsourced by taking into consideration the opinions of the requester and/or the Demand Center. Suppliers that meet the specified criteria are chosen based on the nature of the needs and included in the supplier pool.

Ziraat Katılım Supplier Evaluation Criteria

- Technical and financial competence, commercial reputation in the market, market position, experience, and references,
- Whether the product and/or service to be procured falls within the supplier's primary area of business, the level of diversity and inclusiveness reflected,
- Whether the supplier provides the product and/or service directly,
- The product and/or service quality and compliance with standards, technology level, and guarantees (such as TSE, ISO, etc.),
- Whether the contractor and supplier teams providing services have diversity in their own supply chains,
- Whether the products and services provided by the suppliers are equally accessible to everyone.

During the process of establishing its supplier pool, Ziraat Katılım evaluates the following attributes of each supplier and prepares the supplier report accordingly;

- Previous performances, if any,
- Technological maturity level,
- Financial status (e.g., turnover, tax base),
- Profile of its managers,

- Qualifications and education levels of its employees,
- Subject, location, and field of activity,
- Reliability,
- Market position,
- Machine-installation park,
- Environmental policies and practices,
- References,
- Delivery capability,
- Service quality and documents related to quality management.

The Bank aims to avoid any conflict of interest with its suppliers with whom it has commercial relations. During the reporting period, no incidents were identified in the supply chain, whether related to suppliers or the products supplied, that could pose a risk or lead to a conflict of interest. The Bank does not have a supplier rewarding system.

Ziraat Katılım creates a diversified supplier portfolio by working with large, medium, and small enterprises in accordance with its procurement needs.

As a state-owned bank, Ziraat Katılım's primary preference is to procure from local companies. It also carries out procurement processes that are of strategic importance and regulated by regulations.

Information regarding the services procured by Ziraat Katılım in 2024 within the scope of BRSA's "Regulation on Procurement of Support Services by Banks" and the institutions providing these services is available on page 176 of the Report.



Affiliates of Ziraat Katılım

Ziraat Katılım Varlık Kiralama A.Ş.
was established on January 22, 2016
with a capital of TL 50,000 and the
permission of the BRSA and the CMB.

Ziraat Katılım Varlık Kiralama A.Ş.
Ziraat Katılım Varlık Kiralama A.Ş. was established on 22 January 2016 with a capital of TL 50,000, paid entirely by Ziraat Katılım with the authorization obtained from the Banking Regulation and Supervision Agency (BRSA) and the Capital Markets Board (CMB). The foundation purpose of the Company is to exclusively issue lease certificate within the framework of the Communiqué on Lease Certificates (III-61.1) of the CMB, promulgated in issue 28760 of the Official Gazette, dated June 07, 2013.

The Company's registered office is located in Ümraniye, Istanbul. As of December 31, 2024, the Company has no personnel.

Lease Certificates Issued by Ziraat Katılım Varlık Kiralama A.Ş.

Issuance Date	ISIN Code	Issuance Amount (TL)	Annual Simple Yield	Maturity (days)	Redemption Date
22.03.2024	TRDZKVK32518	2,000,000,000.00	46.00%	364	21.03.2025
27.06.2024	TRDZKVK62515	2,000,000,000.00	45.00%	364	26.06.2025
3.10.2024	TRDZKVK12510	2,000,000,000.00	46.00%	99	10.01.2025
11.10.2024	TRDZKVK12528	2,000,000,000.00	46.00%	103	22.01.2025
17.10.2024	TRDZKVK22519	1,000,000,000.00	45.50%	110	4.02.2025
6.11.2024	TRDZKVK22527	2,500,000,000.00	45.00%	100	14.02.2025
28.11.2024	TRDZKVK52516	2,500,000,000.00	43.75%	180	27.05.2025
12.12.2024	TRDZKVK32526	2,000,000,000.00	44.00%	90	12.03.2025
20.12.2024	TRDZKVK32534	2,000,000,000.00	44.00%	97	27.03.2025

Lease Certificates whose Redemption Process is Ongoing

Issuance Date	Issuance Amount (\$)	Annual Simple Yield	Maturity (days)	Redemption Date
6.11.2023	500,000,000.00	9.375%	1101	11.11.2026

Redeemed Lease Certificates

Fund User	ISIN Code	Issuance Amount (TL)	Issuance Date	Redemption Date	Maturity (days)
Ziraat Katılım Bankası A.Ş.	TRDZKVK52417	500,000,000.00	25.05.2023	23.05.2024	364
Ziraat Katılım Bankası A.Ş.	TRDZKVK12411	500,000,000.00	13.10.2023	17.01.2024	96
Ziraat Katılım Bankası A.Ş.	TRDZKVK22410	900,000,000.00	31.10.2023	7.02.2024	99
Ziraat Katılım Bankası A.Ş.	TRDZKVK22428	1,000,000,000.00	10.11.2023	15.02.2024	97
Ziraat Katılım Bankası A.Ş.	TRDZKVK32419	600,000,000.00	28.11.2023	6.03.2024	99
Ziraat Katılım Bankası A.Ş.	TRDZKVK32427	600,000,000.00	8.12.2023	15.03.2024	98
Ziraat Katılım Bankası A.Ş.	TRDZKVK32435	700,000,000.00	27.12.2023	27.03.2024	91
Ziraat Katılım Bankası A.Ş.	TRDZKVK42418	700,000,000.00	17.01.2024	30.04.2024	104
Ziraat Katılım Bankası A.Ş.	TRDZKVK52425	1,500,000,000.00	7.02.2024	17.05.2024	100
Ziraat Katılım Bankası A.Ş.	TRDZKVK52433	1,000,000,000.00	15.02.2024	28.05.2024	103
Ziraat Katılım Bankası A.Ş.	TRDZKVK62416	1,000,000,000.00	6.03.2024	7.06.2024	93
Ziraat Katılım Bankası A.Ş.	TRDZKVK62424	1,000,000,000.00	15.03.2024	26.06.2024	103
Ziraat Katılım Bankası A.Ş.	TRDZKVK72415	1,500,000,000.00	27.03.2024	5.07.2024	100
Ziraat Katılım Bankası A.Ş.	TRDZKVK82414	700,000,000.00	30.04.2024	7.08.2024	99
Ziraat Katılım Bankası A.Ş.	TRDZKVK82422	1,500,000,000.00	17.05.2024	29.08.2024	104
Ziraat Katılım Bankası A.Ş.	TRDZKVK92413	1,500,000,000.00	28.05.2024	6.09.2024	101
Ziraat Katılım Bankası A.Ş.	TRDZKVK92421	1,500,000,000.00	7.06.2024	13.09.2024	98
Ziraat Katılım Bankası A.Ş.	TRDZKVKE2419	2,000,000,000.00	26.06.2024	3.10.2024	99
Ziraat Katılım Bankası A.Ş.	TRDZKVKE2427	2,000,000,000.00	5.07.2024	11.10.2024	98
Ziraat Katılım Bankası A.Ş.	TRDZKVKK2411	1,500,000,000.00	7.08.2024	6.11.2024	91
Ziraat Katılım Bankası A.Ş.	TRDZKVKK2429	1,500,000,000.00	29.08.2024	28.11.2024	91
Ziraat Katılım Bankası A.Ş.	TRDZKVKKA2413	1,500,000,000.00	6.09.2024	12.12.2024	97
Ziraat Katılım Bankası A.Ş.	TRDZKVKKA2421	1,800,000,000.00	13.09.2024	20.12.2024	98

Affiliates of Ziraat Katılım

ZKB Varlık Kiralama A.Ş. was established on September 8, 2017, with a capital of TL 50,000 and the permission of the BRSA and the CMB in order to issue lease certificates in accordance with the CMB Communique (III-61.1) dated June 7, 2013.

ZKB Varlık Kiralama A.Ş.

ZKB Varlık Kiralama A.Ş., which is Ziraat Katılım’s second partnership with a subsidiary status, was established on 8 September 2017 with a capital of TL 50,000.

ZKB Varlık Kiralama A.Ş. was established on 8 September 2017 with a capital of TL 50,000, paid entirely by Ziraat Katılım with the authorization obtained from the Banking Regulation and Supervision Agency (BRSA) and the Capital Markets Board (CMB) to exclusively issue lease certificates within the framework of the Communique on Lease Certificates (III-61.1) of the CMB, which was promulgated in issue 28760 of the Official Gazette, dated 7 June 2013.

The Company’s registered office is located in Ümraniye, Istanbul. As of December 31, 2024, the Company has no personnel.

Lease Certificates Issued by ZKB Varlık Kiralama A.Ş.

Issuance Date	ISIN Code	Issuance Amount (TL)	Annual Simple Yield	Maturity (days)	Redemption Date
16.09.2024	TRDZKBV12519	100,000,000.00	48.00%	122	16.01.2025
25.10.2024	TRDZKBV22518	150,000,000.00	47.50%	124	26.02.2025
11.12.2024	TRDZKBV42516	100,000,000.00	44.50%	127	17.04.2025
14.11.2024	TRDZKBV22526	300,000,000.00	49.00%	106	28.02.2025
19.12.2024	TRDZKBV52515	300,000,000.00	47.50%	162	30.05.2025
24.12.2024	TRDZKBVA2513	300,000,000.00	TLREF+4	364	23.12.2025

Redeemed Lease Certificates

Issuance Date	ISIN Code	Issuance Amount (TL)	Annual Simple Yield	Maturity (days)	Redemption Date
3.10.2023	TRDZKBV12410	50,000,000.00	40.00%	108	19.01.2024
17.10.2023	TRDZKBV22419	45,000,000.00	40.00%	122	16.02.2024
13.12.2023	TRDZKBV32426	40,000,000.00	45.00%	106	28.03.2024
6.08.2024	TRDZKBVK2420	108,000,000.00	49.00%	100	14.11.2024
27.10.2023	TRDZKBV22427	105,000,000.00	44.00%	97	1.02.2024
7.12.2023	TRDZKBV32418	150,000,000.00	49.00%	98	14.03.2024
1.02.2024	TRDZKBV52416	145,000,000.00	46.00%	98	9.05.2024
28.03.2024	TRDZKBV72414	60,000,000.00	55.00%	112	18.07.2024
16.05.2024	TRDZKBV82413	100,000,000.00	55.00%	91	15.08.2024
31.05.2024	TRDZKBV92412	100,000,000.00	52.00%	108	16.09.2024
26.06.2024	TRDZKBVE2410	150,000,000.00	50.00%	121	25.10.2024
18.07.2024	TRDZKBVK2412	60,000,000.00	47.00%	118	13.11.2024
15.08.2024	TRDZKBVA2414	75,000,000.00	46.00%	118	11.12.2024

Digital Banking

As of year-end 2024, the number of Ziraat Katılım’s digital customers was 800,000, and the transactions conducted via our web and mobile channels **totaled 28.1 million.**



Ziraat Katılım strengthens its position in the digital banking market by improving customer experience through digital platform investments.

Guided by the vision of not only providing solutions for today’s needs but also shaping the banking experience of the future, Ziraat Katılım strengthens its strategic investments in the field of digital banking, with a strong awareness of the importance of digital transformation in the banking sector.

By the end of 2024, Ziraat Katılım’s digital customers reached 800,000, and the transactions conducted via our web and mobile channels totaled 28.1 million.

The Bank strengthens its position in the digital banking market by investing in digital platforms to enhance customer experience. The 31% increase in the digital utilization rate in 2024 year-on-year is an indication of the Bank’s successful endeavors and determination in digitalization.

In order to expand the Bank’s digital customer base and increase the rate of customer acquisition through digital channels, the Bank carried out customer experience design studies and organized special campaigns for the Bank’s customers acquired through video calls.

Ziraat Katılım, which strengthens its digital banking strategy through collaborations and projects in technology, expands its banking services to third parties and conducts integration tests with fintech and other technological initiatives to achieve its goals of reaching a broader user base and launching innovative financial applications.

Ziraat Katılım aims to contribute to a more sustainable future in both economic and environmental terms with its digital transformation strategy.

In 2024, the Bank continued its operations in line with its goal of managing the customer experience more quickly, transparently, and efficiently by increasing the diversity of digital channels through web, Katılım Mobile, Internet Banking applications as well as digital branch, open banking services and ATM developments.

Web, Katılım Mobile, and Internet Branch

Ziraat Katılım enriched its web, mobile, and internet banking applications with new products and services through its digital channel investments in 2024.

- The Digital Approval service was launched to enable corporate customers to grant contract approvals remotely.
- The activities to comply with the criteria required to ensure authentication and transaction security in electronic banking services and the establishment of contractual relationships in the electronic environment were completed.
- Private Banking customers were provided with access to the Private Banking communication line and special bulletins via the Katılım Mobile application.
- Necessary arrangements were made in line with the FAST regulations communicated by the Central Bank of the Republic of Türkiye (CBRT).
- Secure Payment service was introduced to customers on Katılım Mobile.
- Development work was completed to offer the Request Payment Service, which is based on the principle that the creditor customer requests payment from the debtor customer and the debtor customer responds to the request, to customers via Katılım Mobile.
- Stock trading transactions in compliance with the principles of participation banking were made available to customers through the Internet Branch and Katılım Mobile channels.

In 2024, the number of Internet and Mobile Banking channel customers increased by 20% year-on-year.

Open Banking and ATM

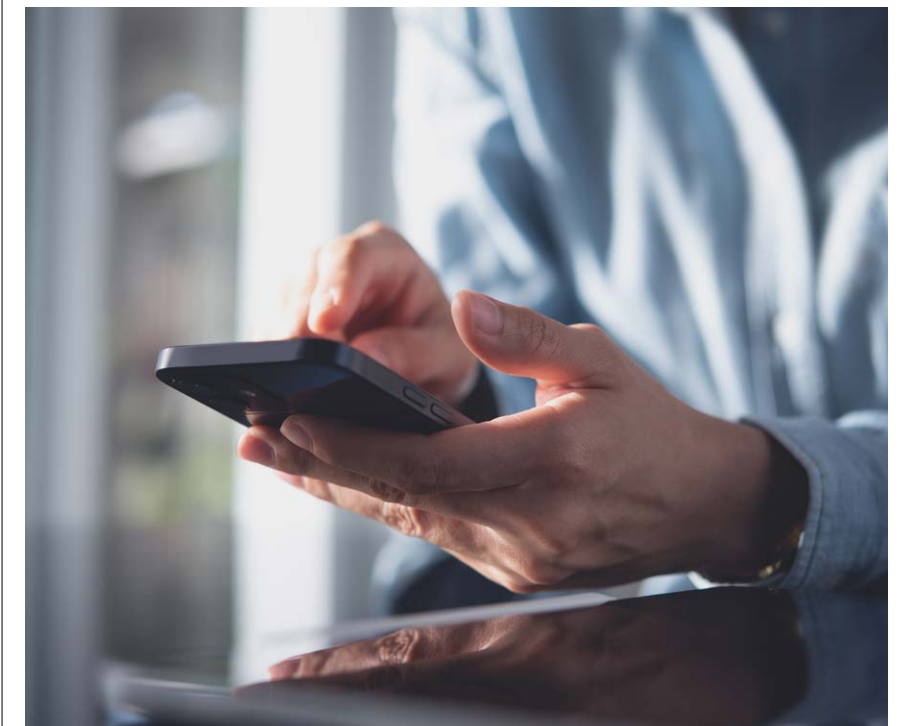
With the important steps taken in the field of Open Banking in 2024, Ziraat Katılım has made digital banking services more accessible and user-friendly.

The technical infrastructure has been developed for customers to monitor their accounts at Ziraat Katılım through other banks’ applications and to transfer money from these accounts (HHS), and the Authorized Payment Service Providers (YÖS) function, which enables customers to monitor their accounts at other banks through Katılım Mobile and Internet Branch and to make money transfer transactions with these accounts, was introduced to the service of customers. Making banking transactions more efficient and easier, the Authorized Payment Service Providers service enhances the customer experience and contributes to digital banking.

Ziraat Katılım established and launched the API Portal infrastructure, which enables

customers and fintechs to offer the banking services they need through different interfaces. External developers can utilize banking services through APIs on the Web Developer Portal platform. The Bank’s API Portal, which offers the opportunity to develop new collaborations in Open Banking, facilitates integration with 3rd party applications in the ecosystem and accelerates the transformation in digital banking.

As part of the efforts for the standardization of the Cardless Transaction Menu at TAM ATMs, the cardless menus of all public bank ATMs were used at Ziraat Katılım ATMs. As a result, a wide range of transactions, including tax payments, institutional collections, municipal payments, and university payments, were enabled at Ziraat Katılım ATMs through the Cardless Menu. GRG ATM certifications were completed, and a total of 30 additional ATMs were deployed at the Bank’s branches during the year.



Digital Banking

Ziraat Katılım continues to work to provide the best service to its customers with its digital portfolio service model.

Digital Branch

Ziraat Katılım launched the Digital Branch service model in 2024 offering a rich Digital Banking experience to customers who prefer digital channels. The Bank continues to work to provide the best service to its customers through its digital portfolio service model. Ziraat Katılım Digital Branch provides services in 4 languages: Turkish, Arabic, English, and Sign Language.

The Bank organizes programs for the Digital Branch employees hired under the new working model, and carries out activities to ensure effective sales of products and fast and high-quality after-sales services.

To ensure hearing-impaired customers have easier and more immediate access to financial services, all staff received sign-language training, and the number of employees providing services in sign language was increased.

The Bank ensured that its digital-branch employees obtained SEGEM certification enabling them to deliver more professional and higher-quality insurance services to



Ziraat Katılım ensured that its digital-branch employees obtained SEGEM certification and began delivering more professional and higher-quality insurance services to customers.



88 thousand Digital Branch Customers

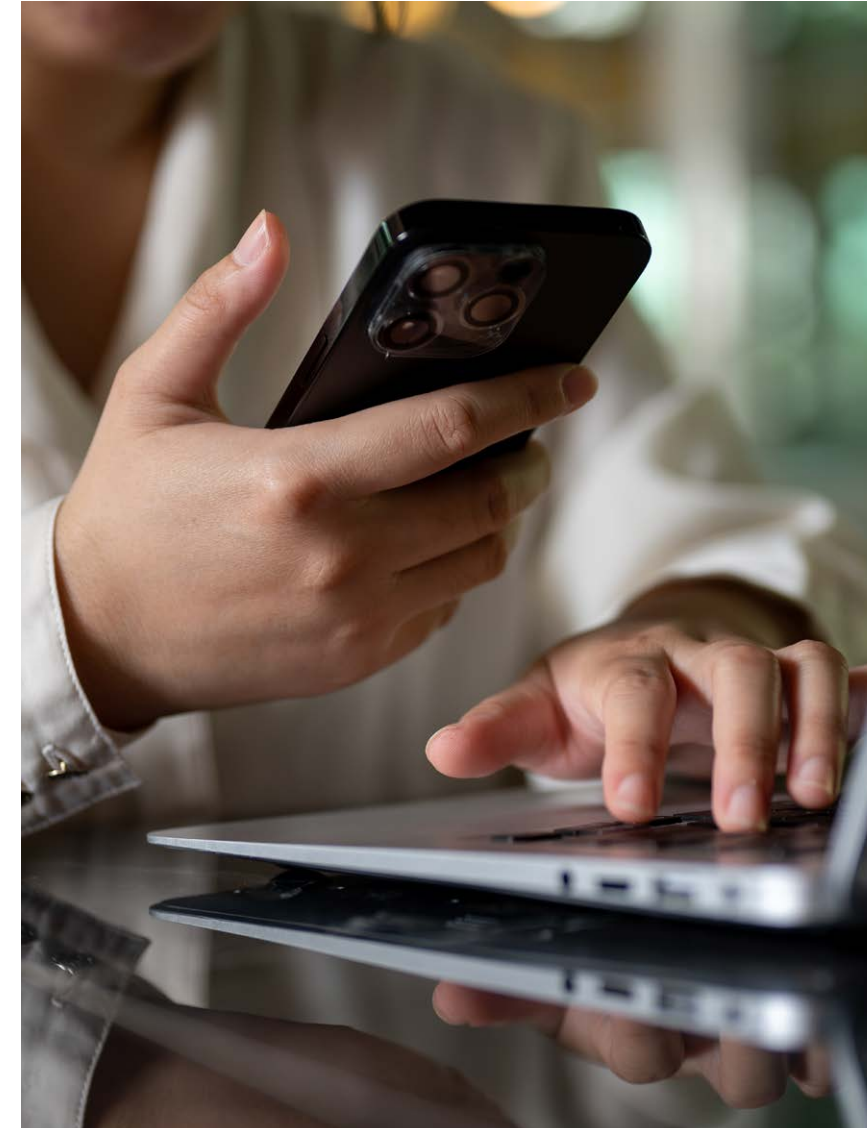
In 2024, the Digital Branch acquired 13 thousand new customers, bringing the total number of customers to over 88 thousand by the end of the year.

customers. In addition, endeavors are underway for employees to complete their PPS certificates in 2025. Thus, the Bank aims to support its customers with a more specialized service approach in insurance and PPS products.

In 2024, the Digital Branch acquired 13 thousand new customers, bringing the total number of customers to over 88 thousand by the end of the year. 100% of customers acquired in 2024 were included in the portfolio through video calls.

In 2024, 98% of the approximately 60 thousand voice calls received by the Digital Branch were answered by customer representatives, and customer banking orders were carried out.

In 2024, the Digital Branch received a total of approximately 46,000 applications for video calls, 30,000 of which were turned into video calls. Customer representatives answered 81% of video calls. For the calls that could not be answered, customers were contacted through outbound calls on the same day, and the necessary guidance was provided.



2025 Goals Web, Katılım Mobile, and Internet Branch Goals

The Bank is planning to enable the receipt of commercial customer applications via video calls through Katılım Mobile and aims to conclude the work to extend this opportunity to all customer segments.

It plans to finalize endeavors to enable customers to switch between their personal and

corporate accounts during Internet Banking and Mobile Branch sessions.

As part of the Internet and Mobile Branch renewal project, work is underway to provide customers with a new interface by the end of 2025. The Bank aims to enhance the user experience by updating its infrastructure with the latest technologies and integrating various features requested by customers into its platforms. Also, development

processes will be streamlined in line with the best practices in the sector and modernized.

The Mobile Guarantee service is planned to be launched in order to realize letter of guarantee transactions through digital channels.

The work on designing a special website for Private Banking customers will be completed, and it will be offered for the use of private banking customers.

The “My Other Banking Orders” function, which allows customers to issue banking orders without having to visit a branch, will be developed and put into service.

All transactions customers currently perform at branches using their handwritten signatures will be approved and executed through the Internet Branch and Katılım Mobile channels.

Secure Payment service will be offered to customers at the Internet Branch.

ATM and Open Banking Goals

By expanding its existing API portfolio with newly developed APIs, the Bank aims to increase API diversity and improve the customer experience through integrations with various external platforms.

The Bank plans to continue its endeavors to increase cooperation with fintechs in service model banking and embedded finance.

Future payment, direct debit, and card activities functions will be added to the Open Banking functions within the scope of OHVPS 2.0.0.

Digital Branch Goals

It is planned to take over the branch customers no longer using products throughout the Bank and activate them with the Digital Branch service model.

Digital Banking

Through its Digital Banking initiatives, Ziraat Katılım contributes to sustainability objectives by supporting inclusive economic growth, enhancing financial accessibility, and reducing regional inequalities.

Contribution to sustainability goals through digital transformation and innovation endeavors

In line with its digital transformation strategy, Ziraat Katılım contributes to its sustainability goals by rapidly digitalizing its business processes and transferring its products and services to digital platforms. The Bank's digital approval and signature processes help reduce branch visits and lower the Bank's carbon footprint.

Through its Digital Banking initiatives, Ziraat Katılım contributes to sustainability objectives by supporting inclusive economic growth, enhancing financial accessibility, and reducing regional inequalities. Ziraat Katılım promotes the use of innovative technological infrastructures through its Open Banking APIs and developer portal and supports the development of the fintech ecosystem and innovation. The Bank reduces its carbon footprint and prioritizes environmental sustainability by expanding paperless banking processes through applications such as digital approval and digital signature.



Ziraat Katılım's digital approval and signature processes help reduce branch visits and lower the Bank's carbon footprint.



In 2024, Ziraat Katılım renewed its ISO 10002:2018 Customer Satisfaction Management System certification, reaffirming its commitment to delivering high-quality service in line with international standards.

APIs launched as part of Open Banking also support the development of sustainable finance products. Leading the green transformation of the participation banking sector by strengthening its mobile and Internet banking channels, the Bank will continue to minimize its environmental impact by investing in green fintech projects in the coming period.

Customer Contact Center

Ziraat Katılım, which integrated the Şikayetvar.com platform into the Notification Management System, started to monitor customers' notifications received through this channel more effectively on the system. The integration enabled a prompt response to customer notifications, thereby enhancing customer satisfaction.

Ziraat Katılım broke new ground in the sector by completing the installation of the Automated Call Distribution (ACD) infrastructure for the calls of customers served via video calls in the Digital Branch. Thanks to the ACD, customer experience has been enhanced by ensuring that incoming calls are routed promptly and efficiently to the relevant representatives.



A push-notification infrastructure was developed and made available to deliver instant informational messages to customers. The aim is to provide the Bank's customers with the right information at the right time in the fastest way possible.

In 2024, Ziraat Katılım renewed its ISO 10002:2018 Customer Satisfaction Management System certification, reaffirming its commitment to delivering high-quality service in line with international standards.

Customer requests/complaints/suggestions received through various channels were analyzed by the developed artificial intelligence-

supported model, enabling faster action at the solution stage. Average response time to customer notifications was 1.94 business days.

The Customer Satisfaction Unit continues to regularly analyze the root causes of customer complaints and take corrective and remedial measures. In 2024, 9 workshops were organized, the results and suggestions obtained were presented to the Bank's senior management, and improvement action plans were developed accordingly.

While offering a fast and uninterrupted experience to its customers with a 98% response

rate with its customer-oriented service approach, the Customer Contact Center demonstrated high performance by serving 93% of its customers in less than 20 seconds. Customer satisfaction rate was 94% in the post-call surveys conducted to improve service quality.

As part of the experience studies conducted for digital channel users, topics for improvement were identified for 62 products or services to address user needs. Improvements include process optimizations, user interface enhancements, and accessibility solutions implemented to increase customer satisfaction.

Information Systems Management

In 2024, the IT Governance Model was designed, the Agile Management Model was introduced, and **Strategic Governance was put into operation.**



Training programs were organized for ISO 27001 auditing, and Ziraat Katılım inspectors who passed the exam received ISO 27001 Lead Auditor certificates.



Ziraat Katılım implements practices to safeguard its information technology assets in order to ensure business continuity, support corporate objectives, and uphold customer satisfaction.

Ziraat Katılım Bank considers events that can damage the confidentiality, integrity, and accessibility of assets as risks under Information Systems Risk Management, and effectively manages Information Systems risks by taking into account the Information and Communication Security Guide of the Digital Transformation Office of the Presidency of the Republic of Türkiye, the Regulation of the Banking Regulation and Supervision Agency on Banks' Information Systems and Electronic Banking Services, and other legal regulations and best practices in the sector.

In 2024, the Bank carried out code standards control, source code security scanning and audits, studies for firewall in web applications, vulnerability analysis studies for new applications and systems, and put the MAM/MDM product into service for device security.

National and international regulations are constantly monitored to ensure that the documents used in the Bank's Information Systems Management and the activities carried out comply with current legislation.

In 2024, the IT Governance Model was designed to increase efficiency in Information Systems management

processes, the Agile Management Model was introduced, and the Strategic Governance application, a new project request management application, was launched across the Bank.

Inspectors assigned to the Bank's Audit Board, which conducts information systems audits, received training on network security, Windows security, and secure configuration topics. In addition, training was organized for the audit of the ISO 27001 Information Security Management System, and Ziraat Katılım inspectors who passed the exam were awarded the ISO 27001 Lead Auditor certificate. Furthermore, Ziraat Katılım inspectors underwent training in SQL Server to enhance their ability to conduct audits using data analytics techniques.

Ziraat Katılım implements practices aimed at securing IT assets in order to ensure business continuity, maintain a strong focus on corporate goals, and enhance customer experience and satisfaction.

Business Continuity Plans for Uninterrupted Service

Ziraat Katılım carries out activities to ensure business continuity in accordance with Article 13 of the Regulation on Banks' Internal Systems and Internal Capital Adequacy Assessment Process, Article 28 of the Regulation on Banks' Information Systems and Electronic Banking Services, and the Ziraat Katılım Business Continuity Plan prepared as per TSE ISO 22301. The Bank's Business Continuity Plan encompasses an Information Systems Continuity Plan and an Emergency and Contingency Plan designed to address potential service interruptions. Information Systems Continuity Scenarios have been developed for the implementation of the Information Systems Continuity Plan, and an Emergency and Contingency Plan has been developed to assess the potential risks and their potential impacts that can arise from interruptions in operations. In the event of an interruption in operations, Headquarter units and branches are required to take action in accordance with the Information Systems Continuity Scenarios. When creating scenarios, the potential impacts of interruptions are evaluated in three stages: before, during and after the event.

In accordance with the Regulation on Banks' Information Systems and Electronic Banking Services, Disaster Recovery Center (DRC) tests are conducted annually. A Business Impact Analysis study is conducted with the participation of all Bank units to determine the processes to be tested. Within the scope of the Business Impact Analysis, the Bank's critical processes are identified end-to-end and scored in terms of risk. In addition to critical processes, critical personnel for the Bank are identified. Processes identified through the Business Impact



Analysis and critical for the Bank are subjected to DRC Tests by critical personnel. In accordance with the Regulation, the Business Continuity Plan and its annexes are updated at least once a year based on the information and findings obtained as a result of DRC Tests. The Communication Chain Test is also conducted twice a year in accordance with the Regulation on Banks' Information Systems and Electronic Banking Services.

In 2024, Ziraat Katılım Business Continuity Plan and its annexes were updated. Furthermore, in addition to the Business Continuity Plan, which was initiated in 2024, an Emergency/Disaster Action Process Plan is being prepared to be implemented in case of emergency and disaster as specified in Article 31 of the Presidential Decree No. 4 on the Organization of Institutions and Organizations Affiliated, Related, or Associated to Ministries and Other Institutions and Organizations dated 15/07/2018.

In 2024, the following activities were carried out in the information systems infrastructure to support business continuity;

- Establishment of the Digital Farm structure,
- Establishment of asynchronous logging structure,
- Net 4.8, x64 and Integrated AppPool transformation of common modules,
- TLS 1.2 transition,
- PSP incorrect event notification,
- BulkOperation .Net 8 update,
- Inserting vm_memory_high_ watermark value in RabbitMQ Prod queue servers,
- Self Service LDAP to LDAPS conversion,
- Upgrading Self Service (Ronda) applications to .NET 8,
- Logging and archiving of dashboard menu usages,
- Installing FileBeat on DocFactory Prod servers, importing logs to ELK,
- Standardization of the use of Parallel.For/Parallel.ForEach,
- Adding the method name to the URL on the JS side in IWT,
- FTM performance improvement,
- Adding maxRequestLength and maxAllowedContentLength values to ZKB.IWT and IWT application,
- Logging of screen trace records on Open Search,
- Reducing the Toura Connection Timeout time,
- 64-bit conversion of INTERQ and RETAILDASHBOARD,
- Creating log tables for the role tables in the SSO,
- Making infinite loops that will not run on farm servers parametric,
- Aspose v24 update.

Information Systems Management

The activities that are essential for the seamless operation of Ziraat Katılım's infrastructure and superstructure, as well as the excellence of its service delivery platform, are carried out.

Significant endeavors are underway to ensure the flawless functioning of Ziraat Katılım's infrastructure and superstructure and the perfection of the service delivery platform. The headlines of the innovations realized in 2024 to improve the customer experience are summarized below.

- TROY infrastructure, the national payment system, was made available to retail and commercial credit card customers.
- Subsidized and non-subsidized agricultural financing products were offered to natural and legal persons engaged in agricultural production, to facilitate the procurement of goods and services.
- With the MoneyGram integration, the infrastructure for sending money to more than 200 countries around the world and receiving money transfers from abroad has been established.
- Developments were made for sustainability-themed commercial products.
- The Supplier Financing System, a financial solution enabling the supplier that supplies goods or services to the buyer company to convert its receivables arising from the sales into cash under favorable financial conditions whenever it needs, without waiting for the invoice maturity, was introduced.



Developments were made for sustainability-themed commercial products.



Stock trading integration was established with Ziraat Yatırım.

- Customers were enabled to send/receive money to and from their accounts at other banks via the Bank's Katılım Mobile application.
- Customers were enabled to easily perform banking and payment transactions from TAM ATMs, Bank POSs, and other bank ATM/POS devices with the QR code they created through the Katılım Mobile application.
- The Easy Fund Financing product was developed to meet the investment demands of retail customers by financing the purchase of funds consisting of securities that comply with the principles and standards of participation banking.
- The Instant Daily Account product was introduced to meet the daily needs of customers with its special current account feature.
- The Advantageous Commercial Financing infrastructure was established, which aims to provide customers with favorable financing conditions against current account blocks and offers solutions to their financing needs in this regard.



- The Accumulating Savings Account product was introduced for customers who wish to invest their savings for specific purposes with advantageous profit-sharing rates.
- The Secure Layer Service (Trench) reduced financial losses, operational expenses, customer losses, and reputational risks caused by fraud in FAST, EFT, or money transfer transactions.
- Stock trading integration was established with Ziraat Yatırım.

- The Secure Payment Infrastructure was established in order for customers to sell their second-hand vehicles securely.
- Infrastructure work was completed to enable customers to apply for a debit card via the Katılım Mobile application and the Internet Branch.

2025 and Beyond
Under the Information Systems Management, it is aimed to accelerate the integration and adaptation of the Bank's information systems to current technological developments.

Cyber Security and Data Privacy

Ziraat Katılım manages its cyber security processes in accordance with the Information and Communication Security Guide, **BRSA Regulation, and other legal regulations.**



Ziraat Katılım has established an IT Risk Management structure in line with its information security strategies and policies.



Ziraat Katılım determines security controls appropriate to the criticality of the assets, applies tests, and strives to reduce risks below the threshold value.

Ziraat Katılım strives to maintain the high-level of standards of cyber security infrastructure by focusing on identifying emerging risks and continuously improving system security in order to protect the confidentiality and security of customer and Bank data.

This approach encompasses a holistic information security management strategy that incorporates comprehensive security policies and standards, a robust security awareness and training program, and the deployment of advanced and layered defense mechanisms.

The Information Security Committee is responsible for determining the duties and responsibilities related to information security at the Bank.

Ziraat Katılım cyber security and data privacy strategies are based on globally recognized standards and models in compliance with the national regulations listed below.

- Banking Law No. 5411
- The Regulation on Information Systems and Electronic Banking Services of Banks and various regulations released by the Banking Regulation and Supervision Agency (BRSA)
- ISO 27001 Information Security Management System Requirements Standard
- ISO 27005 Information Security Risk Management System

- Information and Communication Security Guide of the Digital Transformation Office of the Presidency of the Republic of Türkiye
- PDPL (Personal Data Protection Law)
- The COBIT (Control Objectives For Information and Related Technology) Standards
- NIST (US National Institute of Standards and Technology) Standards

Ziraat Katılım has established an IT Risk Management structure in line with its information security strategies and policies. The Bank classifies its information assets based on their security values, determines security controls in accordance with the criticality of these assets, implements tests in connection with these controls, and strives to bring them to levels below the threshold value by implementing continuous improvement activities against the risks identified as a result of the tests.

Ziraat Katılım Bank manages its cyber security processes effectively by taking into account the Information and Communication Security Guide of the Digital Transformation Office of the Presidency of the Republic of Türkiye, the Regulation of the Banking Regulation and Supervision Agency on Banks' Information Systems and Electronic Banking Services, and other legal regulations and best practices.

Systems Established to Protect Data Confidentiality

Ziraat Katılım takes all necessary technical and administrative measures to securely store personal data, prevent unlawful processing, and destroy such data in accordance with the law. In line with the obligation to inform stipulated in the Personal Data Protection Implementation Principles and Procedures legislation, the Bank includes the necessary information in all channels and shows sensitivity to obtaining the necessary explicit consents.

In order to raise awareness on the protection of personal data, all employees are provided with both in-class and remote trainings, and the completion of these trainings is mandatory. Under the BRSA's Circular on Penetration Tests for Information Systems, penetration tests are conducted at least once a year by independent firms. These tests aim to identify and correct security vulnerabilities such as unauthorized access to the Bank's information systems or access to sensitive information. Penetration test results are presented to the Board of Directors, and necessary action plans are undertaken.

The Bank has established Network Security Control Systems against threats from the corporate network and external networks. Regarding the use of network resources, rules have been set for issues such as USB usage, out-of-bank file sharing, database and application access, and non-standard application installations. In addition, standards have been established regarding the computers and access to be provided for third-party company employees, consultants, independent audit firm employees, and external auditors who will perform work at the Bank's location.



The use of network resources is monitored with Data Leakage Prevention (DLP) Systems, preventing data leaks in line with the established rules and policies. Security processes are supported by creating trace records of transactions.

Measures Taken Against Cyber Security Threats

Ziraat Katılım aims to implement the most effective data privacy and security solutions by following new and advanced security systems in line with its legal responsibilities. The Cyber Security Center operates seven days a week without interruption, examining the Bank's systems and alarm mechanisms, scanning for vulnerabilities, gathering intelligence, and responding to cyber threats.

The following systems are actively and uninterruptedly used in the center:

- **Network and client security products and devices:** Antivirus, DDoS protection, IPS, EDR/ EPP systems, NAC and WAF systems, firewall, and email security products.
- **DLP systems** and Web/DNS security systems and solutions to prevent data leaks.
- **SIEM systems;** the capacity to generate alarms by monitoring all security logs.
- **Software code review systems;** the solutions to ensure the security of the applications used.

- **Penetration testing systems and vulnerability management systems.**

It supports the Bank's information security processes without interruption.

Cyber Security and Data Privacy Trainings and Awareness Activities

Ziraat Katılım conducts a comprehensive Information Security Awareness Program for all employees with the aim of spreading security culture and awareness throughout the Bank and sharing security responsibility among all employees with the cyber security and data privacy policy it has determined. As part of this program, monthly bulletins are issued and periodic surveys are conducted to measure employees' perception of information security risks.

In addition, internal drills are conducted throughout the year using social engineering methods to raise awareness against phishing attacks. The results of these drills are evaluated, and appropriate training programs are planned and assigned to enhance employee awareness.

Face-to-face in-class information security training programs are included in the Bank's orientation programs organized for recruited employees, and updated information security trainings are assigned to all personnel throughout the year.

Human Values

Ziraat Katılım Human Resources and Human Rights Policy is developed with **an approach based on sustainability, ethical values, and employee satisfaction.**



3,158
Total Number of Employees

Ziraat Katılım operates with a total of 3,158 employees, including outsourced employees, as of year-end 2024.



Ziraat Katılım aims to create a work environment respecting human rights and to increase the awareness of its employees.

In line with its goals of sustainable development and growth, Ziraat Katılım continued to provide effective services to its customers, with 2,864 employees and 208 domestic branches in 63 provinces and 2 branches abroad as of the end of 2024.

Ziraat Katılım Human Resources and Human Rights Policy is developed with an approach based on sustainability, ethical values, and employee satisfaction. Within the framework of its sustainable banking approach, the Bank aims to create a business environment that respects human rights and to raise the awareness and consciousness of its employees to the highest level. Accordingly, the Bank upholds the principle of equal opportunity and ensures that all employees and candidates are treated fairly and impartially throughout recruitment and career management processes.

Encouraging its employees to continuously increase their skills and knowledge, the Bank supports them in shaping their careers and maximizing their professional potential through training programs and career plans.

The Bank aims to enable employees to easily communicate their feedback and strengthen internal communication through the platforms and applications it has developed to ensure effective communication among employees and expand information systems.

Aiming to increase employee motivation and strengthen their loyalty to the Bank, the Bank provides its employees with fair and competitive wages and benefits.

The Bank organizes various training and awareness-raising programs to ensure that its employees act in line with ethical principles.

Ziraat Katılım remains firmly committed to investing in its human capital, which lies at the core of its successful operations, and to creating a sustainable working environment.

EMPLOYEE PROFILE

In 2024, a total of 678 individuals were recruited within the scope of the recruitment activities conducted at Ziraat Katılım.

In 2024, a recruitment exam was held and 535 candidates were employed as a result of the written exam and interview process,

supporting the employment of young and new graduates. The employment project targeting graduates who have completed their studies with honors in the Islamic Economics and Finance departments of universities has been continued to train human resources for the interest-free finance sector.

As of year-end 2024, Ziraat Katılım's total number of employees reached 3,158, including 2,864 white-collar and 294 blue-collar employees, and the ratio of female employees was 36%.

Key Indicators of Human Resources at Ziraat Katılım in 2024

	Female	Male	Total
Total number of employees	1,136	2,022	3,158
White-collar employees	979	1,885	2,864
Blue-collar employees	157	137	294
Employees under collective bargaining agreement	860	1,613	2,473
Total female employee ratio	36%		

Number of White Collar Employees by Seniority

	2022		2023		2024	
	Female	Male	Female	Male	Female	Male
0-5 years	358	840	536	1,047	777	1,217
5-10 years	150	556	190	657	202	668
More than 10 years	0	0	0	0	0	0
Total number of employees	1,904		2,430		2,864	

Number of White Collar Employees by Age Groups

	Female	Male	Total
Below age of 30	540	527	1,067
Between 30-50 ages	434	1,338	1,772
Above age 50	5	20	25

Human Values

Number of Managers

By Age Group	2024	
	Female	Male
Below age of 30	0	0
Between 30-50	26	281
Above age 50	1	3
Total number of executives	311	
By Level	Female	Male
First level	0	0
Middle level	22	269
Senior level	5	15
First level female manager ratio	0	
Middle level female manager ratio	8%	
Senior level female manager ratio	25%	
Total female manager ratio	9%	
Number of employees in STEM (Science, Technology, Engineering and Mathematics) Positions	2	19
Female employee ratio in STEM Positions	10%	

Number of Recruitments by Age

	2022		2023		2024	
	Female	Male	Female	Male	Female	Male
Below age of 30	84	85	179	200	298	304
Between 30-50 ages	47	193	68	176	38	38
Above age 50	2	1	0	3	0	0
Number of new employees hired during the year	133	279	247	379	336	342

Employee Turnover Rate (%)

	2022	2023	2024
Below age of 30	0.12	0.17	0.18
Between 30-50 ages	0.01	0.01	0.02
Above age 50	0.04	0.18	0.4
Female employee turnover ratio	0.06	0.08	0.21
Male employee turnover ratio	0.02	0.04	0.08
First level manager turnover ratio	0	0	0
Middle level manager turnover ratio	0.03	0.03	0.11
Senior level manager turnover ratio	0	0	0

Turnover Ratios of Employee Leaving Voluntarily (%)

	2022	2023	2024
Below 30 turnover ratio	0.12	0.17	0.18
Between 30-50 turnover rate	0.01	0.01	0.02
Above 50 turnover ratio	0.04	0.18	0.4
Female employee turnover ratio	0.28	0.44	0.21
Male employee turnover ratio	0.28	0.63	0.08
First level manager turnover ratio	0	0	0
Middle level manager turnover ratio	0.03	0.03	0.11
Senior level manager turnover ratio	0	0	0

Number of Disabled and Foreign National Employees

	2022		2023		2024	
	Female	Male	Female	Male	Female	Male
By gender	9	21	9	32	11	31
Legal requirement (minimum)	37		53		65	
Number of foreign employees	1	2	8	8	10	6

Human Values

Ziraat Katılım organizes orientation programs for new employees and offers a wide range of training programs.

TALENT MANAGEMENT AND EMPLOYEE DEVELOPMENT

As part of continuous training and development activities, which are among the basic elements of Ziraat Katılım Human Resources and Human Rights Policy, the Bank organizes orientation programs for new employees and offers a wide range of training programs in both technical and personal development areas to increase the professional competencies of existing employees. In addition to training programs, employee development is supported by certificate programs and foreign language training plans.

Ziraat Katılım, one of the leading institutions in the interest-free finance sector in Türkiye, maintained its employment initiative for graduates who successfully completed the Islamic Economics and Finance department of universities in 2024, in accordance with its mission of providing the sector with trained human resources.

In this context, 678 newly recruited employees started working in the Bank's units and branches after the orientation program.



Ziraat Katılım conducts a promotion exam every year for sustainable growth and fair career advancement.



Ziraat Katılım continued its Manager Candidate Program in 2024 for sustainable human resources.

Manager Candidate Program (YÖNAP)

In order to create sustainable human resources, the Bank prioritizes training the managers of the future from in-house human resources. It continued its Manager Candidate Program in 2024. Upon successful completion of the program, 85 employees were promoted to managerial positions in line with the Bank's needs.

Collaboration with Sabahattin Zaim University and the Participation Banking School

Ziraat Katılım knows that human resources have the greatest stake in achieving sustainable growth and effective performance and accordingly, the Bank conducts promotion exams every year for its employees to move forward in their careers in a fair environment. In 2024, the cooperation with Istanbul Sabahattin Zaim University continued, a promotion exam was held, and successful personnel were promoted to a higher position.

Employees hired through the recruitment exam received face-to-face job preparation training from the Participation Banking School within Istanbul Sabahattin Zaim University.

During the reporting period, the Participation Banking School was conducted in collaboration with Sabahattin Zaim University for 5 terms, during which a total of 150 individuals received training.

Other Training and Development Activities

Considering the circumstances of today when international communication is inevitable and its importance increases every day, support for training was provided for employees to learn English and Arabic languages with the objective of increasing the quality of foreign language of its human resources.

The Bank provides its employees with training programs on professional/technical, and personal development in order to develop their knowledge and skills and enhance their workflows. Throughout the year,

employees receive various training programs, both in-class and through remote access and e-learning, to promote awareness on social responsibility and sustainability. These programs cover topics such as Sustainability, Occupational Health and Safety, Basic First Aid, Information Security, Prevention of Laundering Proceeds of Crime and Financing of Terrorism, and Personal Data Protection Law (PDPL).

The Bank prepared communication empowerment trainings for new branch managers in order to enable them to communicate more effectively with employees and to contribute to the development of team spirit in their teams.

As per annual practice, the Ziraat Katılım Academy training programs were thoroughly reviewed, and the catalog was updated.

Ziraat Katılım, which works in collaboration with sectoral associations and organizations such as TBB, TKBB, SPL, and ICC, has continued to provide necessary training programs to its employees.

The Corporate Culture Development Project was implemented and training was provided to management groups. Within the context of "Ziraat Katılım is Reading Books Project," a total of 6,100 books were sent to 1,500 project members.

Ziraat Katılım monitors and manages its employees' occupational developments in a planned way. In this context, classroom, online, and video trainings were designed and average of 72.05 hours/man trainings were delivered in 2024. 48.60 man/hours of online/in-class and 23.45 man/hours of video training.

Key HR Training Indicators of Ziraat Katılım in 2024

Training Hours by Gender*	2024	
	Female	Male
Total training hours by gender	76,386	114,580
Annual average training hours per employee by gender	29	43

*The calculations exclude employees who have resigned from their positions.

Sustainability and Environmental Training Programs

	2024	
	Female	Male
Sustainability and environmental training programs (hours)	1,520	2,280

Announcement of Career Opportunities

Ziraat Katılım announces career opportunities through various channels, including corporate website, social media accounts, and the Bank portal, as well as through the highly visited and effective career portals.

Human Values

Ziraat Katılım employs a system in talent and performance management that is fair, transparent, effective, and measurable.

EMPLOYEE WELL-BEING, ENGAGEMENT, AND SATISFACTION

Accurate and Fair Remuneration

Ziraat Katılım refers to its employees as the architects of sustainable participation banking. With its accurate and fair remuneration policy, the Bank

- Maintains high employee motivation,
- Enhances their corporate loyalty,
- Encourages their contributions to sustainable success in line with the corporate strategies.

Ziraat Katılım's remuneration policy oversees compliance with the scope, structure, long-term goals and strategies of the Bank's activities as well as risk management principles and covers all Bank employees, including senior executives.

The remuneration policy is established by the Board of Directors in consideration of the Bank's short- and long-term goals and strategies, sectoral practices, and Ziraat Katılım's risk structure, while the processes and principles to be implemented regarding the payment of the rights are determined by the General Directorate. The Bank adjusts wage levels in the presence of several parameters. Along with remuneration data in the sector, the Bank also considers its internal balances and strives to develop a strong employer reputation.



Ziraat Katılım's Remuneration Policy is determined by the Board of Directors, and the processes and principles regarding the payment of these rights are determined by the General Manager's Office.



Ziraat Katılım's remuneration policy covers all employees, considering the Bank's activities, long-term goals, and compliance with risk management principles.

The impact and role of the remuneration policy managed and implemented within the scope of an effective strategy are significant in the success of Ziraat Katılım, which has risen to the second largest institution among participation banks in a short period of 10 years.

The remuneration structure has been set up based on the title, job position groups, and seniority periods specified in the Bank's Human Resources Guidelines. Furthermore, additional remuneration assessments are also made based on the location of employment. The gender, age, religion, language, race, etc. of the personnel do not play a role when determining remuneration.

Remuneration structure includes the salary which is based on job position and employees' seniority as well as job place and transportation benefits, performance premium and insurance premium, which are variable, and other fringe benefits.

The wage for each job title is a fixed amount that is assigned to employees of that title. It remains consistent regardless of the unit/segment or position. The specific duties or location of the job position determine the wage for the job position, which is paid in addition to the wage for the title. When assessing job performance, various factors are considered, such as the level of risk involved, the level of authority held, differences between



units or segments, the fairness of remuneration, and compliance with the principle of equal pay for equal work. When determining remuneration, the knowledge and experience required to perform the job by the employees are considered.

Furthermore, there are individual pension system with company contribution, life insurance, foreign language compensation, nursery fee, maternity benefit, family support benefits (family success, special education support, etc.).

In 2024, dietitian services were provided in 2 sessions in 3-month periods, and TZh Foundation Private Health Insurance and Personal Life Insurance were provided for the employees. The Bank also provides its employees with mobile phones and postpaid lines.

When determining the fringe benefits provided, various factors are considered, such as the corporate culture, economic data, employee demands, and sector practices. The determination of fringe benefits is

based on the Board of Directors' consideration of the Bank's goals and strategies, sectoral practices, and the risk structure of Ziraat Katılım. The General Directorate establishes the process and principles for the payment and implementation of these rights.

Among the fringe benefits that Ziraat Katılım practiced the most in 2024 were providing hourly compassionate leave to meet short-term personal needs. This benefit allows employees to take care of personal matters and return to work the same day after completing their personal tasks, without deduction from their annual leaves.

Through one-on-one and email correspondence options, Ziraat Katılım compiles its employees' requests regarding the enhancement of fringe benefits. The relevant requests are submitted to the management for assessment after considering various criteria, such as cost and compatibility with the corporate culture, and the necessary actions are taken.

Ziraat Katılım places great importance on protecting the personal data and information of its employees, and therefore, employs advanced data security procedures. Ziraat Katılım employs the Humanitas software for the personnel affairs management.

Ziraat Katılım Performance Management System

Ziraat Katılım employs a system in talent and performance management that is fair, transparent, effective, and measurable. The artificial intelligence-based models are used to estimate the goals of all branches and portfolios by operating numerical performance report cards and competency evaluation system.

In the system, performance is assessed at both unit level (Corporate Performance) and individual level (Individual Performance) through report cards including numerical performance criteria related to the Bank's key strategy and goals.

Performance bonuses, which are not considered vested rights, are paid separately from wages and compensations determined according to wage determination principles in compliance with Ziraat Katılım policies. Assessments in this context are conducted based on quarterly periodic data, and the bonus budget is assessed and determined by the Senior Management throughout each payment period, considering the Bank's goal/strategy, profitability, and risk status.

In 2024, the performance management system was effectively used to ensure continuity of job position promotions. Ziraat Katılım's objective is to assess the performance of all employees from a 360-degree perspective within the context of performance management and studies in this area are currently ongoing.

Human Values

Ziraat Katılım provides a productive working environment by establishing communication channels through which employees can communicate their requests and suggestions.

Employee Satisfaction

Ziraat Katılım considers employee satisfaction as a factor that directly influences, nourishes and shapes the Bank's overall performance and customer satisfaction.

The Bank's fair and transparent processes for promotion in title and position, training and development programs that prioritize employee development, competitive remuneration policy, and fringe benefits enhance employee motivation and reinforce organizational commitment. In addition, the Bank provides a productive working environment by establishing communication channels through which employees can communicate their requests and suggestions. It supports the establishment of social clubs with different themes to increase staff motivation and loyalty. Club activities and events organized with the participation of employees contribute to corporate loyalty by increasing interaction among employees.

The relocation of the Headquarters units to Ziraat Towers in the first quarter of 2024 has been a significant development in terms of employee satisfaction. In addition to the pleasant working environment provided by a modern and smart building that has been globally certified, social facilities such as rest areas, cafeterias, and sports



The “Sharing Platform,” where employees submit suggestions for the development of Ziraat Katılım, is managed effectively, and suggestions coming to the fore are put into practice.



Ziraat Katılım offers various platforms for employee satisfaction through Internal Customer Satisfaction surveys and one-on-one interviews.

areas, where employees can spend their breaks, have already begun to contribute to employee satisfaction.

To enhance employee satisfaction and communication, the Bank provides various platforms for employees to share their requests, demands, and complaints by conducting Internal Customer Satisfaction surveys and organizing one-on-one staff meetings. The effectiveness of the employee satisfaction programs implemented at Ziraat Katılım is assessed by presenting nine different criteria (work done, senior management, work environment, reputation, wages and fringe benefits, development and career opportunities, teamwork, performance management, immediate manager) for users to vote on, thereby measuring employee satisfaction. As a result of these endeavors, career management of personnel is managed more effectively and efficiently.

On the other hand, the “Sharing Platform,” where employees submit suggestions for the development of Ziraat Katılım, is managed effectively, and suggestions coming to the fore are put into practice. The employees are encouraged to use the platform by rewarding the employees whose suggestions are put into practice.

Ziraat Katılım employs a wage policy aimed at eliminating the impacts of the global inflation wave, which

has recently been witnessed in our country's economy as well, on the welfare level of employees. Based on the findings of the employee satisfaction survey conducted in 2024, enhancements were made to wages and additional payments to improve employee satisfaction.

A general wage increase was made in Ziraat Katılım on 31.12.2024. The budget rate for fringe benefits payments also experienced an increase. The reporting period also witnessed a rise in the budget rate for wage increases in fringe benefits and additional benefits.

The Bank makes a point of supporting its employees on their special occasions and presents gold gifts to those who get married or welcome a new child.

Responsibility for Ethical and Decent Conduct

Ziraat Katılım presents its employees with the principles that they must comply with while fulfilling their duties and regulations regarding the working order through the Ethical Principles Agreement and provides the necessary information to its employees.

Within the scope of the Ethical Principles Agreement, Bank employees must

- act with dignity, honor, and honesty in all business relationships.
- avoid any conduct and attitude that can harm the Bank's reputation while fulfilling their responsibilities.
- be familiar and adhere to the laws, bylaws, regulations, and ordinances in detail in matters related to their duties.
- not disclose non-public information in any way to third parties other than those who need to know.



- follow, review, and act in accordance with the orders, regulations, procedures, and banking orders to be issued regarding the regulation of working conditions and the protection of work discipline.
- bring known or suspected rule violations to the attention of his/her manager or the Human Resources Department before taking any action.
- not use expressions that can evoke ethnic, political, and religious discrimination in the work environment.
- dress in a simple and elegant manner appropriate to the business environment, and avoid wearing sports or evening dresses incompatible with the seriousness of the organization.
- not act in violation of the equality of and respect for women and men, public decency, and socially accepted moral behavior in the Bank.

The purpose of Ziraat Katılım Ethical Principles is to prevent any disputes or conflicts of interest that can arise between employees, shareholders, customers, and the Bank. Conduct and behavior contrary to ethical principles and rules are evaluated in accordance with the Bank's Disciplinary Regulation and all employees are expected to act in accordance with common sense and good faith in situations and conditions not covered by these rules.

The Ethics Line managed by the Ziraat Katılım Audit Board can be accessed via the Bank's intranet. The Ethics Reporting Line is a mechanism through which employees may report misconduct, potential ethical violations, or breaches of the law in the Bank's operations. The Audit Board assesses complaints and notifications submitted via the Ethics Line and implements the requisite measures. These processes are critical in order to support and bolster Ziraat Katılım's transparent, responsible, and ethical business structure.

Human Values

In 2024, a total of 3,800 hours of sustainability training was delivered at Ziraat Katılım.

Ethics Training

During the reporting period, the Human Resources and Training Department provided both online and on-site training programs, and endeavors were made to enhance the ethical awareness of all employees through various activities.

The Human Resources and Training Department ensures that new hires at the Bank receive training on ethics, provides direct information to the personnel during audits, and communicates critical aspects to be considered. Within the scope of the training program, information is provided about the accessibility of the Ethics Line for reporting incidents of harassment, mobbing, or aggressive behavior towards bank employees.

Training programs prepared by the Ziraat Katılım Academy platform to raise awareness about violence against women, such as “Being a Woman in Business Life,” “Footsteps of a Woman Leader,” “Gender and Leadership Style,” are open to employees’ attendance.

Ziraat Katılım provides 4 hours of ethics training sessions to every new hire. The employees at Ziraat Katılım became more aware and informed about ethical rules and rights thanks to the ethics training program.



Ziraat Katılım provides 4 hours of ethics training sessions to every new hire.



Ziraat Katılım Academy offers a range of training programs designed to raise employee awareness about violence against women.

In-house Sustainability Training Programs and Information Sessions

With the vision of becoming a universal, respected, and leading participation bank contributing to the economy, environment, and society, Ziraat Katılım conducts in-house training programs and information sessions on sustainability to provide more to its customers by sharing at every stage.

The Bank addresses other topics that it evaluates with its ethical banking and sustainability understanding that align with the principles of participation banking in its corporate sustainability training programs and contributes to raising awareness.

In addition to following the developments in the sustainability universe through the training activities, it is aimed to ensure the capacity development of Ziraat Katılım personnel and to assess risks and opportunities more effectively.

During the reporting period, Ziraat Katılım continued to update and develop the sustainability training module on the online training portal. Distinct SDG themes were addressed in the quarters, and the endeavors for the Green Agenda e-bulletin focusing on climate change and sustainable finance are underway. Face-to-face training sessions were conducted regarding the management of environmental and social impacts, and training documents were prepared.

In 2024, a total of 3,800 hours of sustainability training was delivered at Ziraat Katılım.



Human Values

Ziraat Katılım acts in accordance with the UN Universal Declaration of Human Rights, ILO principles, and international conventions ratified by Türkiye.

EQUALITY, DIVERSITY AND INCLUSION

Ziraat Katılım is committed to adhering to the provisions of the United Nations Universal Declaration of Human Rights and the core principles of the International Labor Organization (ILO), which covers human rights, labor rights, children's rights, social justice, and international agreements recognized by the Republic of Türkiye and operates in accordance with these standards.

Human Resources and Human Rights Policy

The Human Resources and Human Rights Policy, which is structured on the basis of equal opportunities, stipulates that all employees and candidates at Ziraat Katılım are treated fairly and without bias, based solely on their professional skills and competencies for the relevant tasks, regardless of any differences such as language, religion, race, sect, ethnicity, gender, personal choice, or physical disability.

The principle of diversity acknowledges the unique qualities and differences existing among individuals. Recognizing, evaluating, and effectively managing these differences provides significant advantages in achieving success at the individual, team, and institutional level.

Furthermore, the Bank is dedicated to implementing all necessary measures to prevent any actions that can result



Ziraat Katılım attaches great importance to creating a work environment respecting human rights, being a pioneer in its sector, and ensuring that employees adopt common goals.



Ziraat Katılım carries out studies in the areas of measurement, evaluation, career architecture, recruitment, and training to enable business processes.

in discrimination or be perceived as mistreatment.

Bank employees can exercise their right to freedom of association by joining unions. As of year-end 2024, there are 2,473 Ziraat Katılım employees who are union members. Öz Finans-İş Union has been established within the Bank.

In addition, Ziraat Katılım refrains from engaging in any activities that could potentially involve forced labor.

The goal of Ziraat Katılım is to set up and maintain a work environment respecting human rights, as well as to establish itself as a respected, robust, and pioneering brand within its sector, while also expanding its presence to contribute to the growth of the Turkish economy. In this context, Ziraat Katılım emphasizes the importance of all employees voluntarily sharing and collectively adopting these goals as a common goal.

In order to enhance business processes, the Bank regularly conducts studies in various areas, ranging from the continuous development of measurement, evaluation, and reward systems in human resources to strengthening the career architecture, from recruitment to occupational and managerial training programs, from open communication channels with employees to robust employer brand studies.

Recruitment and Promotion Processes

In the recruitment and promotion processes at Ziraat Katılım, an evaluation focused on professional competence and



experience is carried out. It is aimed to ensure that the requirements of the relevant position in the Bank and the qualifications of the candidate match and to provide equal opportunities to candidates without gender discrimination.

Ziraat Katılım adopts an approach encouraging diversity and equality in its recruitment processes and also considers applications from the sector when hiring experienced candidates.

Every candidate deemed acceptable for available positions undergoes an interview in the presence of the management from the respective department. At the completion of the process, an offer is extended to the candidate who achieves the highest score for the specific open post. The

Ziraat brand, which has a history of 161 years, facilitates the process of reaching potential applicants and greatly enhances the likelihood of job offers being accepted.

Ziraat Katılım collaborates with an online assessment platform developing technology-driven HR solutions for the end-to-end recruitment process. This process encompasses several stages, including the preparation of a CV, the completion of all required tests, a personality inventory, interviews, candidate notification, and communication via text messages and emails until the recruiting process is complete.

Ziraat Katılım supports the fair career advancement of its employees with the awareness that human resources

have the largest share in achieving sustainable growth and effective performance.

The Bank organizes a promotion exam every year and conducts promotion processes at specified periods during the year to allow employees to advance in their positions. In 2024, the Bank carried out promotion processes in a fair and transparent manner.

Guided by the principle of equal opportunity for its employees, the Bank prioritizes training future managers from its existing internal talents. Accordingly, those who completed the Manager Candidate Program successfully were promoted to managerial positions in 2024 based on the needs of the Bank.

Occupational Health and Safety

Ziraat Katılım considers providing a healthy and safe working environment for its employees **a fundamental responsibility.**



Ziraat Katılım OHS Board convened twice, on February 28, 2024, and December 11, 2024.



1,500 hours OHS Trainings

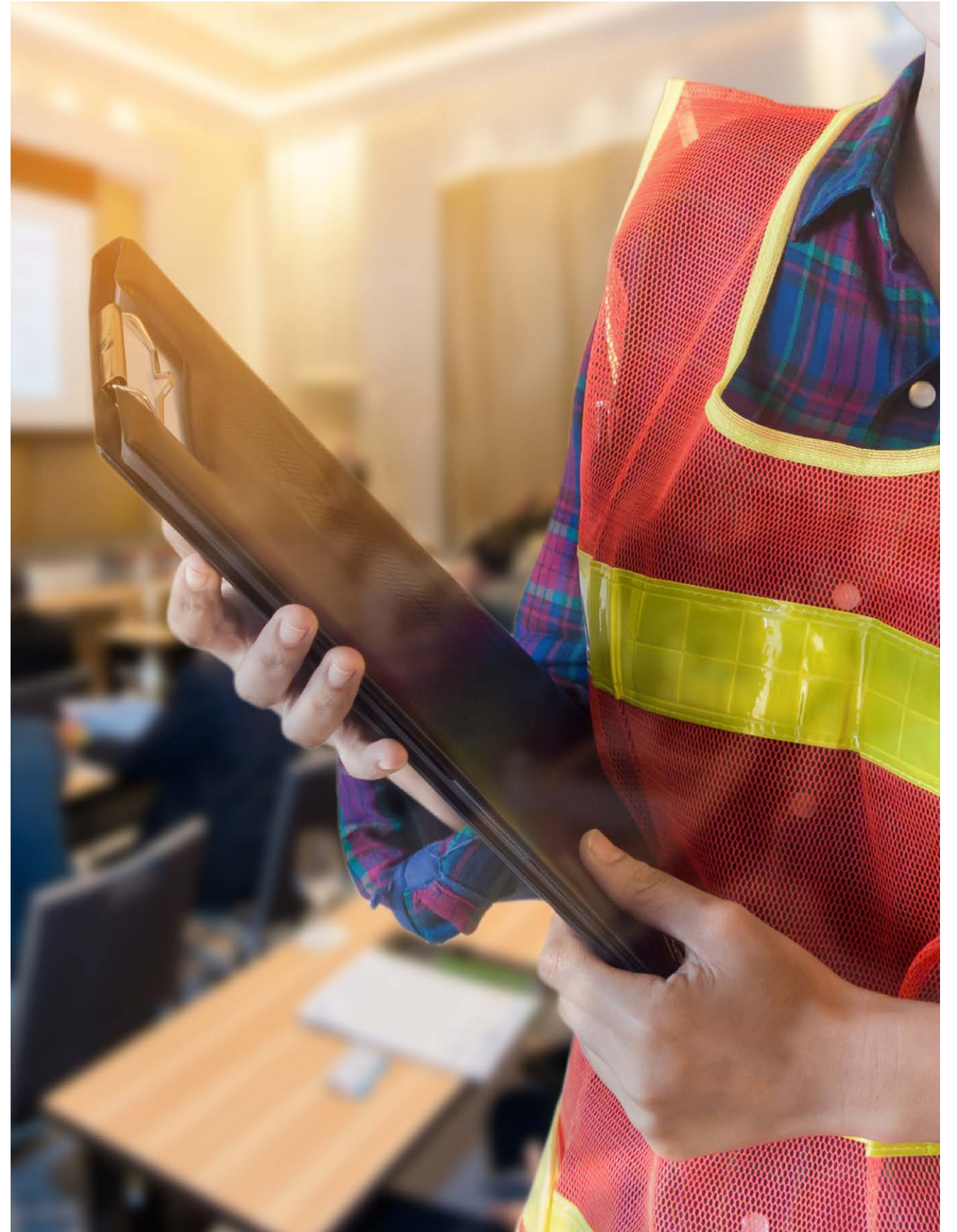
Ziraat Katılım organizes training programs to raise OHS awareness. In 2024, 750 employees received a total of 1,500 hours of face-to-face OHS training.

Ziraat Katılım considers providing a healthy and safe working environment for its employees in accordance with international and local standards among its core areas of responsibility. As per the requirements of the Occupational Health and Safety Law, Occupational Health and Safety (OHS) boards are set up in the Bank service buildings with over 50 employees to represent the employees. Ziraat Katılım OHS Board convened twice, on February 28, 2024, and December 11, 2024.

During its operational activities, the Bank regularly reviews its OHS practices by adapting to technological developments and taking into account the opinions of employees, and aims for zero occupational accidents and zero occupational diseases with the principle of continuous improvement.

The Bank's workplace physician provides healthcare services to employees at Ziraat Katılım Headquarters daily between 13:30-18:00, and newly recruited employees undergo a medical examination.

The Bank organizes training programs to raise employees' OHS awareness. In 2024, 750 employees received 2 person/hour (1,500 hours in total) of face-to-face OHS training.



Corporate Social Responsibility

Ziraat Katılım aims to **increase the welfare of society** through the projects supported by sponsorships and donations.



In 2024, Ziraat Katılım granted 10 donations and 25 sponsorships and organized 10 events as part of its corporate social responsibility activities.



In 2024, Ziraat Katılım initiated endeavors to create the Ziraat Katılım Memorial Forest, a project designed to generate both environmental and social impact.



Ziraat Katılım aims to enhance the welfare of society through the projects supported by sponsorships and donations within the framework of its approach that places corporate social responsibility at the center. Striving to repay its debt to our country and humanity through its social responsibility activities, the Bank's sponsorship and donation support indicate that it attaches great importance to the environment, education, culture, and future generations. As part of its internal communication endeavors, the Bank organizes events aimed at promoting healthy lifestyles and maintaining interaction among employees by enhancing the sense of belonging.

In 2024, Ziraat Katılım granted 10 donations and 25 sponsorships and organized 10 events as part of its corporate social responsibility activities.

Mutlu Yuva Association

The Association operates 137 "Children's Houses" in İstanbul, Ankara, Bursa, Yozgat, Diyarbakır, and Şanlıurfa, where it provides a family environment to hundreds of orphans and children in need of protection and facilitates their spiritual and material growth through education. Ziraat Katılım contributes to the Sustainable Development Goals to end poverty by supporting children's homes in İstanbul.

Ziraat Katılım Memorial Forest

In 2024, Ziraat Katılım initiated endeavors to create the Ziraat Katılım Memorial Forest, a project designed to generate both environmental and social impact. In the event organized with the participation of Ziraat Katılım employees and their families, the first saplings of the memorial forest were planted in the soil.



Sponsorship for Teknofest 2024

The Bank sponsored Teknofest 2024, Türkiye's first and only aviation, space, and technology festival, which plays a critical role in the development of national technology in Türkiye and is organized with the participation of many organizations, and contributed to raising awareness among young people about technology and innovation.

Ziraat Katılım Fidelity Group

Ziraat Katılım Fidelity Group, having completed its 4th year, instills optimism in everyone through the steps it has taken and achieved as a voluntary social initiative, and demonstrates that a livable world is possible.

The spirit of "sharing," one of the fundamental and essential elements of the national values, served as the foundation for the establishment of Fidelity Group. Fidelity Group operates as a family under the roof

of Ziraat Katılım, which embraces the philosophy of "More as We Share." Fidelity Group promotes volunteerism among employees and actively engages in collaborative endeavors to address local or nationwide disasters, as well as personal challenges that individuals may face.

The Group continues to pursue its mission of fostering hearts that are won through the sharing of its support for people, animals, and the environment, and conducts projects that are deemed appropriate by those in need, volunteers, and Fidelity Group Committee members.

The activities of the Fidelity Group can be accessed at <https://www.facebook.com/zkvefa>.

Ziraat Katılım Social Clubs

Ziraat Katılım aims to involve its employees in its projects with thematic clubs such as the Cycling Club, Chess Club, and Volleyball

Club, established for its employees within the Bank in 2024, as well as the Fidelity Group, which has been in place for many years.

Ziraat Katılım Volleyball Tournament was organized with the participation of bank employees. In addition, Ziraat Katılım Cycling Club participates in the Green Crescent Cycling Tours organized twice a month.

In 2024, Ziraat Katılım continued to contribute to the Sustainable Development Goals such as "End Poverty" with its support for the Mutlu Yuva Association as part of its corporate social responsibility activities, "Health and Quality Life" with its in-bank sports activities, "Qualified Education" with its support for education, "Decent Work and Economic Growth" and "Industry Innovation and Infrastructure" with its sponsorships granted for projects such as Teknofest, Saha İstanbul, GİV Türkiye Awards.

Financial Inclusion and Literacy

Ziraat Katılım shapes its barrier-free banking services in line with its **goal of providing an end-to-end accessible banking experience for all individuals.**



While enhancing customer satisfaction and loyalty, Ziraat Katılım also undertakes initiatives to raise awareness in this regard.



As part of barrier-free banking, Ziraat Katılım provides employees with training to strengthen their communication with disabled customers.

Aiming to deliver its products and services with a strong value proposition to all segments of the society under the priority of financial inclusion and literacy following its customer-oriented approach, Ziraat Katılım increases customer satisfaction and loyalty while carrying out activities to raise awareness on this issue.

ACCESSIBLE BANKING

Ziraat Katılım shapes its barrier-free banking services in line with its goal of providing a practical, easy, and accessible banking experience to all individuals from end to end with an inclusive service approach.

The Bank takes measures to facilitate access to banking services for individuals with visual and orthopedic impairments in all its branches and ATMs, and updates its Internet banking and mobile banking applications in compliance with accessibility standards in accordance with the Regulation on Accessibility of Banking Services released by the BRSA. To maintain barrier-free banking standards, support is received for the most accurate implementation and development as part of collaborations with third-party companies that supply products.

As part of the barrier-free banking services development endeavors, Ziraat Katılım provides training programs that will enhance the communication of employees with customers with disabilities. The e-training platform, developed to recognize the disabled customers and enhance awareness, has been made available to all personnel, and employees have also received sign language training.

Barrier-Free Branches

All Ziraat Katılım branches feature Braille alphabet information boards. Moreover, the branches provide exclusive barrier-free banking transaction options to visually impaired customers. In 2024, the bank has implemented system infrastructure projects that will facilitate the expansion of barrier-free banking services. These endeavors have resulted in a variety of transaction conveniences, priorities, and advantages for disabled customers. As part of the branch audits of the Ministry of Family and Social Security, the aforementioned issues are meticulously monitored, and deficiencies are eliminated.

- All branch entrances are designed in accordance with barrier-free banking approach and a warning surface has been placed at the beginning and end of the branch stairs for individuals with orthopedic disabilities.
- The implementation of tactile paving within the branches provides guidance to visually impaired customers.
- Access to branches for customers with orthopedic disabilities has been facilitated with wheelchair ramps or elevators. Specially manufactured portable ramps have been allocated to branches whose entrances are not suitable for the installation of wheelchair ramps.
- The call button installed on the exterior of branch buildings has made it easier for disabled customers to contact a customer representative.
- At branches, priority queue numbers can be obtained from queuing machines by disabled customers and consumers aged 70 and above.

Conveniences Provided in Contracts and Documents

Ziraat Katılım has developed and provided 10 different contracts in sign language as part of its endeavors to provide convenient solutions, making them available to its customers.

Furthermore, Ziraat Katılım, which aims to adapt to the updated practices in the fastest way possible, closely monitors KPS and UYAP system integrations in order to facilitate document verification processes related to guardianship procedures for disabled customers.

Arrangements for ATMs to Accommodate Customers with Orthopedic Disabilities

Ziraat Katılım's Bursa Branch-2 ATM and the offsite ATM located at Sebahattin Zaim Halkalı Campus are accessible for customers with orthopedic disabilities. According

GRI 3-3, 203-2



to the current legislation in Türkiye, there is a requirement for 2 ATMs specifically designed for people with orthopedic disabilities for every 200 ATMs, and Ziraat Katılım has fully complied with the relevant legislation.

As of 2024, Ziraat Katılım is on the TAM platform established in cooperation with public banks. The Bank's customers can use TAM ATMs nationwide that are included in the shared platform and comply with accessibility standards.

Arrangements for ATMs to Accommodate Visually Impaired Customers

At all Ziraat Katılım ATMs, customers who are visually impaired or have difficulty seeing can conduct their transactions with voice guidance. The Bank has a headphone jack available at 125 ATMs for the use of visually impaired customers.

Bank customers can conduct balance inquiry, withdrawal, and deposit transactions by activating the "voice menu" application via the headphone

connection. The common transaction menu of the Interbank Card Center (BKM) allows disabled individuals who possess other bank cards to conduct transactions using Ziraat Katılım ATMs.

- Access to the Bank's voice menu is available at all ATMs.
- The voice transaction menu is activated when headphones are plugged in.
- The ATM screen automatically dims when the voice menu application is initiated by plugging in headphones.
- The transaction is terminated and the card is returned when the headphones are removed during the transaction.
- The system reads out loud warnings, guidance, confirmations, and notifications of errors during the transaction.
- The voice repeating feature in the voice menu allows customers to adjust the volume.
- Voice guidance and embossed keys are employed to facilitate transactions.

Financial Inclusion and Literacy

The Ziraat Katılım account integration enabled users to access their account movements instantly and accelerated their payment processes.

Digital Channels and Customer Contact Center

The Mobile Branch has been updated to support screen reader programs, allowing visually impaired customers to easily access its features. A chat channel (online correspondence) service has been introduced to enable hearing impaired customers to conveniently complete their transactions by receiving assistance from Katılım Mobile. In order to facilitate the transactions of customers with hearing impairments, sign language services were provided via video calls by employees trained in sign language.

Visually impaired customers were given priority in the services offered at the Customer Contact Center.

Katılım Dijital

Aiming to deliver its products and services with a strong value proposition to all segments of the society under the priority of financial inclusion and literacy following its customer-oriented approach, Ziraat Katılım Bank increases customer satisfaction and loyalty while carrying out activities to raise awareness on this issue.

Throughout 2024, transactions carried out through the Katılım Dijital platform contributed to the digitalization of the financial processes of enterprises. Through the solutions offered



Visually impaired customers were given priority in the services offered at the Customer Contact Center.



Throughout 2024, transactions carried out through the Katılım Dijital platform contributed to the digitalization of the financial processes of enterprises.

by the platform, such as easy invoice management, bank account integration, mobile POS service, and e-commerce integration, the financial transactions of businesses have been managed more effectively and efficiently. The Ziraat Katılım account integration enabled users to access their account movements instantly and accelerated their payment processes. The Mobile POS service facilitated card payment processes, and e-commerce and marketplace integration made it possible to manage orders from a single screen. In order to enhance financial inclusion, small and medium-sized enterprises were provided with easy access to digital financial instruments, thus contributing to the development of financial literacy. To enable businesses to manage their cash flows more effectively, awareness of digital financial tools was increased, and users were supported in making more informed financial decisions. This expanded access to financial services and contributed to the sustainable growth of businesses. Thanks to the strong performance achieved throughout 2024, Katılım Dijital's position in the sector has been further strengthened, and it is aimed to reach more businesses in the coming period.

The Katılım Dijital Blog section provides information on e-Invoice, e-Waybill, and e-Self-Employment Receipt in order to increase the financial literacy level of our customers and facilitate their adaptation to the digital transformation process.



Foreign Trade Consultancy

Foreign trade consultancy services are an important part of our Bank's strategies to increase financial inclusion and improve financial literacy. The foreign trade expert team established by Ziraat Katılım supports exporter customers and customers aiming to potentially expand to foreign markets, and increases their financial awareness. Through this consultancy service, customers are provided with a better understanding of the processes in foreign trade, minimizing their financial mistakes and achieving sustainable growth.

Our Bank provides financial literacy training and guidance services in order to enable customers to manage their foreign trade portfolio more effectively and facilitate their access to financing. As part

of these branch-based activities, the Bank provided consultancy services to 179 customers in total and conducted financial awareness-raising activities at 87 different branches.

The services we offer in this context not only facilitate access to financial resources, but also increase the financial literacy levels of our customers, enabling them to conduct informed trade. The foreign trade financing and payment solutions provided by our Bank contribute to the strong position and competitiveness of our customers in international markets.

Agriculture Consultancy

Ziraat Katılım facilitates farmers' access to finance and supports sustainable agricultural production by offering customized solutions for the agricultural sector.

The number of customers reached by the Bank through agricultural consultancy services is 169, and this service is provided through 66 different branches. By the end of 2024, the portfolio included 134 Corporate and 35 Individual customers. This diversity contributes to a more inclusive financial structure in the sector by facilitating access to finance for agricultural producers of different scales.

These services increase inclusiveness in agricultural production by enabling small and medium-sized farmers to overcome traditional financial barriers. The integration of farmers into the banking system and their informed use of financing resources contribute to the sustainable growth of the agricultural sector, while also fostering broader social and economic development.

Combating Climate Change

Ziraat Katılım regards accelerating the transition to a low-carbon economy and **contributing to sustainable development as one of its main responsibilities.**



In 2024, Ziraat Katılım completed the first phase of its climate strategy and risk measurement project.



Ziraat Katılım expanded its greenhouse gas inventory in 2024 by adding leakage emissions to the scope of greenhouse gas emissions that it started to calculate in 2023.

Ziraat Katılım has adopted a comprehensive approach at both financial and operational levels by placing combating against climate change at the heart of its corporate strategy. The Bank regards accelerating the transition to a low-carbon economy and contributing to sustainable development as one of its main responsibilities. Aiming to fulfill its responsibilities towards environmental values at every stage of its activities in line with its sustainability strategy and to continuously improve its environmental performance, Ziraat Katılım prioritizes combating climate change.

As part of combating climate change, the Bank carries out activities such as developing a climate strategy, collecting and evaluating customers' climate data, developing products and services to prevent climate change, integrating climate risk factors into the Bank's risk system, expanding the scope of measurement of emissions arising from operational processes and planning mitigation goals.

In 2024, Ziraat Katılım completed the first phase of its climate strategy and risk measurement project. A climate strategy was developed as one of the key components of the sustainability strategy, and analyses and assessments were conducted to integrate climate-related risk factors into the risk system and quantify them. The project outputs include a climate heat map of the Bank's portfolio, scenario analysis, and stress test studies. As part of the project, the actions to be implemented in the coming period were designed, planned, and presented to the Sustainability Committee.

The Bank expanded its greenhouse gas inventory in 2024 by adding leakage emissions to the scope of greenhouse gas emissions that it started to calculate in 2023. In 2025 and the following period, studies to calculate portfolio emissions are planned to be prioritized by taking into account the current status of the Bank's climate risk heat map.

In order to reduce resource consumption, the Bank continues to develop eco-friendly practices aimed at increasing energy efficiency, minimizing paper usage, reducing waste, and enhancing recycling at its branches.

Moreover, as part of combating climate change, the Bank designs and offers sustainability-themed retail and commercial loan products for its customers.

Closely following sustainable finance developments, in order to provide the necessary conditions for green investments in the coming period, the Bank is working to update its sustainable finance framework and develop systems and processes to meet the necessary criteria for loan disbursement.

Ziraat Katılım Climate Vision

Ziraat Katılım aims to support its customers in their journey to transition to a low-carbon economy and contribute to Türkiye's goals to combat climate change.

It attaches great importance to developing sustainable financial solutions in accordance with the principles of participation banking by taking climate risks into account in its operations and services. With a responsible, ethical, and long-term perspective, it aims to support the transition of the region in which it operates to a sustainable future by raising environmental awareness.

The Bank plans to set goals and take actions in line with the priorities identified as part of its climate strategy.

The Bank carries out projects aiming at developing and expanding green financing products focused on customer needs in line with participation banking, developing services to meet the needs

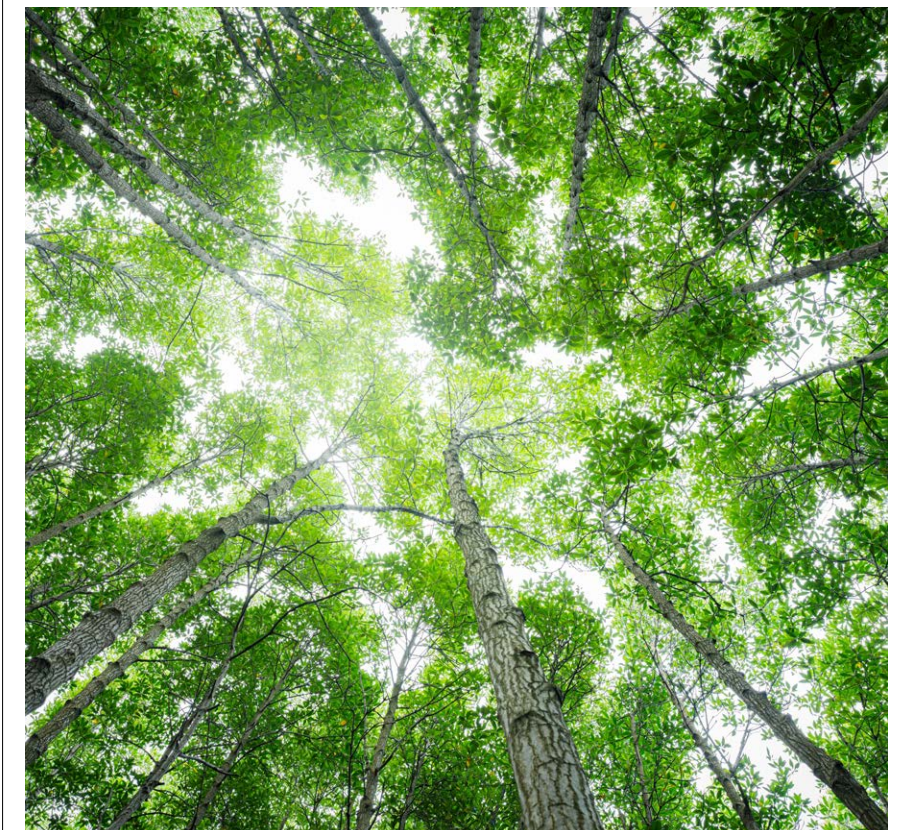
of customers, providing more financing for low-carbon and clean energy projects, including climate factors in credit decision-making processes, developing climate risk measurement models, increasing energy efficiency in the Bank's internal operations, and utilization of renewable energy resources.

The Bank completed system improvements in 2024 to collect and monitor resource consumption and waste data from its internal operations in the Integrated Management Systems (ERP) module, which was commissioned in 2023, and is carrying out improvement works in line with the current needs that have emerged.

Ziraat Katılım continues its endeavors to determine emission reduction goals based on the Science Based Targets Initiative in the coming period.

Ziraat Katılım Environment and Climate Change Policy

Training programs are organized to create a culture of sustainability within the Bank and to increase the level of environmental awareness of employees. Online trainings on sustainability, environment, and zero waste are organized through the Ziraat Katılım Academy Training Portal. In 2024, 2 hours per person of training were provided in this context. In addition, sustainability trainings were provided as part of the orientation program for new employees joining the Bank and YÖNAP trainings.



Emission and Energy Management

Within the scope of green energy usage, Ziraat Katılım obtained I-REC certification for 14,350 MWh of wind energy, thereby **offsetting all emissions resulting from electricity consumption.**

i

In 2024, Ziraat Katılım has determined the environmental and climate-related impacts of its operations, as well as its key performance indicators.

i

The Integrated Management System (IMS) was integrated into the Bank's ERP system to manage the consumption data of natural resources and waste.

Ziraat Katılım's carbon management is based on developing strategies to support the transition to a low-carbon economy in line with Türkiye's 2053 Net Zero Emission goal and offering innovative solutions to promote this transformation. Ziraat Katılım aims to contribute to the reduction of carbon emissions by involving its customers and stakeholders in this transformation process while fulfilling its responsibilities in carbon management.

In 2024, Ziraat Katılım has determined the environmental and climate-related impacts of its operations, as well as its key performance indicators. The Bank utilizes the GHG Protocol to calculate its greenhouse gas emissions.

In 2023, the Integrated Management System (IMS) was integrated into the Bank's ERP system for the management of consumption data on natural resources and waste in order to improve the efficiency of the carbon footprint and water footprint studies arising from Ziraat Katılım's operational activities. In 2024, endeavors were undertaken to develop and improve the system. System definitions for newly included items in the GHG inventory are being carried out, while monitoring mechanisms and system frameworks are being planned for emission categories to be included in the calculations.

This module, which serves as a starting point on the way to the ISO14001 Environmental Management System, enables the efficient management of data from various branches of the Bank and the Headquarters, including entry, tracking, and reporting.

Emission Management

Within the frame of Scope 3 emissions, the Bank has established the data collection infrastructure to measure emissions from waste, fuel consumption of employee shuttles, and rental vehicles, as well as paper consumption indicators. Efforts for the measurement of financed emissions are currently in the planning phase.

Studies are planned to be conducted to improve the quantity and quality of the data stored in the module, which was developed to fully measure Scope 1, Scope 2, and Scope 3 greenhouse gas emissions.

Aiming to measure greenhouse gas emissions in accordance with ISO14064* criteria and the GHG protocol, the Bank plans to enhance the integrity of its climate and environmental performance by diversifying the types of resources and wastes defined in its inventory.

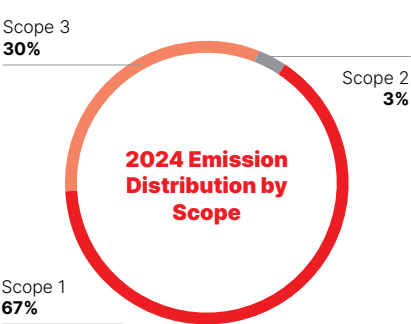
Ziraat Katılım, which monitors and records its Scope 1 and 2 assets and the energy-related emissions it purchases, has been calculating Scope 1, 2, and 3 emissions in its service cycle since 2023.

*ISO 14064 specifies the principles and requirements for the quantification and reporting of greenhouse gas emissions and removals at the organization level.

Greenhouse Gas Emissions (tons CO ₂ e)	2022	2023	2024
Scope 1	1,838	2,253	2,697
Scope 2	2,485	2,896	104*
Scope 3	1,413	1,781	1,216
Total (Scope 1 + Scope 2)	4,322	5,149	2,801

*Emissions from Electricity Purchased are calculated as "0" since electricity consumption in 2024 is I-REC certified. Within Scope 2 emissions, only heat-related emissions are calculated as "104 tons CO₂e."

Emission Intensity	2022	2023	2024
Intensity per employee (tCO ₂ e/number of employees)	2.27	2.12	0.98
Emissions by consolidated asset size (tCO ₂ e/TL million)	0.02	0.01	0.005
Emissions by consolidated net profit (tCO ₂ e/TL million)	1.14	1.29	0.81



2024 Scope 1 and Scope 2 Greenhouse Gas Emissions by Consumption Sources (%)

Consumption	Percentage Distribution
Natural Gas-Stationary Combustion	36.01%
Generator-Other Stationary Combustion	0.23%
Gasoline-Mobile Combustion	31.93%
Diesel-Mobile Combustion	26.05%
Refrigerant Gases	2.08%
Fire Extinguisher	0.00%
Electricity Purchased*	0.00%
Heat	3.70%

*Emissions from Electricity Purchased are calculated as "0" since electricity consumption in 2024 is I-REC certified. Within Scope 2 emissions, only heat-related emissions are calculated as "104 tons CO₂e."

For Ziraat Katılım's carbon reduction, quantitative goal-setting studies are being carried out primarily for Scope 1 and Scope 2 emissions and subsequently for Scope 3 emissions. Adopting the SBTi approach, the Bank envisages to set science-based carbon reduction goals.

Greenhouse gas emission calculations for 2024 have been carried out in accordance with GHG Protocol standards and a verification statement has been obtained from an independent verification company. In order to offset emissions from electricity consumption, I-REC certificates for 14,350 MWh of wind energy were purchased and emissions from purchased electricity were offset.

61% of total emissions are from Scope 1, 3% from Scope 2, and 30% from Scope 3. The largest shares of Scope 1 and Scope 2 emissions are natural gas consumption with 36.01% and gasoline consumption with 31.93%. In addition, 26.05% of the emissions originated from diesel fuel consumption, 3.70% from heat, and 2.08% from refrigerants.

The tables on the side present the distribution of emissions in 2024 by scope and consumption source. Detailed data can be found in the Environmental Performance Indicators part of the Performance Indicators section of the report.

Following the studies on the emission calculations of the sectors prioritized in the heat map within the scope of the Bank's portfolio

emissions, the Bank will create mitigation plans on the basis of the sectors prioritized in the portfolio in the coming period.

Energy Management

Supporting and expanding renewable energy projects in line with Türkiye's 2053 Net Zero Emission goal is one of the key elements of the Bank's sustainability strategy.

Ziraat Katılım procures electricity for its own consumption from local companies. The Bank regards the use of renewable energy as a critical opportunity for both environmental sustainability and economic development.

Moreover, market-based emission studies are evaluated regarding the energy consumption arising from the Bank's operational processes. Having completed its energy consumption calculations, the Bank finalized its renewable energy certificates, the I-REC Certificate, simultaneously with its emission calculations.

Additionally, in 2024, assessments were made to take action to reduce and optimize energy consumption across branches based on the outputs of the pilot energy monitoring system implemented for the Kayaşehir branch in 2023. In this context, a plan has been made to monitor consumption trends periodically, taking into account that the reduction in energy consumption to be achieved by the actions will vary seasonally.

Water Management

In the Ziraat Towers project, water efficiency was ensured by **using efficient water fixtures in accordance with EPA standards.**

Although water management in the banking sector has a relatively small impact compared to many other sectors, Ziraat Katılım aims to monitor water consumption and reduce water waste, and carries out activities in this regard.

The Bank sources its daily-use water from the municipal water network. The Bank draws the water required for daily use from the city network. As of year-end 2024, total usage amounted to 50,005 m³, and all of the water used was discharged into the system.

Water Consumption (m³)	2022	2023	2024
Grid water / Municipal water	17,705	23,296	50,005
Rain water	-	-	-
Waste water	17,705	23,296	47,505

Water Management benefits provided by Ziraat Towers
In the Ziraat Towers project, efficient water fittings that are compliant with EPA standards were used, ensuring water efficiency without compromising user comfort. It was aimed at achieving a water consumption efficiency of over 45% relative to the EPAAct

(Energy Policy Act, 1992) level for water fittings in the interior space by selecting appropriate water fittings and reusing graywater in reservoirs.

Water-efficient plant species and irrigation systems were integrated into the project to enhance the landscaping of green areas, avoiding the use of cultivated turfgrass.

Air conditioning drainage water is harvested and reused for irrigation as part of the project. All irrigation requirements can be supplied through alternative water sources.



Waste Management

The wastes generated at the Istanbul Finance Center, where Ziraat Katılım Headquarter units are located, are sorted on-site and **sent to recycling facilities.**

The Zero Waste Management System is implemented throughout the Headquarters, its additional service facilities, and all branches as part of Ziraat Katılım’s environmental management operations.

The Ziraat Katılım Headquarters Building was granted the Zero Waste Certificate on 15 April 2022. It is aimed to expand the best practice and ensure that all

branches of the Bank obtain a Zero Waste Certificate. To encourage the separation of waste on-site and raise awareness about recycling within the institution, the utilization of waste bins in common areas has been expanded, replacing the trash cans previously located under the tables.

Online trainings on environment, waste management, and zero waste were provided for the employees of Headquarter

units and branches, and in-house capacity was improved by increasing recycling awareness.

The wastes generated at the Istanbul Finance Center, where Ziraat Katılım Headquarter units are located, are sorted on-site and sent to recycling facilities.

Ziraat Katılım is committed to accelerate its performance in waste management by building a new system in the upcoming period.

Recycled Waste (kg)	2022	2023	2024
Paper - Cardboard Waste	8,963	16,740	24,380
Metal	6	10	373
Glass	16	14	612
Plastic	1,543	1,447	3,914
Mixed packaging	27,186	28,281	14,148
Total	37,714	46,492	43,427



Independent Auditor’s Report on the Annual Report of the Board of Directors



CONVENIENCE TRANSLATION INTO ENGLISH OF INDEPENDENT AUDITOR’S REPORT ON THE BOARD OF DIRECTORS’ ANNUAL REPORT ORIGINALLY ISSUED IN TURKISH

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

1. Qualified Opinion

We have audited the annual report of Ziraat Katılım Bankası A.Ş. (the “Bank”), and its subsidiaries subject to consolidation (collectively referred as the “Group”) for the period 1 January 2024 - 31 December 2024.

In our opinion, except for the matter described in the Basis for Qualified Opinion section of our report, the financial information and the analysis made by the Board of Directors by using the information included in the audited consolidated and unconsolidated financial statements regarding the Group’s and the Bank’s position in the Board of Directors’ Annual Report are consistent and presented fairly, in all material respects, with the audited full set consolidated and unconsolidated financial statements and with the information obtained in the course of independent audit.

2. Basis for Qualified Opinion

As expressed in the auditor’s report dated 14 February 2025 on the Group’s and the Bank’s full set consolidated and unconsolidated financial statements for the period 1 January 2024 - 31 December 2024; the free provision amounting to TRY 500.000 thousand, which was fully provided in prior years outside of the requirements of BRSA Accounting and Financial Reporting Legislation, was reversed in the current year by the Group and Bank management, as of 31 December 2024. Had this free provision not been accounted for in prior years and not been reversed in the current year, net profit and prior periods’ profit would have decreased by TRY 500.000 thousand and increased by TRY 500.000 thousand respectively for the year ended 31 December 2024.

Our independent audit was conducted in accordance with the Independent Standards on Auditing that are part of the Turkish Standards on Auditing (the “TSA”) issued by the Public Oversight Accounting and Auditing Standards Authority (“POA”) and the scope of “Regulation on Independent Audit of Banks” published on the Official Gazette No.29314 dated 2 April 2015. Our responsibilities under those standards are further described in the Auditor’s Responsibilities in the Audit of the Board of Directors’ Annual Report section of our report. We hereby declare that we are independent of the Group and 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 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 during the independent audit provides a sufficient and appropriate basis for our qualified opinion.

3. Our Audit Opinion on the Full Set Consolidated and Unconsolidated Financial Statements

We expressed a qualified opinion in the auditor’s reports dated 14 February 2025 on the Group’s and the Bank’s full set consolidated and unconsolidated financial statements for the period 1 January 2024- 31 December 2024.

PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. Kılıçali Paşa Mah. Meclis-i Mebusan Cad. No:8 İç Kapı No:301 Beyoğlu/İstanbul T: +90 212 326 6060, F: +90 212 326 6050, www.pwc.com.tr Mersis Numaramız: 0-1460-0224-0500015



4. Board of Director’s Responsibility for the Annual Report

The Bank management’s responsibilities related to the annual report according to Articles 514 and 516 of Turkish Commercial Code (“TCC”) No. 6102 and “Regulation on Principles and Procedures Regarding Preparation and Promulgation of Annual Reports by Banks” published in Official Gazette No.26333 dated 1 November 2006 are as follows:

- a) to prepare the annual report within the first three months following the balance sheet date and present it to the general assembly;
- b) to prepare the annual report to reflect the Bank’s operations in that year and the financial position in a true, complete, straightforward, fair and proper manner in all respects. In this report financial position is assessed in accordance with the financial statements. Also in the report, developments and possible risks which the Group may encounter are clearly indicated. The assessments of the Board of Directors in regards to these matters are also included in the report.
- c) to include the matters below in the annual report:
 - events of particular importance that occurred in the Bank after the operating year,
 - the Bank’s research and development activities,
 - financial benefits such as salaries, bonuses, premiums and allowances, travel, accommodation and representation expenses, benefits in cash and in kind, insurance and similar guarantees paid to members of the Board of Directors and senior management.

When preparing the annual report, the Board of Directors considers secondary legislation arrangements enacted by the Banking Regulation and Supervision Agency, Ministry of Trade and other relevant institutions.

5. Independent Auditor’s Responsibility in the Audit of the Annual Report

Our aim is to express an opinion and issue a report comprising our opinion within the framework of TCC, Communique and “Regulation on Independent Audit of Banks” published on the Official Gazette No.29314 dated 2 April 2015 provisions regarding whether or not the financial information and the analysis made by the Board of Directors by using the information included in the audited financial statements in the annual report are consistent and presented fairly with the audited consolidated and unconsolidated financial statements of the Group and the Bank and with the information we obtained in the course of independent audit.

Our audit was conducted in accordance with the TSAs. These standards require that ethical requirements are complied with and that the independent audit is planned and performed in a way to obtain reasonable assurance of whether or not the financial information and the analysis made by the Board of Directors by using the information included in the audited financial statements in the annual report are consistent and presented fairly with the audited consolidated and unconsolidated financial statements and with the information obtained in the course of audit.

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

Didem Demer Kaya, SMMM Independent Auditor

Istanbul, 27 March 2025

Board of Directors



Alpaslan ÇAKAR
Chairman of the Board of Directors

Graduated from Ankara University, Faculty of Political Science, Department of Public Administration. He started his career at T.C. Ziraat Bankası A.Ş. in 1996 as Assistant Inspector, later serving as an Inspector and Branch Manager. In 2005, he was appointed as Regional Head Manager. In August 2007, Mr. Çakar was promoted to Chairman of the Department, then worked as Vice President in charge of Individual Banking, Vice President in charge of Operational Transactions, Vice President in charge of Individual Banking and Vice President in charge of Retail Banking, respectively. He served as Vice President in charge of Distribution Channels between January 2016-July 2017, as Vice President in charge of Payment Systems between July 2017-June 2018 and Vice President in charge of Retail Banking-2 between June 2018-March 2021. At the same time, between 2003 and 2019, Mr. Çakar served as a member of the Board of Directors/Audit Committees of Ziraat Finansal Kiralama A.Ş., Bileşim Alternatif Dağıtım Kanalları Ödeme Sistemi A.Ş., Ziraat Hayat ve Emeklilik A.Ş., Ziraat Sigorta A.Ş., Kredi Kayıt Bürosu A.Ş., Ziraat Bank (Moscow) JSC, Türkmen Türk Ticaret Bankası, Ziraat Teknoloji A.Ş., Bankalararası Kart Merkezi A.Ş., Ziraat Gayrimenkul Yatırım Ortaklığı A.Ş., Ziraat Bank (Moscow) JSC. As of 16.07.2019, he is the Chairman of the Board of Directors of Ziraat Bank (Moscow) JSC, and as of March 2021, he was appointed as CEO and Member of the Board of Directors of Ziraat Bank. Since April 22, 2021, he has been the President of the Banks Association of Türkiye. Since February 1, 2022, he has been serving as the Chairman of the Board of Directors of Ziraat Katılım.



Fikrettin AKSU
Vice Chairman of the Board

Graduated in 1979 from the Department of Business Administration, Faculty of Management Sciences in Kütahya, under the Eskişehir Academy of Economic and Commercial Sciences. After serving in various institutions between 1980 and 1984, Aksu began his career at T.C. Ziraat Bankası A.Ş. in 1984. Between 1984 and 2014, he held various positions within the Bank. He subsequently served as General Manager of Ziraat Hayat Emeklilik A.Ş. and Ziraat Sigorta A.Ş., as well as General Manager of Ziraat Yatırım Menkul Değerler A.Ş. From October 2018 to December 2019, Aksu held the position of Group Head of Human Resources. Between December 2019 and August 2020, he served as Group Head of Internal Operations. As of June 19, 2020, he has been serving as Vice Chairman of the Board of Directors at Ziraat Katılım, as well as a Member of the Audit Committee and the Corporate Governance Committee. Additionally, since November 3, 2021, he has been serving as an Alternate Member of the Credit Committee.



Metin ÖZDEMİR
Member of the Board, CEO

Graduated from the Faculty of Business Administration at Istanbul University in 1990. He began his professional career in 1992 at Kuveyt-Türk Finans Kurumu A.Ş. and continued in the retail sector as an executive starting in 1996. Between 2004 and 2014, Özdemir served as a Member of the Istanbul Metropolitan Municipality Council. From April 2012 to May 27, 2019, he held positions at Ziraat Bank as a Member of the Board of Directors, a Member of the Remuneration Committee, and an Alternate Member of the Credit Committee. He served as Chairman of the Board of the Participation Banks Association of Türkiye from May 2018 to May 2021. Since February 18, 2015, he has been a Member of the Board of Directors at Ziraat Katılım. On June 12, 2017, he was appointed as the General Manager of Ziraat Katılım Bankası A.Ş.



Mahmut Esfa EMEK
Member

Born in Erzurum in 1965. He graduated from Ankara University Faculty of Economics and Administrative Sciences Department of Business Administration in 1985. Then he started to serve as Deputy Inspector in 1988. Between 1990 and 2017, he worked as Inspector, Chairman of the Inspector Board, Department Manager, Senior Department Manager and Vice President in Charge of Operations and Credits at Albaraka Türk Katılım Bankası A.Ş. He served as the Member of the Board and CEO of a private company. Mr. Emek was the CEO of Birleşik Fon Bankası between 2017 and 2019. Since March 31, 2021, he has been serving as a Member of the Board of Directors of Ziraat Katılım Bank and also serving as Member of the Audit Committee and Alternate Member of the Credit Committee.



Ahmet BUÇUKOĞLU
Member

Born in Kayseri in 1955. He graduated from the Department of Economics and Finance of the Faculty of Political Sciences at Ankara University in 1980. He started to work at T.C. Ziraat Bankası A.Ş. in 1982. Between 1982 and 2014, he served as an Assistant Inspector, Inspector, Agricultural Loans Assistant Manager, Head of the Intelligence Department, Branch Manager and Regional Manager. Between 2014 and 2018, he served as the General Manager and Chairman of the Board of Directors at the Development Bank of Türkiye. Mr. Buçukoğlu, who has been serving as a Member of the Board of Ziraat Katılım since June 19, 2020, is also a member of our Bank's Credit Committee and Remuneration Committee.



Mehmet BAŞIBÜYÜK
Member

Born in Artvin in 1966. He graduated from Istanbul University Faculty of Political Sciences Public Administration Department in 1988. After working in various institutions between 1988 and 1991, he started to work at Albaraka Türk Katılım Bankası A.Ş. in 1991 at the Fund Extension Department. Between 1995 and 2004, he took different positions at the Headquarters of Albaraka Türk Katılım Bankası A.Ş. and acted as a Branch Manager between 2008 and 2019. As of March 25, 2022, Mr. Başibüyük was appointed as a Member of the Board of Directors at Ziraat Katılım and also has been acting as member of the Credit Committee and Corporate Governance Committee. He is also a member of the Istanbul Chamber of Commerce Council and the Representative of the Finance Sector Committee.



Dr. Murat CANGÜL
Member

Born in 1974 in Balıkesir. He graduated from the Faculty of Law at Ankara University in 1996. He completed his master's degree in the Department of Labor Economics and Industrial Relations at Gazi University, and earned his PhD in Private Law – Commercial Law at Selçuk University.

He started his professional career in 1997 as a research and collective bargaining specialist at Belediye İş Trade Union affiliated to Türk-İş Confederation. For many years, he worked as an independent attorney and served as a court expert at Commercial Courts and Intellectual and Industrial Property Rights Civil Courts. He also held managerial positions in various non-governmental organizations and is a registered trademark attorney before the Turkish Patent and Trademark Office. Between 2016-2019, he served as a member of the Board of Directors of Halk Portfolio Management at Halk Bank of Türkiye, between 2018-2020 as a member of the Board of Directors of the Social Security Institution, between 2019-2020 as a consultant at Halk Life and Pension. Until August 2022-2023, he served as Secretary General of TESK and Board Member of the Ministry of Trade-Turkish Tradesmen and Craftsmen Registry Gazette. Since September 2022, he has been teaching as a lecturer at Ankara Medipol University Faculty of Law. Since August 3, 2023, Mr. Cangül has been serving as a member of Ziraat Katılım Board of Directors and is also a member of the Bank's Remuneration Committee.

Summary Report by the Board of Directors

In terms of the global economy, 2024 was characterized by developments such as the containment of inflation, persistent geopolitical risks, and a shift by central banks from tight to loose monetary policies. The interest rate cut cycle started in the US, the European Central Bank made progress in combating inflation and emerging economies took steps to support economic growth. In Türkiye, the disinflation process has started following positive results in combating inflation. As of 2025, the decline in financing costs due to interest rate cuts is expected to have a positive impact on the markets.

In 2024, our Bank maintained its strong financial structure and consolidated its position in the participation banking sector. While our total assets and financing size increased significantly, effective risk management strategies were implemented in line with our principle of maintaining the quality of financing. We are proud to increase the number of our branches to 208 by the end of 2024 in line with our goal of reaching every corner of our country by diversifying the services we offer to our customers.

As part of its sustainable growth strategy, Ziraat Katılım continued to support the real sector in operations in compliance with participation banking. As of 2024, sustainable finance practices have accelerated on a global scale, and green bonds and sustainability-themed investments have increased. While Türkiye is taking important steps in line with the Green Deal Action Plan and the 2053 net-zero emissions goals, the banking sector has been one of the most important supporters of this process. In this context, our Bank closely follows the regulations in the field of sustainable finance.

In line with our mission to promote participation banking, we will continue to contribute to the economy with our customer-oriented service approach and reach every segment of society by diversifying our financial products and services. We extend our gratitude to all our employees who contributed to the success of our Bank, and to our valued customers for their trust.

Ziraat Katılım Board of Directors

Executive Management



Ertuğrul İSPAHA
Executive Vice President
Corporate Banking

Born in Adana in 1968. He graduated from Ankara University Faculty of Political Sciences Department of Labor Economics and Industrial Relations in 1991. He started his career at Egebank in 1995 as an Inspector. Between 2001 and 2006 he served as the Branch Manager of Adana and Bursa branches of Family Finans Kurumu A.Ş. He joined Ziraat family as Corporate Branch Manager in İzmir in 2006. Mr. İspaha served as Regional Director of İzmir 1st Region, Executive Vice President responsible for Financial Analysis-Intelligence, Credit Monitoring and Follow-up, Gaziantep, Adana 2, Adana 1, and Adana Regional Manager, respectively. Since April 1, 2022, he has been serving as the Executive Vice President of Corporate Banking at Ziraat Katılım Bankası A.Ş.



Osman KARAKÜTÜK
Executive Vice President
Treasury Management and
International Banking

Born in Ankara in 1975. He graduated from Ankara University Faculty of Political Sciences in 1998. He completed his undergraduate studies at Sakarya University and worked at the CBRT Headquarters as a clerk between 1998-1999. In 1999, he started working at Ziraat Bank as an Assistant Inspector and was then promoted to Inspector, Chief Inspector, Vice President of the Audit Board, Branch Manager, İzmir 1st Region Manager, Head of Branch Operations, and Head of Channel Management, respectively. Mr. Karakütük was appointed as Ziraat Katılım Bankası A.Ş. Vice President in charge of Financial Coordination and Human Resources on August 15, 2017 and he has been serving as the Executive Vice President in charge of Treasury Management and International Banking since August 23, 2017.



Önder KIRMAN
Executive Vice President
Credit Extension and
Management

Born in Afyonkarahisar in 1972. He graduated from Dokuz Eylül University Faculty of Economics and Administrative Sciences Department of Business Administration. Mr. Kirman started his banking career as a Service Attendant at Ziraat Bank in 1999. Between 2001 and 2008, he worked as an Internal Controller. Between 2008 and 2015, Mr. Kirman acted as a Supervisor of Agricultural, SME and Commercial Marketing, Commercial Marketing Department Manager and Regional Credit Extension Manager. He joined Ziraat Katılım in May 2015 as the Chairman of the Operation Center Department. Then he was appointed as the Chairman of Corporate and Entrepreneurial Credit Extension and Management Department 1 in April 2016. Since June 30, 2021, he has been serving as Executive Vice President of Credit Extension and Management.

Executive Management



Seher Elif EKİCİ
Executive Vice President
Credit Policies and Risk
Liquidation

Born in İstanbul in 1981. She graduated from Marmara University Faculty of Business Administration, Department of Business Administration in English. After graduating from Anadolu University Faculty of Theology, she completed her master's degree with thesis on Islamic Economics and Finance at Marmara University in 2024. In 2009, she received her CPA certificate. She started her professional career at KPMG independent audit firm in 2003 and worked as an auditor in 2003-2004. Later, she started her banking career in 2005 at Anadolu Finans Kurumu Financial Control service under Financial Affairs Department.

She assumed a role in the merger of Anadolu Finans and Family Finans. Between 2007 and 2015 she acted as Specialist, Supervisor and Manager at Risk Management Center Department of Türkiye Finans Participation Bank. Ms. Ekici started to work at Ziraat Bank as a Manager on February 3, 2015. She was a part of the establishment of Ziraat Katılım and was appointed as Head of Risk Management Division on June 23, 2015. She was appointed as the Head of Credit Policies and Risk Liquidation Group on July 2, 2021. She has been serving as Executive Vice President for Credit Policies and Risk Liquidation since April 1, 2022.



Mustafa Kürşad ÇETİN
Executive Vice President
Retail Banking

Born in Yozgat in 1979. He graduated from Selçuk University Faculty of Economics and Administrative Sciences, Department of Economics. He received his graduate degree in Banking from İstanbul University Faculty of Social Sciences. He started his career in 2003 at Türkiye Finans Headquarters Leasing Service and from 2005 on, he worked in different positions in Corporate Marketing at İstanbul Osmanbey, Beylikdüzü and İkitelli branches. Between 2012 and 2015 he worked as Türkiye Finans Nişantaşı Branch Manager. In 2015, with the inception of Ziraat Katılım he started working at İkitelli Branch as a manager. Between 2016-2019, he worked as the Head of Entrepreneurial Marketing Department, the Head of Corporate and Entrepreneurial Marketing Department, as the Head of Branch Banking and Sales Management Department. He was appointed as the Marketing Group Director as of February 2021. He has been serving as the Head of Retail Banking Group since January 13, 2022. Mr. Çetin has been serving as Executive Vice President in charge of Retail Banking since September 29, 2023.



Suat TÜCCAR
Head of Product Management
and Digital Banking Group

Born in İstanbul in 1974. He graduated from Gazi University, Faculty of Economics and Administrative Sciences, Department of Public Administration. In 2000, he started his career at Dışbank Commercial Marketing upon completing the MT program. He worked as a portfolio manager at the same bank in Mercan, Bayrampaşa and European Corporate branches, respectively. Upon the merger of Fortis and Türk Ekonomi Bankası, he served as the Branch Manager of the Bayrampaşa Mega Center and Güneşli branches. Mr. Tüccar started his career on May 2, 2016 as a Service Manager at Corporate and Entrepreneurial Marketing Department, and continued as the Head of Human Resources Department on March 23, 2017. He was appointed as Head of Strategy Planning and Human Resources Group on February 10, 2021. He has been serving as the Head of Product Management and Digital Banking Group since May 2022.



Özgür ARIK
Head of Strategic Planning and
Human Resources Group

Born in Ankara in 1980. He graduated from Ankara University, Faculty of Political Science, Department of Labor Economics and Industrial Relations in 2002. He received his master's degree from Gazi University, Institute of Social Sciences, Department of Labor Economics and Industrial Relations. In 2005, he joined Ziraat Bank as an Assistant Inspector and worked as Inspector, Supplier Relations and Contract Manager, Central Service and Real Estate Manager, Branch Manager at Mithatpaşa/Ankara Branch, and Head of Real Estate and Appraisal Management Department. Since August 29, 2024, he has been serving as Ziraat Katılım Head of Strategic Planning and Human Resources Group.



Osman ÇETİNER
Head of Internal Systems Group

Born in Antalya in 1973. He graduated from Uludağ University, Faculty of Economics, Department of Finance. In 2005, he received his SMMM license and in 2014, he received the Independent Auditor license given by the Public Oversight Board. He started his banking career in 1999 as an Assistant Accounting Specialist in the Financial Affairs Department of Kuveyt Türk A.Ş. He worked at different positions in Kuveyt Türk Bankası for 16 years, 7 of them as a Manager. In 2010, he was involved in Türkiye's first lease certificate issuance by Kuveyt Türk Bankası. Mr. Çetiner was involved in the incorporation process of Ziraat Katılım. He started serving as Head of Financial Coordination at Ziraat Katılım on April 8, 2015 and worked as the Head of Internal Control and Compliance between 2017 and 2022. As of May 9, 2022, he was appointed as Ziraat Katılım Head of Internal Systems Group and continues to work at this position.



Mehmet Salih İŞSEVER
Head of IT and Operational
Transactions Group

Born in 1973 in Bitlis. He graduated from Istanbul University, Faculty of Political Sciences, Department of International Relations in 1995. He is in the thesis stage of his master's degree in International Finance and Participation Banking at İstanbul Sabahattin Zaim University. In 1998, he completed Egebank Corporate Marketing MT program and started his banking career at Merter Branch. Between 2000 and 2002, he worked in the corporate marketing department at the Şişli Branch of Alternatif Bank. Mr. İşsever worked as Marketing Manager at Oyakbank-İngbank Çağlayan Branch in 2002 and served as Kurtköy and Levent Plazalar Branch Manager between 2008 and 2013. Between 2013 and 2015, he worked as Ziraat Bank Gebze Entrepreneur Branch Manager. In 2015, he transferred to Ziraat Katılım and served as Altunizade and Eminönü Branch Manager. Between 2021 and 2024, Mr. İşsever served as Head of Compliance Department and Head of Human Resources Department. Mr. İşsever was appointed as the Head of IT and Operational Transactions Group on August 29, 2024 and has been continuing his duty since then.

Executives Within the Internal Systems and Their Resumes

Name Surname	Position	Degree
Osman Çetiner	Head of Internal Systems Group	Bachelor's
Emin Hocaoğlu	Head of the Audit Board	Master's
Semih Turhan	Head of Internal Control Department	Master's
Serdal Ergün	Head of Compliance Department	Bachelor's
Yasin Özbey	Head of Risk Management Department	Master's

Emin HOCAOĞLU

President of the Audit Board

Born in 1986 in İstanbul. He graduated from İstanbul University, Faculty of Economics, Department of Economics in 2008. In 2010, he completed his study at Anadolu University, Department of Foreign Trade. He completed his postgraduate program in Financial Markets and Investment Management at Marmara University in 2022. He started his professional life in the purchasing department of Eczacıbaşı-Monrol Nuclear Products Company, one of the companies in the healthcare group of the Eczacıbaşı Group. In a change of career, he switched to the banking sector and started to work as an Assistant Auditor at Ziraat Bank after serving as an Assistant Auditor at Şekerbank for 6 months. Following his 8-year duty in the Ziraat Bank Audit Board, he started to work at Ziraat Katılım as the Vice President of the Audit Board on March 4, 2019. He was appointed as the President of the Audit Board on July 28, 2021 and he has been serving in this role since then.

Semih TURHAN

Head of Internal Control Department

Born in Erzurum in 1980. He obtained his bachelor's degree in Economics from Dokuz Eylül University, Faculty of Economics and Administrative Sciences, and his master's degree in Business Administration from Atatürk

GRI 3-3

University, Social Sciences Institute. Turhan, who is also a graduate of Anadolu University's Department of Justice, commenced his professional career with a private consultancy company specializing in ISO 9001 Certification and Total Quality Management. In 2007, he began his banking career as an Assistant Internal Controller at Ziraat Bank. In 2015, he was transferred to Ziraat Katılım, where he played a role in the establishment activities. Following his tenure as the Erzurum and Çayırova Branch Manager, he currently holds the position of Head of the Internal Control Department, a role he assumed in September 2023.

Serdal ERGÜN

Deputy Head of Compliance Department

Born in Artvin in 1984. He graduated from Muğla Sıtkı Koçman University, Faculty of Economics and Administrative Sciences, Department of Business Administration in 2006. In the same year, he started his professional career as a revenues and credits controller at Doğan Holding's tourism group companies. After working in various positions in the accounting department of MNG Holding group companies, he changed his career and transitioned to the banking sector. In 2010, he started his banking career as Internal Control Assistant at Ziraat Bank and continued as Ziraat Katılım Compliance Manager as

of 2020. Appointed on August 29, 2024 as Deputy Head of Compliance Department, Mr. Ergün continues to serve in this position.

Yasin ÖZBEY

Head of Risk Management Department

Born in İstanbul in 1981. He graduated from Erciyes University, Faculty of Economics and Administrative Sciences, Department of Economics in 2003. In 2011, he completed his master's degree in business administration. In 2012, he received his CPA certificate. Mr. Özbey started his professional career at Anadolu Finans Kurumu A.Ş., Financial Affairs Group Directorate, Financial Control service. He served as Financial Control Supervisor between 2004 and 2008. He assumed a role in the merger of Anadolu Finans and Family Finans. He worked at Türkiye Finans, Financial Control and Reporting Department's Audit and Legal Reporting service between 2008 and 2013. After working at Aktifbank and Albaraka Türk in Regulatory Reporting services he joined Ziraat Bank for the inception of Ziraat Katılım Bank on December 1, 2014. After serving as Financial Control Officer and Kütahya Branch Retail Officer at the Bank's Financial Coordination Department, he was appointed as Balance Sheet and Operational Risk Manager at the Risk Management Department in April 2018. Since May 9, 2022, he has been serving as the Head of the Risk Management Department of Ziraat Katılım Bank.

Information on the Committees and Their Activities

Credit Committee

Composed of the Bank's General Manager and at least two members elected from the Board of Directors who fulfill the requirements for the General Manager (except time); the Credit Committee is established to perform the duties regarding credits, which will be granted by the Board of Directors. Two alternate members are elected among the Board members who fulfill the requirements for the General Manager (except time) to serve in place of a member of the Credit Committee who cannot participate in any meeting. The Board may delegate its powers for the credit allocation to the Credit Committee or to the General Directorate.

Chairman

Metin Özdemir, Member of the Board, CEO

Members

Ahmet Buçukoğlu Member of the Board
Mehmet Başıbüyük Member of the Board

Alternate Members

Fikrettin Aksu Vice Chairman of the Board
Mahmut Esfa Emek Member of the Board

In 2024, the Credit Committee held 16 meetings and took 470 resolutions.

GRI 2-9, 2-10, 3-3

Audit Committee

The Board of Directors appoints at least two members of the Board who do not have executive responsibilities and whose qualifications are determined by the Banking Regulation and Supervision Agency (BRSA) to form the Audit Committee to assist in the fulfillment of the Board's audit and supervision activities.

Members

Fikrettin Aksu Vice Chairman of the Board
Mahmut Esfa Emek Member of the Board

In 2024, the Audit Committee held 12 meetings and took 37 resolutions.

Corporate Governance Committee

The Corporate Governance Committee is formed under the Presidency of a member of the Board who will be determined by the Board of Directors. The main task of the committee is to monitor the compliance of the Bank's corporate governance principles, to carry out improvement activities in this regard, and to provide recommendations to the Board of Directors.

Members

Fikrettin Aksu Vice Chairman of the Board
Mahmut Esfa Emek Member of the Board

The Audit Committee rendered 3 resolutions in 1 meeting held in 2024.

Remuneration Committee

The Remuneration Committee consists of at least two members who will be determined by the Board of Directors. The Committee monitors and audits remuneration practices on behalf of the Board of Directors. In addition, the Committee performs the tasks specified in the relevant regulations issued by the Banking Regulation and Supervision Agency (BRSA).

Members

Ahmet Buçukoğlu Member of the Board
Murat Cangül Member of the Board

The Remuneration Committee rendered 1 resolution in 1 meeting held in 2024.

Number of Board Meetings

In 2024, the Board of Directors held 38 meetings and took 319 resolutions.

Evaluations of the Advisory Committee on the Bank's Activities in 2024 and the Compliance of the Activities with the Principles and Standards of Interest-Free Banking

The Advisory Committee carries out its activities under the Board of Directors in accordance with Article 4 of the Communiqué on Compliance with the Principles and Standards of Interest-Free Banking released on 14 September 2019. In the organizational structure, the Advisory Committee, which carries out its activities under the Board of Directors, acts in accordance with the principle of independence while making its decisions.

Within the scope of Compliance with the Principles and Standards of Interest-Free Banking, the organizational structure of Ziraat Katılım Bank consists of the Advisory Committee and the Advisory Committee Coordination Service Management departments. Secretariat activities are carried out by the Advisory Committee Coordination Service Management under the Internal Control Department, while Compliance Activities are carried out by the Business Processes Internal Control Unit.

The Advisory Committee Coordination Service carried out its 2024 activities within the scope of business plan requirements and Interest-Free Banking Principles and Standards. Within the scope of the Communiqué on Compliance with the Principles and Standards of Interest-Free Banking, the Advisory Committee Coordination Service prepared its annual program with the Advisory Committee, and in this context, it held meetings at least twice a month.

During the 2024 reporting period, 27 Advisory Committee meetings were held and 86 decisions were taken. These decisions were announced throughout the Bank by the Advisory Committee Coordination Service. Afterwards, compliance checks were made.

The Advisory Committee met the Audit Committee to discuss the internal audit findings as stipulated in the communiqué and negotiate the actions to be taken. In these meetings, the reports prepared on Interest-Free Banking Compliance and Audit Activities and the actions taken for the findings included in the reports were discussed.

Based on the information and documents presented to the meeting agenda, the Advisory Committee conducted examinations and observations on the following issues within the scope of its powers and duties;

a) Upholding and implementing the principles and standards of interest-free banking,
b) Ensuring that the Bank's internal regulations align with interest-free finance principles and standards,
c) To evaluate and approve the standard contracts and annexes regarding the Bank's products and services in terms of Interest-Free Banking Principles and Standards.

In view of the reporting, internal negotiations and other issues regarding the implementation of the Advisory Committee decisions, the following were observed;

a) The necessary sensitivity has been demonstrated regarding compliance with the decisions of the Advisory Board and the Advisory Committee,
b) The standard contracts and their annexes, transactions and relations regarding Ziraat Katılım Bank products and services, which were examined between 01.01.2024-31.12.2024, are compliant with the decisions of the Advisory Board and the Advisory Committee,
c) The revenues obtained through the means/from sources that are not compliant with the Principles and Standards of Interest-Free Banking are calculated through technological infrastructure within the framework of the decisions of the Advisory Committee, this income is purified by spending it within the scope of the rules outlined by the Advisory Committee, and information is provided about the expenditures made,
d) A sound surveillance and control mechanism was established in order to ensure that participation accounts are managed in line with the interests of the account holders, and the profit distribution system is managed by expert personnel,
e) At the point of implementing the decisions taken, Compliance and Internal Audit activities are also carried out,
f) Training and educational seminars and programs were organized for the Bank's personnel in order to establish and develop the Interest-Free Banking culture within the Bank.

Members of the Advisory Committee and Their Resumes

Mehmet ODABAŞI
Head of the Advisory Committee

Graduated from the Religious Vocational High School in Sivas in 1993. While in high school, he took Arabic and Islamic sciences lessons. He graduated from Marmara University Faculty of Theology in 1998. In 2005, he completed his master's degree at Marmara University, Institute of Social Sciences, Department of Islamic Law. He is currently studying for his doctoral thesis on Islamic Law at the same university. He took lessons of Arabic and Islamic Sciences from valuable instructors during his undergraduate and graduate studies. He was a part of translation committee of el-Mebsût of İmam Serahsi and İthâfu'l-kârî bihtisâri Fethi'l-bârî. He was part of the translation project of el-Meâyîrûş-şer'iyye released by the Islamic Board of AAOIFI (Accounting and Auditing Organization for Islamic Financial Institutions) into Turkish with the name Interest-free Financial Standards. In this translation project, the Banking Regulation and Supervision Agency (BRSA) was the Supporting Institution, the Participation Banks Association of Türkiye (TKBB) was the Project Sponsor and İstanbul Zaim University was the Translation Organizer. He translated half of the afore-mentioned standards.

He took part in the establishment of Türkiye's first Islamic Financial Consultancy company. Mr. Odabaşı was involved in structuring the establishment processes of Ziraat Katılım, Türkiye's first public participation bank, in accordance with participation finance principles, and has provided consultancy services so far. He was also in the project of implementation of Türkiye's first window model participation insurance application within Ziraat Insurance. He was part of Türkiye's first sukuk issuance project based on agricultural commodity. He was also a part of establishment of Ziraat Katılım Index. During his studies at İSFA Islamic Financing Consultancy, he took part in numerous sukuk issuances, establishment and structuring projects of real estate investment funds, venture capital investment funds, stock market investment funds and pension funds.

Prof. Dr. Süleyman KAYA
Vice Chairman of the Advisory Committee

Graduated from the Faculty of Theology at Marmara University in 1998. He completed his master's degree in 2000 and his PhD in 2007 in the Department of Islamic Law at Marmara University. He completed his master's degree in the Department of Economic History at the same university in 2003. He is currently serving as a faculty member at the Department of Islamic Law in the Faculty of Theology, at İstanbul University.

Prof. Dr. Necmettin KIZILKAYA
Advisory Committee Member

Graduated from the Faculty of Theology at Marmara University in 2001. He received his master's degree in Islamic Law at the same university. He completed his doctoral studies at the Social Sciences Institute from Selçuk University in 2011. Mr. Kızılkaya's work is more focused on the Islamic Law and the Economy. He is especially interested in the History of Islamic Law, Modernization and Fiqh, the 19th Century Economic and Legal Transformations, Islamic Legal Literature, the Islamic Economy and Contemporary Fiqh Issues. Mr. Kızılkaya, published many studies in various languages in the field of Islamic Law, and he is still serving as a faculty member in the Department of Islamic Law, Faculty of Theology at İstanbul University.

Information on General Assembly Held in 2024

The Bank's 2023 Ordinary General Assembly meeting was held on June 06, 2024. The 2023 Ordinary General Assembly convened to discuss routine matters in accordance with the legislation, and the Ordinary General Assembly Resolutions were fulfilled in 2024.

Ordinary General Assembly Meeting Agenda

- 1- Opening of the meeting and appointment of the General Assembly Chair,
- 2- Preparation of the General Assembly minutes and authorization of Meeting Chair for signing the minutes,
- 3- Reading and discussion of the Board of Directors Annual Report for 2023 and presentation of Independent Auditor's Report to the General Assembly,
- 4- Discussion and approval of 2023 year-end financial statements,
- 5- Discussion and approval of 2022 Profit Distribution Table proposed by the Board of Directors.
- 6- Grant of release to each member of the Board of Directors,
- 7- Election of the Board of Directors Members,
- 8- Determining and approving the salaries and other rights of the Members of the Board of Directors,
- 9- Approval of the audit company that will carry out independent audit activities in 2024 in accordance with the Article 399 of the Turkish Commercial Code,
- 10-Discussing and resolving on the amendment of Article 4 titled “Headquarters of the Company” in the Bank’s Articles of Association,
- 11- Approval of the transfer from extraordinary reserves to the special fund account against the value increase fund arising as a result of the revaluation application within the scope of the provisional Article 32 of the Tax Procedure Law No. 213 and paragraph “ç” of Article 298 bis., and the transfer of the value increase amounts created for revaluation due to the inflation adjustment made for the end of the 2023 accounting period from the special fund account to the Extraordinary Reserves account,
- 12-Giving authorization for “Recording of provisions which applies to participation accounts as expenses, provided that provisions of Turkish Commercial Code are reserved” in accordance with Article 19/2 of the “Regulation on Procedures and Principles for Classification of Loans and Provisions to be Set Aside,”
- 13-Authorization of the Board of Directors to take decisions on utilizing the Bank's equity to provide for potential losses which may be incurred in participation fund pools set up to process funds collected in participation accounts in accordance with Article 6 paragraph 10 of “Regulation on Procedures and Principles for the Acceptance and Withdrawal of Deposits and Participation Funds and Deposits, Participation Funds, Custody and Receivables Undergoing Lapse of Time” issued by the BRSA,
- 14-Authorization of the Members of the Board of Directors for subjects within the scope of Articles 395 and 396 of the Turkish Commercial Code,
- 15-Closing remarks and adjournment.

Transactions Carried Out with
Ziraat Katılım’s Risk Group

Ziraat Katılım’s relations with the institutions involved in the risk group in which it is included covers all types of banking transactions compliant with the Banking Law and within the framework of regular bank-customer relation and within the market conditions. The transactions consist primarily of lending, current and participation accounts.

The amounts of the transactions that Ziraat Katılım carried out with its risk group in 2024 and the explanations regarding this matter are mentioned in the footnote numbered VII of the fifth section of the year-end financial statements, which take place within the annual report.

Companies from which Support Services Are Obtained

Support Services Received from	Services Received
Türkiye Cumhuriyeti Ziraat Bankası A.Ş.	Banking and Peripheral Systems Software and Infrastructure Services
Ziraat Teknoloji A.Ş.	Banking and Peripheral Systems Software and Infrastructure Services
Intertech Bilgi İşlem ve Pazarlama Tic. A.Ş.	Banking and Peripheral Systems Software and Infrastructure Services
Fineksus Bilişim Çözümleri Ticaret A.Ş.	SWIFT Transactions and Black List Control Application Services
Active Bilgisayar Hizm. Tic. Ltd. Şti.	Securities Buying and Selling Application Services
Ekol Grup Güvenlik Koruma ve Eğitim Hizm. Ltd. Şti.	Support Service for Security Service
Güzel Sanatlar Çek Basım Ltd. Şti.	Check Printing Services
Türkiye Cumhuriyeti Ziraat Bankası A.Ş.	Call Management Service
Türkiye Cumhuriyeti Ziraat Bankası A.Ş.	Money Group /ATM Management Services
Türkiye Cumhuriyeti Ziraat Bankası A.Ş.	Credit Card Operations Services
Bileşim Alternatif Dağıtım Kanalları ve Ödeme Hizmetleri A.Ş.	Support Service for Card and Printing Office Services
Kartek(Paycore) Kart ve Bilişim Teknolojileri Tic. A.Ş.	Support Service for Card Payment Systems
Kuryenet Motorlu Kuryecilik ve Dağıtım Hizmetleri A.Ş.	Motorcycle Courier and Delivery Services
Servicium Bilgisayar Hizmetleri Sanayi ve Dış Ticaret A.Ş.	FX mobile infrastructure service
AVI Gayrimenkul Yatırım Danışmanlık A.Ş.	Mortgage Establishment and Registration Services
BBS Danışmanlık Gayrimenkul ve Eğitim A.Ş.	Mortgage Establishment and Registration Services
FU Gayrimenkul Yatırım Danışmanlık A.Ş.	Mortgage Establishment and Registration Services
Scsoft Bilişim Teknolojileri Ltd. Şti.	Distance Customer Acquisition Integration Services
Scsoft Bilişim Teknolojileri Ltd. Şti.	Instant Financing Platform Development Services
Bileşim Finansal Teknolojiler ve Ödeme Sistemleri A.Ş.	ATM Clearing and Settlement System
Compay Ödeme Çözümleri Ltd. Şti.	TOGG Digital Vehicle Finance Integration
Loomis Güvenlik Hizmetleri A.Ş.	Precious Goods Transportation, Counting and Safe Services
Austria Card Turkey Kart Operasyonları A.Ş.	Card Printing and Management
Kivi Bilgi Sistemleri Yazılım Anonim Şirketi	Embedded Finance Platform Service for SMEs
BBS Danışmanlık Gayrimenkul ve Eğitim A.Ş.	Real Estate Land Registry and Post-Land Registry Operational Transactions

Affiliate Company Report

The volume of transactions conducted by Ziraat Katılım Bankası A.Ş. with its associated risk group for the year 2024 and the corresponding explanations can be found in footnote VII of the fifth section of the year-end consolidated report within the Annual Report.

In all transactions made by Ziraat Katılım Bankası A.Ş. with its controlling partner, subsidiaries of the controlling partner, and subsidiaries of Ziraat Katılım Bankası A.Ş. in 2024, it has been concluded that, based on the circumstances and conditions known to us at the time the transaction was made or the measure was taken or avoided, an appropriate counter-action was provided in each transaction and that there were no measures taken or avoided that could have negatively impacted the Company and that there were no transactions or measures that would require equalization within this framework.

The Audit Committee’s Evaluations Regarding the Functioning of the Internal Audit, Internal Control, Compliance, and Risk Management Systems

The activities of internal audit, internal control, compliance, and risk management in the Bank are carried out by the Supervisory Board, the Directorate of Internal Control and the Directorate of Compliance, and the Directorate of Risk Management within the Internal Systems Group under the Audit Committee.

The organization, that is established in a way to include all units, branches, and subsidiaries subject to auditing, aims to:

- Continue banking operations in a secure manner in line with the legislation, policy, principles and objectives,
- Achieve sustainable profitability goals,
- Perform the financial and administrative reporting in a timely, complete and secure manner,
- Define Ziraat Katılım’s legal, nominal and financial risks, to measure, report, and monitor the risks and to minimize the concerned risks by controlling them.

In order to increase the internal systems personnel’s individual and occupational development, the personnel were ensured to attend internal and external training, conference and seminars, thus, their practical knowledge level is constantly being developed.

FUNCTIONING OF INTERNAL AUDIT

The Supervisory Board audits whether the operations carried out by the Bank’s all units, local and international branches, and subsidiaries are in accordance with the law and other relevant legislation and the Bank’s strategies, policies, principles and objectives; the effectiveness and adequacy of internal control and risk management systems within the framework of risk-based audit approach. The Internal Audit Department informs the Bank’s senior management and continues its efforts to contribute to the senior management’s decision-making processes.

In line with the BRSA’s Regulation on Banks’ Internal System and Intrinsic Capital Adequacy Assessment Processes, the Regulation on Independent Audit of Information Systems and Business Processes, the Regulation on Information Systems and Electronic Banking Services of Banks, the Communiqué on Compliance with the Principles and Standards of Interest-Free Banking, especially the Law on Banking, and other relevant legislative provisions and the Bank’s in-house regulations, the Bank’s activities, transaction steps and work processes, were evaluated by the Board of Auditors in terms of accuracy, effectiveness and efficiency.

Activities of the Audit Board in 2024 are presented below:

When 2024 internal audit plan was determined, risk-based audit and internal audit plan provisions of BRSA’s Regulation on Banks’ Internal System and Intrinsic Capital Adequacy Assessment Processes were taken into account. When risks the Bank is exposed to in its operations and controls related with those risks are assessed by the Audit Board, information and data were obtained from the departments at Headquarters and managers’ opinions were considered. Based on these data and opinions risk assessment report and risk matrix were created. Consequently, departments, branches and business processes, information systems and other audit activities to be included in the scope of internal audit plan were determined.

Audits of branches, work processes, information systems, Headquarter departments, external/support service firms and others included in the internal audit plan were completed. Internal audit activities and results conducted in accordance with the “internal audit reports” provisions of BRSA’s Regulation of Internal Systems and Internal Capital Adequacy Assessment Process were included in quarterly reports.

Reviews/investigation activities which were not included in the audit plan due to their nature and content were conducted by the Audit Board in detail when the cases subject to review / investigation were detected by or reported to the Audit Board. Resulting reports were sent to the Headquarter units or related institutions.

Management representation for 2024, which is prepared to give assurance on the effectiveness, adequacy, and compatibility of controls over information systems and work processes, included reports on work process audits, information systems audits, and external/support service companies’ audits.

During the audits conducted by the Audit Board, compliance audits for interest-free banking principles and standards were performed as well. Results of these audits and actions taken as a result of outcomes were taken to the agenda of the two meetings of the Audit Committee and the Advisory Committee.

In the audit application used for branch audits, system improvements have been completed so that information systems and business processes audits can also be performed end-to-end through the application, and information systems and business processes audits will also be performed through the application as of 2025. The control points on the application are regularly updated in line with legal regulations and the decisions of the BRSA and the CBRT, as well as the changes envisaged by the Bank’s Senior Management and Headquarter units.

In 2024, centralized audit activities, which involve the execution of scenario-based analyses and the implementation of controls to detect potential fraud, continued. The number and variety of scenarios were increased, thereby expanding the scope of these audits. Efforts have been initiated to integrate artificial intelligence technology into centralized supervision processes. Accordingly, it will be possible to detect and examine a greater number of potentially fraudulent cases arising from branch transactions more promptly and efficiently. Application developments are underway to enable centralized audit activities to be carried out end-to-end through the audit application and it is planned to be operational as of the first quarter of 2025.

13 Assistant Auditors who succeeded in the Bank’s Assistant Auditor entrance examination completed the Master’s degree program at Ankara University Banking School and commenced their duties in July. Also, regular onsite and external trainings were held to increase our current staff’s level of knowledge. The inspectors who attended Compliance with Interest-free Banking Principles and Standards and Audit certification program organized by TKBB completed the exam at the end of training and received their certificates.

In the upcoming period, the Audit Board will undertake the implementation of the internal audit plan to be formulated in alignment with the objectives and policies established by the Bank’s senior management. The Board will report the outcomes of audit activities to the Board of Directors through the Audit Committee and diligently monitor the corrective measures to be implemented based on audit findings, with a strong sense of responsibility and professional commitment.

The Audit Committee’s Evaluations Regarding the Functioning of the Internal Audit, Internal Control, Compliance, and Risk Management Systems

OPERATION OF THE INTERNAL CONTROL SYSTEM

The activities of the Internal Control Department are composed of branch controls, central controls, Headquarter unit controls, information systems controls, and interest-free banking compliance controls in line with the Bank’s strategies, objectives, and policies and in compliance with legal regulations. A proactive structure is adopted to provide compliance with changing strategy, risk perception and conditions on a timely basis.

The purpose of Internal Control activities is to ensure the protection of the Bank’s assets, effective and efficient conduct of the operations, unity and reliability of the accountancy and reporting system and timely access to the information.

The Internal Control system of the Bank was designed in a way to cover the Headquarter Units, domestic branches, foreign branches and the subsidiaries subject to consolidation as per the provision of the Article 9, paragraph 3 of the “Regulation on Banks’ Internal System and Intrinsic Capital Adequacy Assessment Processes,” which is the “Internal Control system is designed to cover the domestic and foreign branches, headquarter units, the subsidiaries subject to consolidation and all activities of the Bank.”

Control programs were prepared by taking into account the opening dates of newly opened branches, the periodic risk status of existing branches, and the dates of the last report issued, and branch control activities were carried out in this context as on-site, remote, and central control activities. In order to increase the risk and control awareness during the internal control activities of the branch and to prevent the losses arising from operational risks, the branch personnel were continuously informed.

Central control activities contributed to internal control culture across the Bank and establishment, development of the internal control system, prevention and reduction of risks via early action and also, continuous monitoring function. In 2025, the Bank will continue to develop central control processes for proactive, effective and more efficient internal control activities.

In order to render control activities more effective and efficient, the control activities of the branches are carried out through the control application. Thanks to the control application, the Bank contributed to compliance of the Bank’s operations with external legislation and competitive conditions.

The control activities carried out in the Headquarter units are designed in accordance with national and international legislation, the Bank’s internal policies and rules, and banking customs, taking into account the functions of the relevant units, the risks they carry, their impact on the Bank’s balance sheet, and their job descriptions.

At the Bank, Internal Control activities were carried out on the following topics: functional segregation of duties; division of responsibilities; establishment of the accountancy and reporting system, the information system and the Bank’s internal communication channels in a manner that they will operate effectively; the creation of work flow charts in which the controls on the Bank’s work processes and work steps are indicated.

R&D studies are conducted in order to carry out centralized, real-time, technology-focused Internal Control Activities and to enable the relevant business units to take faster action on widespread deficiencies.

In 2024, recommendation report application continued to be prepared for the improvement of processes regarding the operations carried out in the Bank and the establishment of control points on these processes, which will be complied and implemented by the personnel from all levels, increasing the effectiveness of the controls on the processes, prevention of possible risks, ensuring customer satisfaction and taking cost reducing measures.

In addition to the issues specified, the compliance of all the activities, which are realized or planned to be realized by the Bank, and new transactions and products of the Bank with the Law and other relevant legislation, the Bank’s in-house policies and rules, and banking practices and customs are controlled. The legislation issued or amended is also examined within the Bank within the scope of compliance controls and the opinions formed are shared with the relevant work units.

Internal control staff attended numerous trainings during the year for their professional development. In order to increase company-wide awareness for internal control activities, various trainings were organized for Bank employees and Internal Control staff has provided support for those trainings.

The Advisory Committee Coordination Department under the Internal Control Department carried out the secretariat and compliance activities of the Advisory Committee effectively and efficiently within the framework of the Communiqué on Compliance with Interest-Free Banking Principles and Standards. The activities that were conducted within this framework were communicated to the relevant company units.

Other findings resulting from all these activities were periodically shared with the Bank’s relevant business units and senior management.

FUNCTIONING OF COMPLIANCE SYSTEM

Operations of the Bank to prevent the laundering of proceeds of crime, the financing of terrorism, and the proliferation of weapons of mass destruction are conducted in strict compliance with national and international regulations.

As part of compliance activities, compliance controls were carried out in accordance with Article 18 of the Regulation on Banks’ Internal System and Intrinsic Capital Adequacy Assessment Processes. Also, within the context of compliance activities, the Bank’s personnel are informed as soon as possible about the provisions of the law and other relevant legislation and changes in the Bank’s internal policies and rules.

All operations conducted and planned by the Bank, as well as new transactions and products, are thoroughly checked to ensure compliance with national and international legislation, internal Bank policies, rules, and banking practices. The legislation issued or amended is also examined within the Bank within the scope of compliance controls and the opinions formed are shared with the relevant work units. The Bank develops preventive control mechanisms to ensure that the products and services it offers are not used as a tool for illegal activities and takes immediate action in combating the proceeds of crime with proactive measures.

Audit, monitoring, reporting, analysis, and control functions are performed within the scope of activities established in accordance with the “Regulation on Program of Compliance with Obligations of Anti-Money Laundering and Combating the Financing of Terrorism” and carried out in accordance with the compliance program, with the aim of preventing the proceeds of crime, the financing of terrorism, and the proliferation of weapons of mass destruction. The Bank’s employees are provided with face-to-face and online training regarding the prevention of laundering proceeds of crime and financing acts of terrorism to ensure they adopt compliance culture at global standards and implement this culture at their work and activities.

As a part of the Ziraat Finance Group, the units operating both in Türkiye and abroad conduct their operations in accordance with the policies and procedures established by taking local and international regulations into account, in a manner which does not expose the Bank’s products and services to any operational and reputational risk in the areas of money laundering or financing acts terrorism in accordance with local and international regulations. Regular information sharing is carried out within the framework of the coordinated strategy which is executed regarding the compliance activities of foreign branches. In this context, compliance with the legislation on Laundering Proceeds of Crime and Prevention of Financing of Terrorism/ Proliferation of Weapons of Mass Destruction is ensured in our branches abroad.

The Audit Committee’s Evaluations Regarding the Functioning of the Internal Audit, Internal Control, Compliance, and Risk Management Systems

Controls are being developed to prevent the risk of sanctions, aiming to avoid engaging in business relations with individuals and organizations included in the sanctions programs followed by the Bank, refraining from providing any services related to the activities subject to sanctions, and avoiding intermediating any banking services that would violate the sanctions.

Findings resulting from all these activities related with the operations of Internal Control and Compliance were shared periodically with related business units and senior management.

FUNCTIONING OF RISK MANAGEMENT SYSTEM

The main purpose of the Bank risk management system is to ensure the definition, measurement, monitoring and control of the risks, to which the Bank is exposed, through the policies and the limits determined to monitor, control, and when necessary to change the operations’ nature and level in relation to the risk-return structure that the future cash flows will include.

The Bank’s risk management activities are conducted in accordance with the “Regulation on Banks’ Internal System and Intrinsic Capital Adequacy Assessment Processes” and other pertinent regulations, as well as BRSA Good Practice Guidelines, with the aim of cultivating a risk culture throughout the Bank and bringing the risk management function closer to best practices by continuously improving the system and human resources. Activities carried out within the framework of the risk management system cover the fundamental categories of credit risk, market risk, operational risk, balance sheet risks (profit share rate risk arising from banking accounts, net stable funding rate risk, and liquidity risk), and model-process validation.

The basic approach in risk management activities is to carry out the risk management function with the best practices in accordance with the provisions of the “Regulation on Banks’ Internal System and Intrinsic Capital Adequacy Assessment Processes,” to establish a risk culture throughout the Bank, and to continuously improve both systems and human resources.

The activities carried out within the framework of risk management system are given care to be carried out simultaneously with the contributions of the units included in the business line with which each risk type is related.

The risk management activities cover the basic headings of credit risk, market risk, operational risk, liquidity risk and other risks. The final objective is to comply with the best practices. Within the framework of credit risk management activities, the activities for the definition, measurement, monitoring and reporting of the credit risk by using the Standard Approach methods in compliance with Basel III. In this context, the calculation of the amount subject to credit risk, which started legally as of July 1, 2012, is reported to the BRSA monthly on a solo and consolidated basis. The measurement of counterparty credit risk, which falls under the purview of credit risk, is also made using the Standard Approach (SA-CCR) method. Senior management receives the results of scenario analyses and stress tests related to credit risk. Also, the compliance activities with the Basel III regulations and the regulations revised by the BRSA within the framework of Basel are continuing.

Operational risk management activities comprise the definition, classification, measurement, and analysis of the operational risks. These activities are carried out as part of the Bank’s “Operational Risk Management Regulation” that is prepared in accordance with the arrangements issued on June 28, 2012, by the BRSA to comply with Basel II.

The amount subject to operational risk is calculated using the Basic Indicator Method in accordance with the Regulation on Measurement and Assessment of Banks’ Capital Adequacy.

The operational risk loss database, which is integrated with the Bank and compatible with the accounting system, is established in accordance with a classification that encompasses the loss event type and activity lines of the Basel Banking Supervision and Audit Committee. This database includes data from foreign and domestic branches and subsidiaries, allowing the Bank to monitor its operational risk outlook with effective methods.

The compliance with the operational risk limits approved by the Board, which are determined in order to manage operational risks, is periodically monitored. The risks stem from information technologies and the actions taken are also monitored. The risk assessments are carried out for the companies from which support services are procured within the framework of the BRSA’s regulations currently in effect.

As part of operational risk, media analysis reports relevant to reputation risk and provided daily from the Bank’s Corporate Communication Department are examined.

Within the scope of market and liquidity risk management, measurement, analysis, limiting, reporting, and monitoring activities related to Market Risk, Liquidity Risk, Net Stable Funding Ratio Risk, and Profit Share Ratio Risk arising from Banking Calculations are carried out. The analyses conducted are supported with stress test. The compliance to the market and liquidity risk limits, which are approved by the Board and determined to manage the concerned risks, is periodically monitored. Also, Value at Risk is calculated daily with the internal models regarding exchange risk as part of market risk and retrospective test analyses are carried out for these models.

In order to facilitate the modeling and validation activities of the internal rating system, the Risk Management Department continues its infrastructure work by participating in the development and formulation of ongoing credit rating models within the Bank. The Bank conducts TFRS-9 Expected Credit Loss calculations and performs the development, monitoring, and validation of the Probability of Default, Loss in Case of Default, and Amount of Default models utilized in the calculations. It also undertakes validation studies to assess the performance of the TFRS-9 Expected Credit Loss model and to implement calibrations as required.

In addition to stress test analysis used in periodic reports, Stress Test reports and ICAAP reports are prepared to be sent to BRSA at year-ends and besides BRSA’s scenario sets, equity and liquidity adequacy level is analyzed for the following three years in basis, adverse and extreme scenarios.

The results of the analyses carried out within the scope of risk management activities and risk indicators are reported annually to the Board of Directors, at three months periods to the Audit Committee, at weekly and daily periods to the operational units.

Financial Status, Profitability, and Solvency of Ziraat Katılım

Ziraat Katılım, which started its activities in 2015 with the principle of “More as We Share,” carries out its activities with the aim of creating value for its customers and ensuring the efficient and sustainable growth of its customers by focusing on its customers with its strategy of increasing the share of participation banking in the sector.

In 2024, the total assets of Ziraat Katılım increased by 34% to reach TL 515.3 billion. Funds disbursed constitute the highest share, with 62% of total assets. At Ziraat Katılım Bank, cash loans increased by 22% compared to the previous year to reach TL 317.9 billion while non-cash loans increased by 49% compared to the previous year to stand at TL 116.4 billion. The Bank's equity, on the other hand, increased by 13% to TL 22.4 billion.

In line with the goal of providing widespread and low-cost resources to contribute to the savings balance of the national economy, funds collected increased by 18% in 2024 in comparison with 2023 year-end and reached TL 357.7 billion. Share of funds collected in the balance sheet was 69%. Of the funds collected, 20% consists of private current accounts and 80% of participation accounts.

Ziraat Katılım closed the year 2024 with a profit of TL 3.5 billion with its principles of balanced growth sustainable financial performance and profitability. Profit share revenue at an amount of TL 90 billion is the most significant revenue item of the Bank. Profit share received from the funds disbursed is the largest item in profit share revenues. The Bank sustained its strong capital structure, high liquidity level, and funding capability in 2024. The capital adequacy ratio stood at 20.23% as of year-end 2024.

Information on Risk Management Policies Applied by Risk Type and Risk Management Disclosures

Ziraat Katılım risk management activities are continued under the basic approach of aligning the risk management function with the best practices by means of instilling risk culture, continuous improvement of the system and the human resources.

The risk management activities cover the main headings of credit risk, market risk, operational risk, balance sheet risks and validation. Policy and application procedures regarding the afore-mentioned risks are governed by regulations approved by the Board of Directors on the basis of each risk type. Care is given to ensure that all risk management system activities are coordinated through the involvement of operational branches associated with each risk type.

Within the scope of “Regulation on Banks’ Internal System and Intrinsic Capital Adequacy Assessment Processes,” an Intrinsic Capital Adequacy Assessment Process was formulated. The purpose of this process is to identify the required capital to cover the exposed/ to be exposed risks and to set up a system that will enable the assessment of the capital requirements and levels compatible with strategic goals and the continuity of this system. Analyses are performed in line with BRSA principles and are further supported by means of risk-specific stress tests and scenario analyses. Stress Test and Capital Adequacy (ICAAP) Reports prepared at year-ends with the contribution of other related units are presented to BRSA after their approval by the Board of Directors.

Credit risk

Credit risk pertains to the potential loss that the Bank might incur as a result of the counterparty involved in a transaction failing to meet the contractual obligations outlined with the Bank, either partially or wholly, within the specified timeframe.

Credit risk management includes presentation of credit risks of the Bank, definition of those risks, activities related with measurement, monitoring, control and reporting of those risks.

The Bank calculates its risk weighted assets within the scope of 1st Structural Block within the framework of Regulation on Measurement and Evaluation of Capital Adequacy of Banks. In this context, amount subject to credit risk is reported to BRSA on a monthly basis as solo and consolidated. With regard to Pillar II, the Bank calculates the annual general stress test in accordance with its plans and scenarios. Meanwhile, the Internal Capital Assessment Process Report is prepared by Bank management in coordination with other departments.

GRI 3-3

Counterparty credit risk refers to the risk that the counterparty, which is the addressee of a transaction imposing obligations on both parties, would default before the final payment in the cash flow of this transaction. Counterparty credit risk, which is considered within the scope of credit risk, is calculated and reported monthly using the Standard Approach (SA-CCR) method in accordance with the provisions of the Regulation on Measurement and Evaluation of Capital Adequacy of Banks and its annexes. Calculation of counterparty credit risk are made for repurchase and derivative transactions. Additionally, capital adequacy is calculated for credit evaluation adjustment of all derivative transactions.

Loan provisions are modeled in accordance with TFRS 9 and calculated based on the relevant legislation.

The Leverage Ratio is conveyed to the BRSA and the CBRT in three-month periods.

The Company Assessment System is used in order to evaluate the credit worthiness of the customers who are in Ziraat Katılım's commercial portfolio. Credit risk limits and trigger values on the basis of risk groups and customer segments, which are approved by the Board of Directors, as well as limits and trigger values of non-performing loan ratio have been calculated. All these values are monitored on a weekly basis.

Market Risk

Market risk refers to the potential for financial loss resulting from shifts in profit share rates, exchange rates, commodities, and security prices of the Bank's on-balance sheet and off-balance sheet accounts.

Risk measurement and monitoring activities are carried out in order to reveal the market risks to which Ziraat Katılım may be exposed. The results of these activities are taken into account in the Bank's strategic decision-making processes. The market risks and potential effects of the factors that create the risks are measured and regularly reported to the BRSA by Ziraat Katılım Bank.

The Standardized Approach methodology is used to calculate the Bank's exposure to market risk, the amount of which is included in its mandatory capital adequacy ratio. Within the context of market risk, exchange risk is also calculated on a daily basis using a VaR-based internal model. The effectiveness of the models being used is also analyzed by means of back testing.

In the conduct of its day-to-day operations, trigger values are monitored as part of the early-warning process carried out to protect Ziraat Katılım's financial strength from being seriously affected by increases in market volatility. Risk exposure levels are kept within prescribed limits.

Operational Risk

Operational risk represents probability of loss due to inadequate or unsuccessful internal processes, people and systems or external events, including legal risk. Amount subject to operational risk is calculated using Basic Indicator Approach.

All employees of the Bank perform their duties with a strong sense of responsibility, recognizing that the principles and practices in the Bank's legislation, particularly the operational risk policy, aim to establish a working environment that is highly aware of operational risks and that will minimize the potential for losses by taking into account the control mechanisms of these risks.

Signals and limits approved by the Board of Directors related with operational risks are established within the scope of internal regulations and being monitored periodically.

Risks realized and actions taken in the context of Information Technologies are also monitored and included in the reports submitted to the senior management regarding operational risk.

As part of the Business Continuity Plan, “Business Impact Analyses” works are completed in order both to identify the risks that might arise if the Bank's operations are interrupted and to determine their potential consequences.

In order to ensure the continuity of outsourced support services, the risks that might arise from their procurement are assessed in light of “Regulation on the Outsourcing of Support Services by Banks” issued by the BRSA.

Information on Risk Management Policies Applied by Risk Type and Risk Management Disclosures

Balance Sheet Risks

Within the scope of balance sheet risks, the goal is to effectively manage risks from the Bank's assets, liabilities and off-balance sheet accounts.

Within the scope of balance sheet risks management, risk measurement and monitoring activities are carried out in order to reveal the Liquidity, Net Stable Funding Ratio and Dividend Ratio arising from Banking Account risks that the Bank may encounter, and the results are taken into account in the strategic decision-making process of Ziraat Katılım.

Liquidity risk consists of liquidity risk from funding and liquidity risk from the market.

Liquidity risk associated with funding pertains to the potential for the Bank to incur a financial loss due to its failure to fulfill all anticipated or unanticipated cash flow obligations or daily operations without impacting its financial framework.

Market-related liquidity risk pertains to the potential for the Bank to incur financial losses as it is unable to close out or balance its positions at prevailing market prices due to insufficient market depth or excessive volatility.

Profit share rate risk is defined as the possible losses that may result from assets, liabilities, and off-balance sheet transactions that are sensitive to profit share changes.

All on-balance sheet and off-balance sheet items sensitive to dividends are monitored in Banking Accounts, except for the items monitored in trading accounts and the items other than subordinated debts taken into account in the equity calculation as outlined in the BRSA's "Regulation on Equity of Banks." The standard ratio of dividend rate risk arising from banking accounts is calculated for the Bank's on-balance sheet and off-balance sheet positions in accordance with the BRSA's "Regulation on Measurement and Evaluation of Interest Rate Risk in the Banking Book with the Standard Shock Method."

Compliance with mandatory ratios pertaining to liquidity and profit share rate risks arising from banking business accounts is also monitored. When carrying out the liquidity risk control; funding and lending maturity mismatches, assets' and liabilities' re-pricing as well as contractual maturities, the level of primary (cash and cash-equivalent) liquidity reserves needed to conduct the Bank's normal day-to-day operations, Central Bank liquidity facilities to which recourse may be had in order to cope with unexpected liquidity requirements are monitored. In addition to the foregoing, scenario and sensitivity analyses regarding liquidity risk are performed.

Signal values are followed and risk levels are limited as part of early warning process to prevent the Bank's financial strength from increased volatility in the markets and mismatch that can be seen on cash inflows and outflows while carrying out daily activities. Risk limits are determined observing liquidity situation, targeted return level and risk appetite and become effective upon approval of the Board of Directors.

Modeling and Validation

The Risk Management Department is in charge of conducting the Bank's TFRS-9 Expected Credit Loss calculations. The models used to calculate the Probability of Default (PD), Loss Given Default (LGD), and Exposure at Default (EAD) parameters used in this calculation undergo regular reviews. In 2024, the Probability of Default, PoD Macroeconomic Model and Default Amount Models were redesigned, and the Loss Given Default Model was calibrated. After the modeling studies, initial validation procedures were carried out. Furthermore, the Company Evaluation System used in the allocation process and the Revenue Estimation Model used in the credit card limit assignment system underwent validation studies. Studies were carried out to create a heat map for climate risk and to conduct an Expected Credit Loss impact analysis for some sectors.

Financial Ratios

%	December 2023	December 2024
Capital		
Capital Adequacy Ratio	15.10	20.23
Shareholders' Equity/Total Assets	5.16	4.34
Asset Quality		
Total Loans*/Total Assets	66.02	60.79
NPL (Gross)/Extended Funds	0.77	0.92
Total Loans*/Total Deposit	83.35	87.59
Profitability		
Net Profit (Loss)/Average Total Assets	1.34	0.77
Net Profit (Loss)/Average Shareholders' Equity	25.66	16.36
Income-Expense Structure		
Profit Shares Income/Profit Shares Expense	114.08	104.82
Non-Profit Shares Income/Non-Profit Shares Expenses	88.76	100.82
Total Income/Total Expenses	109.29	104.30
Profit Shares Income/Total Income	84.63	87.60
Non-Profit Shares Income/Total Income	15.37	12.40
Profit Shares Expenses/Total Expenses	81.07	87.17
Non-Profit Shares Expenses/Total Expenses	18.93	12.83

*Excludes Funds Extended to Financial Sector. includes Financial Leasing Receivables.

Summary Financial Information for the Last 5 Years

Assets	December 2020	December 2021	December 2022	December 2023	December 2024
Liquid Assets	10,273,948	18,639,347	38,204,442	73,659,078	124,103,824
Securities Portfolio	6,895,629	11,702,431	27,215,503	43,136,449	61,340,363
Funds Extended*	42,206,410	66,399,920	144,858,268	259,770,687	317,863,713
Other Assets	811,009	1,570,894	3,065,377	7,690,391	12,020,469
Total Assets	60,186,996	98,312,592	213,343,590	384,256,605	515,328,369

Liabilities	December 2020	December 2021	December 2022	December 2023	December 2024
Funds Collected	46,386,150	77,933,897	173,139,198	304,372,374	357,652,803
Other Funds	8,625,463	12,605,353	21,400,178	51,646,783	124,773,600
Other Liabilities	1,441,110	3,451,607	7,425,769	8,405,901	10,530,928
Shareholders' Equity	3,734,273	4,321,735	11,378,445	19,831,547	22,371,038
Total Liabilities	60,186,996	98,312,592	213,343,590	384,256,605	515,328,369

Selected Income/ Expenses	December 2020	December 2021	December 2022	December 2023	December 2024
Profit Shares Income	4,191,345	6,259,916	20,231,260	43,986,005	90,037,546
Profit Shares Expense	2,122,807	4,745,377	12,488,773	38,557,020	85,900,884
Net Profit Shares Income/ Expense	2,068,538	1,514,539	7,742,487	5,428,985	4,136,662
Net Fees and Commissions Income/Expense	92,541	147,334	245,945	2,931,888	2,923,878
Dividend Income	104	-	774	714	1,428
Trading Income/Loss (net)	83,310	214,813	1,214,691	2,158,546	3,317,201
Other Operating Income	268,144	551,638	876,254	2,113,854	4,993,908
Provision Expense	1,168,068	988,603	2,931,630	3,318,215	3,023,337
Personnel Expense	235,155	317,383	798,367	2,086,880	4,257,726
Other Operating Expenses	316,932	392,167	886,388	2,811,685	3,851,226
Income Before Tax	792,482	730,171	5,463,766	4,417,207	4,240,788
Tax Provision	(153,920)	(171,482)	(1,623,494)	(412,710)	(787,966)
Net Profit/Loss	638,562	558,689	3,840,272	4,004,497	3,452,822

*Financial Leasing, Expected Loss Provisions and Non-Performing Receivables are included.

International Credit Ratings

Rating Agency	Category	Rating	Date
Fitch Ratings	Long Term Foreign Currency Credit Note	B	April 19, 2024
	Short Term Foreign Currency Credit Note	B	
	Long Term Turkish lira Credit Note	B+	
	Short Term Turkish lira Credit Note	B	
	National Long Term Credit Note	AA (tur)	
	Support Note	b	

ZİRAAT KATILIM BANKASI ANONİM ŞİRKETİ

UNCONSOLIDATED FINANCIAL STATEMENTS, RELATED EXPLANATIONS AND NOTES AS OF 31 DECEMBER 2024 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 2024, 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 2024, 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 mentioned in Section Five Part II. 8.c.1 of Explanations and Notes to the unconsolidated Financial Statements, the free provision amounting to TRY 500.000 thousand, which was fully provided in prior years outside of the requirements of BRSA Accounting and Financial Reporting Legislation, was reversed in the current year by the Bank management as at 31 December 2024 in the accompanying unconsolidated financial statements. Had this free provision not been accounted for in prior years and not been reversed in the current year, net profit and prior periods’ profit would have decreased by TRY 500.000 thousand and increased by TRY 500.000 thousand respectively for the year ended 31 December 2024.

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.

Key Audit Matters	How the key audit matter was addressed in the audit
Expected credit losses for loans and receivables The Bank has total expected credit losses for loans amounting to TRY 3.796.765 thousand in respect to total loans and receivables amounting to TRY 321.660.478 thousand which represent a significant portion of the Bank’s total assets in its unconsolidated financial statements as at 31 December 2024. 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 2024. 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.



Key Audit Matters	How the key audit matter was addressed in the audit
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. 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.	We have assessed expert judgment utilized in interpretation of supportable forward looking expectations (including macroeconomic factors). 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. 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. 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. For a selected sample, we checked accuracy of resultant expected credit losses calculations. 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. We evaluated the adequacy of the disclosures made in the unconsolidated financial statements regarding the provision for impairment of loans.



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 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 2024 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 2024. 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.

Didem Demer Kaya, SMMM
Independent Auditor

Istanbul, 14 February 2025



THE UNCONSOLIDATED FINANCIAL REPORT OF ZİRAAT KATILIM BANKASI A.Ş AS OF 31 DECEMBER 2024

The Bank’s Headquarter Address: : Finanskent Mahallesi, Finans Caddesi, B Blok No: 44B, İç Kapı No: 29, Ümraniye/İstanbul
Phone: 0 216 557 27 00
Facsimile: 0 212 404 10 80
Website: www.ziraatkatilim.com.tr
E-mail: bilgi@ziraatkatilim.com.tr

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
- INFORMATIONS 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 the 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

Alpaslan ÇAKAR Chairman of the Board	Fikrettin AKSU Vice Chairman of the BOD, Member of the Audit Committee	Metin ÖZDEMİR Member of the Board, General Manager
Mahmut Esfa EMEK Member of the Board, Member of the Audit Committee	Osman KARAKÜTÜK Vice President of Treasury Management and International Banking	Figen BAHADIR Head of Financial Coordination Department

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

Name-Surname/Position : Erdem DENİZHAN/ Financial Audit Processes Department Manager
Tel No : 0 216 559 22 56
Facsmile : 0 212 404 10 80

SECTION ONE General Information about the Bank		Page Number
I.	History of the Bank including its incorporation date, initial legal status and amendments to legal status	200
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	201
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	201
IV.	Information about the persons and institutions that have qualified shares attributable to the bank	202
V.	Explanations of the Bank’s services and field of operations	202
VI.	Brief explanation about the differences between the communiqué on the preparation of consolidated financial statements of banks and the consolidation transactions carried out in accordance with Turkish Accounting Standards and about the institutions that are subject to full consolidation or proportional consolidation, deducted from equity or not included in these three methods	202
VII.	Existing or potential, actual or legal obstacles to the immediate transfer of equity or repayment of debts between the bank and its subsidiaries	202
SECTION TWO Unconsolidated Financial Statements		
I.	Unconsolidated Balance sheet (Statement of Financial Position)	204-205
II.	Unconsolidated Statement of off - balance sheet commitments	206
III.	Unconsolidated statement of profit or loss	207
IV.	Unconsolidated statement of profit or loss and other comprehensive income	208
V.	Unconsolidated Statement of changes in shareholders’ equity	209
VI.	Unconsolidated statement of cash flows	210
VII.	Unconsolidated Statement of profit distribution	211
SECTION THREE Explanations on Accounting Policies		
I.	Explanations on basis of presentation	212
II.	Explanations on strategy of using financial instruments and foreign currency transactions	212-213
III.	Explanations on investments in associates and subsidiaries	213
IV.	Explanations on forward and option contracts and derivative instruments	213
V.	Explanations on profit share income and expense	213
VI.	Explanations on fees and commission income and expenses	214
VII.	Explanations on financial assets	214-216
VIII.	Explanations on impairment of financial assets	216-219
IX.	Explanations on offsetting of financial assets and liabilities	219
X.	Explanations on sales and repurchase agreements and lending of securities	219
XI.	Explanations on assets held for sale and discontinued operations and related liabilities	219-220
XII.	Explanations on goodwill and other intangible assets	220
XIII.	Explanations on tangible assets	220-221
XIV.	Explanations on leasing transactions	221-222
XV.	Explanations on provisions, contingent assets and liabilities	222
XVI.	Explanations on obligations related to employee rights	222-224
XVII.	Explanations on taxation	225-228
XVIII.	Explanations on additional disclosures on borrowings	229
XIX.	Explanations on share certificates issued	229
XX.	Explanations on acceptances	229
XXI.	Explanations on government incentives	229
XXII.	Explanations on cash and cash equivalents	229
XXIII.	Explanations on segment reporting	230
XXIV.	Explanations on other matters	230
SECTION FOUR Explanations Related to the Financial Position and Risk Management of the Bank		
I.	Explanations on shareholders’ equity	231-241
II.	Explanations on credit risk	241-249
III.	Risk included in the cyclical capital buffer calculation	249
IV.	Explanations on the currency risk	250-251
V.	Position risk of equity instruments arising from banking accounts	252
VI.	Explanations on liquidity risk management and liquidity coverage ratio	252-260
VII.	Explanations on leverage ratio	260
VIII.	Explanations on securitization positions	261
IX.	Explanations on risk management	261-274
X.	Explanations on risk protection procedures	275
XI.	Counter party credit risk disclosures	276-282
XII.	Explanations on operating segments	283-284
XIII.	Explanations on the fair value realization of financial assets and liabilities	285-286
XIV.	Explanations on the activities carried out on behalf and on account of other parties	286
SECTION FIVE Explanations and Notes Related to Unconsolidated Financial Statements		
I.	Explanations and notes related to assets	287-305
II.	Explanations and notes related to liabilities	306-316
III.	Explanations and notes related to off-balance sheet accounts	316-319
IV.	Explanations and notes related to the statement of profit or loss	319-325
V.	Explanations and notes on the statement of changes in shareholders’ equity	325
VI.	Explanations and notes related to the cash flow statement	326
VII.	Explanations and notes related to the risk group of the bank	326-328
VIII.	Explanations and notes related to subsequent events	328
IX.	Explanations regarding the Bank's domestic, foreign, off-shore branches or subsidiaries and foreign representatives	328
SECTION SIX Other Explanations and Notes		
I.	Information on the banks rating that has been determined by international rating agencies	329
II.	Other explanations on the bank’s operations	329
SECTION SEVEN Explanations on Independent Audit Report		
I.	Explanations on independent audit report	330
II.	Explanations and notes prepared by the independent auditors	330

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

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

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

Main operation field of the Bank is gathering funds by the accounts named as “Private Current Accounts” and “Participation Accounts 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 BRSA dated 18 January 2019 and numbered 8210 of, with the framework Ziraat Katılım Bankası A.Ş board of director’s decisions no 6/1 dated 21 February 2019, The Bank (Transferee) and Ziraat Finansal Kiralama A.Ş. (Acquired) are merged in accordance with relevant articles of the Turkish Commercial Code No. 6102. The merger was registered on 1 March 2019 by the Istanbul Trade Registry Office.

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

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

(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 2024 and 31 December 2023, main shareholders and capital amounts as follows:

Name of Shareholders	31 December 2024		31 December 2023	
	Paid-in Capital	%	Paid-in Capital	%
T.C. Ziraat Bankası A.Ş	10.350.000	99,99999996	10.350.000	99,99999996
Ziraat Gayrimenkul Yatırım Ortaklığı A.Ş.	-	0,00000001	-	0,00000001
Ziraat İşletme Yönetimi ve Gayrimenkul Geliştirme A.Ş.	-	0,00000001	-	0,00000001
Ziraat Teknoloji A.Ş.	-	0,00000001	-	0,00000001
Ziraat Yatırım Menkul Değerler A.Ş.	-	0,00000001	-	0,00000001
Total	10.350.000	100,00	10.350.000	100,00

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

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

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

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

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

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

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

The Bank sorts out participation accounts and participation accounts based on investment wakala contracts discretely from the other accounts in its account records in terms of their maturity. Participation accounts are opened in 5 maturity groups as maturity to one month, maturity to three months (three months included), maturity to six months (six months included), maturity to one year (one year included) and maturity to one year or more (with dividend payment of one month, 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 31 December 2024, the Bank operates with a total of 210 branches, including 208 domestic branches and two foreign branches: the Sudan branch, which commenced operations on 27 August 2020, and the Somalia branch, which commenced operations on 5 September 2023 (31 December 2023: 189 domestic, 2 foreign). As of 31 December 2024, the Bank has 2.864 employees in Türkiye (31 December 2023: 2.430) and 7 employees abroad (31 December 2023: 5).

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, Ziraat Katılım Varlık Kiralama Şirketi A.Ş., established on 22 January 2016, and ZKB Varlık Kiralama Şirketi A.Ş., established on 8 September 2017, are financial institutions and therefore included in the scope of full consolidation. The Bank does not have any non-financial institutions.

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

None.

SECTION TWO

UNCONSOLIDATED FINANCIAL STATEMENTS

- I.

Unconsolidated Balance Sheet (Statement of Financial Position)
- II.

Unconsolidated Statement of Off - Balance Sheet Commitments
- III.

Unconsolidated Statement of Profit or Loss
- IV.

Unconsolidated Statement of Profit or Loss and Other Comprehensive Income
- V.

Unconsolidated Statement of Changes in Shareholder’s Equity
- VI.

Unconsolidated Statement of Cash Flows
- VII.

Unconsolidated Statement of Profit Distribution

ZİRAAT KATILIM BANKASI A.Ş.

UNCONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)
AS OF 31 DECEMBER 2024

(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 2024)			Prior Period (31 December 2023)		
			TRY	FC	Total	TRY	FC	Total
I.	FINANCIAL ASSETS (NET)		99.800.268	66.557.406	166.357.674	38.243.744	56.778.131	95.021.875
I.1	Cash And Cash Equivalents		69.907.502	54.196.322	124.103.824	24.310.294	49.348.784	73.659.078
I.1.1	Cash And Balances with Central Bank	(1)	65.803.017	37.626.323	103.429.340	24.206.770	36.433.541	60.640.311
I.1.2	Banks	(2)	4.104.858	16.570.441	20.675.299	114.562	12.915.243	13.029.805
I.1.3	Money Markets Placements		-	-	-	-	-	-
I.1.4	Expected Loss Provision (-)		373	442	815	11.038	-	11.038
I.2	Financial Assets Measured At Fair Value Through Profit/Loss	(3)	-	9.483.947	9.483.947	-	3.812.067	3.812.067
I.2.1	Government Securities		-	9.128.399	9.128.399	-	3.812.067	3.812.067
I.2.2	Equity Securities		-	-	-	-	-	-
I.2.3	Other Financial Assets		-	355.548	355.548	-	-	-
I.3	Financial Assets Measured at Fair Value Through Other Comprehensive Income	(4)	29.858.091	2.637.721	32.495.812	13.930.460	3.616.542	17.547.002
I.3.1	Government Securities		23.325.523	2.637.721	25.963.244	13.001.450	3.616.542	16.617.992
I.3.2	Equity Securities		52.913	-	52.913	52.913	-	52.913
I.3.3	Other Financial Assets		6.479.655	-	6.479.655	876.097	-	876.097
I.4	Derivative Financial Assets	(5)	34.675	239.416	274.091	2.990	738	3.728
I.4.1	Derivative Financial Assets Measured at Fair Value Through Profit and Loss		34.675	239.416	274.091	2.990	738	3.728
I.4.2	Derivative Financial Assets Measured at Fair Value Through Other Comprehensive Income		-	-	-	-	-	-
II.	FINANCIAL ASSETS MEASURED AT AMORTIZED COST (NET)		186.446.727	150.830.503	337.277.230	178.139.272	103.461.708	281.600.980
2.1	Loans	(6)	137.109.263	131.237.122	268.346.385	122.689.489	88.274.149	210.963.638
2.2	Lease Receivables	(6)	34.131.462	19.182.631	53.314.093	41.601.878	11.043.826	52.645.704
2.3	Other Financial Assets Measured at Amortized Cost	(7)	17.958.979	1.454.538	19.413.517	17.374.116	4.456.177	21.830.293
2.3.1	Government Securities		17.856.635	1.454.538	19.311.173	17.374.116	4.456.177	21.830.293
2.3.2	Other Financial Assets		102.344	-	102.344	-	-	-
2.4	Expected Loss Provision (-)		2.752.977	1.043.788	3.796.765	3.526.211	312.444	3.838.655
III.	ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (NET)	(8)	1.651.596	-	1.651.596	427.229	-	427.229
3.1	Assets Held for Sale		1.651.596	-	1.651.596	427.229	-	427.229
3.2	Assets of Discontinued Operations		-	-	-	-	-	-
IV.	INVESTMENTS IN ASSOCIATES SUBSIDIARIES AND JOINT VENTURES	(9)	67.600	-	67.600	22.600	-	22.600
4.1	Associates (Net)		67.500	-	67.500	22.500	-	22.500
4.1.1	Associates Consolidated Under Equity Accounting		-	-	-	-	-	-
4.1.2	Unconsolidated Associates		67.500	-	67.500	22.500	-	22.500
4.2	Subsidiaries (Net)		100	-	100	100	-	100
4.2.1	Unconsolidated Financial Investments in Subsidiaries		100	-	100	100	-	100
4.2.2	Unconsolidated Non-Financial Investments in Subsidiaries		-	-	-	-	-	-
4.3	Joint Ventures (Net)		-	-	-	-	-	-
4.3.1	Joint-Ventures Consolidated Under Equity Accounting		-	-	-	-	-	-
4.3.2	Unconsolidated Joint-Ventures		-	-	-	-	-	-
V.	TANGIBLE ASSETS (NET)	(10)	3.516.909	47.651	3.564.560	2.159.859	5.840	2.165.699
VI.	INTANGIBLE ASSETS (Net)	(11)	1.362.609	-	1.362.609	692.634	-	692.634
6.1	Goodwill		-	-	-	-	-	-
6.2	Other		1.362.609	-	1.362.609	692.634	-	692.634
VII.	INVESTMENT PROPERTY (NET)	(12)	-	-	-	-	-	-
VIII.	CURRENT TAX ASSET		-	-	-	-	-	-
IX.	DEFERRED TAX ASSETS	(13)	2.078.602	-	2.078.602	2.478.105	-	2.478.105
X.	OTHER ASSETS	(14)	2.632.012	336.486	2.968.498	1.505.019	342.464	1.847.483
TOTAL ASSETS			297.556.323	217.772.046	515.328.369	223.668.462	160.588.143	384.256.605

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 2024

(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 2024)			Prior Period (31 December 2023)		
			TRY	FC	Total	TRY	FC	Total
I.	FUNDS COLLECTED	(1)	207.437.875	150.214.928	357.652.803	185.040.926	119.331.448	304.372.374
II.	FUNDS BORROWED	(2)	26.882.166	50.882.418	77.764.584	12.087.572	22.801.405	34.888.977
III.	MONEY MARKETS DEBTS	(3)	26.163.921	-	26.163.921	435.678	10.528.455	10.964.133
IV.	SECURITIES ISSUED (Net)	(4)	-	-	-	-	-	-
V.	FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	(5)	-	-	-	-	-	-
VI.	DERIVATIVE FINANCIAL LIABILITIES	(6)	-	-	-	-	153.095	153.095
6.1	Derivative Financial Liabilities at Fair Value Through Profit or Loss		-	-	-	-	153.095	153.095
6.2	Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income		-	-	-	-	-	-
VII.	LEASE PAYABLES (NET)	(7)	1.658.566	-	1.658.566	785.859	-	785.859
VIII.	PROVISIONS	(8)	659.912	1.010.285	1.670.197	1.456.125	1.476.173	2.932.298
8.1	Restructuring Provisions		-	-	-	-	-	-
8.2	Reserve for Employee Benefits		381.344	-	381.344	247.253	-	247.253
8.3	Insurance Technical Provisions (Net)		-	-	-	-	-	-
8.4	Other Provisions		278.568	1.010.285	1.288.853	1.208.872	1.476.173	2.685.045
IX.	CURRENT TAX LIABILITY	(9)	942.819	238	943.057	866.770	198	866.968
X.	DEFERRED TAX LIABILITY	(10)	-	-	-	-	-	-
XI.	LIABILITIES FROM PROPERTY AND EQUIPMENT HELD FOR SALE AND RELATED TO DISCONTINUED OPERATIONS (NET)	(11)	-	-	-	-	-	-
11.1	Held for Sale Purpose		-	-	-	-	-	-
11.2	Related to Discontinued Operations		-	-	-	-	-	-
XII.	SUBORDINATED DEBT INSTRUMENTS	(12)	5.348.430	15.496.665	20.845.095	1.341.987	4.451.686	5.793.673
12.1	Loans		5.348.430	15.496.665	20.845.095	1.341.987	4.451.686	5.793.673
12.2	Other Debt Instruments		-	-	-	-	-	-
XIII.	OTHER LIABILITIES	(13)	5.943.688	315.420	6.259.108	2.408.661	1.259.020	3.667.681
XIV.	SHAREHOLDERS' EQUITY	(14)	22.384.579	(13.541)	22.371.038	19.863.305	(31.758)	19.831.547
14.1	Paid-in capital		10.350.000	-	10.350.000	10.350.000	-	10.350.000
14.2	Capital Reserves		261.513	-	261.513	261.513	-	261.513
14.2.1	Share Premium		-	-	-	-	-	-
14.2.2	Share Cancellation Profits		-	-	-	-	-	-
14.2.3	Other Capital Reserve		261.513	-	261.513	261.513	-	261.513
14.3	Accumulated Other Comprehensive Income or Loss That will not be Reclassified in Profit or Loss		(136.457)	-	(136.457)	(129.539)	-	(129.539)
14.4	Accumulated Other Comprehensive Income or Loss That will not be Reclassified in Profit or Loss		(1.685.928)	(13.541)	(1.699.469)	(761.298)	(31.758)	(793.056)
14.5	Profit Reserves		10.142.629	-	10.142.629	6.138.132	-	6.138.132
14.5.1	Legal Reserves		512.488	-	512.488	312.264	-	312.264
14.5.2	Status Reserves		-	-	-	-	-	-
14.5.3	Extraordinary Reserves		9.584.074	-	9.584.074	5.779.801	-	5.779.801
14.5.4	Other Profit Reserves		46.067	-	46.067	46.067	-	46.067
14.6	Profit or (Loss)		3.452.822	-	3.452.822	4.004.497	-	4.004.497
14.6.1	Prior Period Profit / Loss		-	-	-	-	-	-
14.6.2	Current Period Profit / Loss		3.452.822	-	3.452.822	4.004.497	-	4.004.497
TOTAL LIABILITIES			297.421.956	217.906.413	515.328.369	224.286.883	159.969.722	384.256.605

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 2024

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

ZİRAAT KATILIM BANKASI A.Ş. UNCONSOLIDATED OFF-BALANCE SHEET COMMITMENTS							
	Note (V-III)	Current Period (31 December 2024)			Prior Period (31 December 2023)		
		TRY	FC	Total	TRY	FC	Total
A		83.053.874	87.818.807	170.872.681	44.556.727	56.166.174	100.722.901
I. OFF-BALANCE SHEET COMMITMENTS (I+II+III)		66.284.160	50.161.270	116.445.430	38.343.405	39.987.128	78.330.533
II. GUARANTEES AND WARRANTIES	(I)	66.168.725	39.405.598	105.574.323	38.324.265	30.767.784	69.092.049
1.1 Letters of Guarantee		539.393	27.379.221	27.918.614	652.636	21.831.242	22.483.878
1.1.1 Guarantees Subject to State Tender Law		50.985.613	-	50.985.613	30.182.880	-	30.182.880
1.1.2 Guarantees Given for Foreign Trade Operations		14.643.719	12.026.377	26.670.096	7.488.749	8.936.542	16.425.291
1.1.3 Other Letters of Guarantee		-	249.113	249.113	-	414.759	414.759
1.2 Bank Acceptances		-	249.113	249.113	-	414.759	414.759
1.2.1 Import Letter of Acceptance		-	-	-	-	-	-
1.2.2 Other Bank Acceptances		12.992	10.495.004	10.507.996	-	7.928.282	7.928.282
1.3 Letters of Credit		12.992	10.495.004	10.507.996	-	7.928.282	7.928.282
1.3.1 Documentary Letters of Credit		-	-	-	-	-	-
1.3.2 Other Letters of Credit		-	-	-	-	-	-
1.4 Prefinancing Given as Guarantee		-	-	-	-	-	-
1.5 Endorsements		-	-	-	-	-	-
1.5.1 Endorsements to the Central Bank of the Republic of Türkiye		-	-	-	-	-	-
1.5.2 Other Endorsements		5.989	11.555	17.544	10.586	876.303	886.889
1.6 Other Guarantees		96.454	-	96.454	8.554	-	8.554
1.7 Other Collaterals		16.769.714	3.345.661	20.115.375	6.163.310	1.289.972	7.453.282
III. COMMITMENTS	(I)	16.769.714	3.345.661	20.115.375	6.163.310	1.289.972	7.453.282
2.1 Irrevocable Commitments		2.648.140	3.345.661	5.993.801	508.849	1.289.972	1.798.821
2.1.1 Forward asset purchase commitments		-	-	-	-	-	-
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		3.122.449	-	3.122.449	1.708.702	-	1.708.702
2.1.7 Tax and Fund Liabilities from Export Commitments		627.241	-	627.241	296.293	-	296.293
2.1.8 Commitments for Credit Card Limits		5.664.778	-	5.664.778	2.342.967	-	2.342.967
2.1.9 Commitments for Credit Cards and Banking Services Promotions		3.016	-	3.016	2.276	-	2.276
2.1.10 Receivables from Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.11 Payables for Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.12 Other Irrevocable Commitments		4.704.090	-	4.704.090	1.304.223	-	1.304.223
2.2 Revocable Commitments		-	-	-	-	-	-
2.2.1 Revocable Loan Granting Commitments		-	-	-	-	-	-
2.2.2 Other Revocable Commitments		-	-	-	-	-	-
III. DERIVATIVE FINANCIAL INSTRUMENTS		-	34.311.876	34.311.876	50.012	14.889.074	14.939.086
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		-	34.311.876	34.311.876	50.012	14.889.074	14.939.086
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		-	34.311.876	34.311.876	-	14.844.412	14.844.412
3.3 Other		-	-	-	-	-	-
B. CUSTODY AND PLEDGES RECEIVED (IV+V+VI)		679.228.337	104.411.567	783.639.904	300.753.601	61.244.711	361.998.312
IV. ITEMS HELD IN CUSTODY		23.751.806	37.182.601	60.934.407	15.313.288	25.398.103	40.711.391
4.1 Customer Fund and Portfolio Balances		-	-	-	-	-	-
4.2 Investment Securities Held in Custody		7.390.622	83.830	7.474.452	2.998.906	19.107	3.018.013
4.3 Checks Received for Collection		11.856.916	287.485	12.144.401	8.050.832	165.195	8.216.027
4.4 Commercial Notes Received for Collection		1.256.323	680.911	1.937.234	1.022.775	518.334	1.541.109
4.5 Other Assets Received for Collection		-	-	-	-	-	-
4.6 Assets Received for Public Offering		-	-	-	-	-	-
4.7 Other Items Under Custody		3.247.945	6.354.921	9.602.866	3.240.775	6.942.970	10.183.745
4.8 Custodians		-	29.775.454	29.775.454	-	17.752.497	17.752.497
V. PLEDGES RECEIVED		655.476.531	67.228.966	722.705.497	285.440.313	35.846.608	321.286.921
5.1 Marketable Securities		3.309.773	55.598	3.365.371	2.210.399	63.993	2.274.392
5.2 Guarantee Notes		17.268.447	193.715	17.462.162	10.971.967	214.321	11.186.288
5.3 Commodity		48.164.224	18.733.253	66.897.477	28.617.839	10.953.703	39.571.542
5.4 Warranty		-	-	-	-	-	-
5.5 Properties		556.374.346	39.397.310	595.771.656	200.678.424	20.355.321	221.033.745
5.6 Other Pledged Items		30.359.741	8.849.090	39.208.831	42.961.684	4.259.270	47.220.954
5.7 Pledged Items-Depository		-	-	-	-	-	-
VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES		-	-	-	-	-	-
TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)		762.282.211	192.230.374	954.512.585	345.310.328	117.410.885	462.721.213

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

ZİRAAT KATILIM BANKASI A.Ş.

UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS
AS OF 31 DECEMBER 2024

(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 2024	Prior Period 01 January - 31 December 2023
I.	PROFIT SHARE INCOME	(1)	90.037.546	43.986.005
1.1	Profit Share on Loans		55.813.390	26.168.052
1.2	Profit Share on Reserve Deposits		5.706.836	-
1.3	Profit Share on Banks		2.600.972	493.733
1.4	Profit Share on Money Market Placements		4.027	-
1.5	Profit Share on Marketable Securities Portfolio		10.151.589	7.576.685
1.5.1	Financial Assets Measured at Fair Value Through Profit/Loss		151.811	71.248
1.5.2	Financial Assets Measured at Fair Value Through Other Comprehensive Income		6.445.164	5.659.038
1.5.3	Financial Assets Measured at Amortised Cost		3.554.614	1.846.399
1.6	Financial Lease Income		15.056.965	9.670.682
1.7	Other Profit Share Income		703.767	76.853
II.	PROFIT SHARE EXPENSE	(2)	85.900.884	38.557.020
2.1	Expense on Profit Sharing Accounts		72.771.839	34.928.340
2.2	Profit Share Expense on Funds Borrowed		9.797.737	2.947.124
2.3	Profit Share Expense on Money Market Borrowings		2.974.884	552.424
2.4	Expense on Securities Issued		-	-
2.5	Lease Profit Share Expense		332.396	108.626
2.6	Other Profit Share Expenses		24.028	20.506
III.	NET PROFIT SHARE INCOME (I - II)		4.136.662	5.428.985
IV.	NET FEES AND COMMISSIONS INCOME/EXPENSE		2.923.878	2.931.888
4.1	Fees and Commissions Received		4.437.845	3.701.617
4.1.1	Non-cash Loans		844.437	503.059
4.1.2	Other		3.593.408	3.198.558
4.2	Fees and commissions paid		1.513.967	769.729
4.2.1	Non-cash Loans		-	-
4.2.2	Other		1.513.967	769.729
V.	DIVIDEND INCOME	(3)	1.428	714
VI.	NET TRADING INCOME	(4)	3.317.201	2.158.546
6.1	Capital Market Transaction Gains / Losses		345.718	(16.693)
6.2	Gains/ Losses From Derivative Financial Instruments		1.535.912	703.477
6.3	Foreign Exchange Gains / Losses		1.435.571	1.471.762
VII.	OTHER OPERATING INCOME	(5)	4.993.908	2.113.854
VIII.	TOTAL OPERATING PROFIT (III+IV+V+VI+VII)		15.373.077	12.633.987
IX.	EXPECTED CREDIT LOSSES (-)	(6)	2.892.814	3.136.003
X.	OTHER PROVISIONS (-)	(6)	130.523	182.212
XI.	PERSONNEL EXPENSES (-)		4.257.726	2.086.880
XII.	OTHER OPERATING EXPENSES (-)	(7)	3.851.226	2.811.685
XIII.	NET OPERATING PROFIT/LOSS (VIII-IX-X-XI-XII)		4.240.788	4.417.207
XIV.	INCOME RESULTED FROM MERGERS		-	-
XV.	INCOME/LOSS FROM EQUITY METHOD APPLIED SUBSIDIARIES		-	-
XVI.	GAIN/LOSS ON NET MONETARY POSITION		-	-
XVII.	PROFIT/LOSS BEFORE TAX FROM CONTINUED OPERATIONS (XII+...+XV)	(8)	4.240.788	4.417.207
XVIII.	TAX PROVISION FOR CONTINUED OPERATIONS (±)	(9)	(787.966)	(412.710)
18.1	Current Tax Provision		-	(724.534)
18.2	Expense Effect of Deferred Tax (+)		(1.464.652)	(915.460)
18.3	Income Effect of Deferred Tax (-)		676.686	1.227.284
XIX.	NETOPERATING PROFIT/LOSS AFTER TAXES(XVI±XVII)	(10)	3.452.822	4.004.497
XX.	INCOME FROM DISCONTINUED OPERATIONS		-	-
20.1	Income from Assets Held for Sale		-	-
20.2	Profit from Sales of Associates, Subsidiaries and Joint Ventures		-	-
20.3	Income from Other Discontinued Operations		-	-
XXI.	EXPENSES FROM DISCONTINUED OPERATIONS (-)		-	-
21.1	Expenses on Assets Held for Sale		-	-
21.2	Loss from Sales of Associates, Subsidiaries and Joint Ventures		-	-
21.3	Expenses from Other Discontinued Operations		-	-
XXII.	PROFIT/LOSS BEFORE TAXES ON DISCONTINUED OPERATIONS (XIX-XX)		-	-
XXIII.	PROVISION FOR TAXES OF DISCONTINUED OPERATIONS (±)		-	-
23.1	Current Tax Charge		-	-
23.2	Expense Effect of Deferred Tax (+)		-	-
23.3	Income Effect of Deferred Tax (-)		-	-
XXIV.	NET PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XXI±XXII)		-	-
XXV.	NET PROFIT/LOSS (XVIII+XXIII)	(11)	3.452.822	4.004.497
	Earnings per share income/loss (Full TRY)		0,3336	0,6351

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

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 2024

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

ZİRAAT KATILIM BANKASI A.Ş. UNCONSOLIDATED STATEMENT OF CASH FLOWS			
	Note (VI)	Current Period 1 January-31 December 2024	Prior Period 1 January-31 December 2023
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1 Operating profit before changes in operating assets and liabilities		(3.623.139)	6.051.687
1.1.1 Profit Share Income Received		77.264.565	37.366.067
1.1.2 Profit Share Expense Paid		(79.573.666)	(33.095.831)
1.1.3 Dividend Received		1.428	714
1.1.4 Fees and Commissions Received		4.594.637	4.101.817
1.1.5 Other Income		1.984.323	1.802.999
1.1.6 Collections from Previously Written-off Loans		1.647.291	652.283
1.1.7 Payments to Personnel and Service Suppliers		(4.257.726)	(2.086.880)
1.1.8 Taxes Paid		(724.573)	(4.539.129)
1.1.9 Others		(4.559.418)	1.849.647
1.2 Changes in Operating Assets and Liabilities		40.022.177	21.184.214
1.2.1 Net (Increase) / Decrease in Financial Assets at Fair Value Through Profit or Loss		(5.622.860)	(1.675.070)
1.2.2 Net (Increase) / Decrease in Due From Banks And Other Financial Institutions		(7.115.530)	(16.286.538)
1.2.3 Net (Increase) / Decrease in Loans		(49.645.609)	(77.399.439)
1.2.4 Net (Increase) / Decrease in Other Assets		(4.724.108)	(32.266.271)
1.2.5 Net Increase / (Decrease) in Bank Funds		(1.431.780)	(209.618)
1.2.6 Net Increase / (Decrease) in Other Funds		50.285.399	121.076.205
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		40.657.442	24.711.294
1.2.9 Net Increase / (Decrease) in Payables		-	-
1.2.10 Net Increase / (Decrease) in Other Liabilities		17.619.223	3.233.651
I. Net Cash Provided from Banking Operations		36.399.038	27.235.901
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net Cash Provided from Investing Activities		(11.220.574)	(17.783.502)
2.1 Cash Paid For Purchase Jointly Controlled Operations, Associates And Subsidiaries		(45.000)	(22.500)
2.2 Cash Obtained from Sale of Jointly Controlled Operations, Associates and Subsidiaries		-	-
2.3 Purchases of Tangible Assets		(1.947.168)	(1.765.053)
2.4 Disposals of Tangible Assets		18.963	5.005
2.5 Purchase of Financial Assets at Fair Value Through Other Comprehensive Income		(18.650.607)	(6.249.655)
2.6 Sale of Financial Assets at Fair Value Through Other Comprehensive Income		6.778.901	4.892.704
2.7 Purchase of Financial Assets Measured at Amortized Cost		(794.079)	(14.644.003)
2.8 Sale of Financial Assets Measured at Amortized Cost		3.418.416	-
2.9 Other		-	-
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net Cash Provided from Financing Activities		14.741.962	9.705.612
3.1 Cash Obtained from Funds Borrowed And Securities Issued		15.522.765	17.924.844
3.2 Cash Used For Repayment of Funds Borrowed And Securities Issued		(471.343)	(15.754.949)
3.3 Issued Equity Instruments		-	7.666.453
3.4 Dividends Paid		-	-
3.5 Payments for Finance Leases		(309.460)	(130.736)
3.6 Other		-	-
IV. Effect Of Change In Foreign Exchange Rate On Cash And Cash Equivalents	(1)	761.962	1.250.021
V. Net Increase/ (Decrease) In Cash And Cash Equivalents (I+II+III+IV)	(1)	40.682.388	20.408.032
VI. Cash And Cash Equivalents At The Beginning Of The Period	(1)	41.562.423	21.154.391
VII. Cash And Cash Equivalents At The End Of The Period	(1)	82.244.811	41.562.423

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 2024

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

ZİRAAT KATILIM BANKASI A.Ş. UNCONSOLIDATED PROFIT DISTRIBUTION TABLE		
	Current Period ^(*) (31 December 2024)	Prior Period (31 December 2023)
I. DISTRIBUTION OF PERIOD PROFIT		
1.1 Period Profit	4.240.788	4.417.207
1.2 Taxes Payable and Legal Obligations (-)	787.966	412.710
1.2.1 Corporate Tax (Income Tax)	-	724.534
1.2.2 Income Tax Deduction	-	-
1.2.3 Other Taxes and Legal Obligations	787.966	(311.824)
A. NET PROFIT (1.1-1.2)	3.452.822	4.004.497
1.3 Previous Periods Loss (-)	-	-
1.4 First Order Legal Reserve (-)	-	-
1.5 Legal Funds Required to Leave and Save at the Bank (-)	-	-
B. DISTRIBUTABLE NET PROFIT [(A- (1.3 + 1.4 + 1.5)]	3.452.822	4.004.497
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	-	3.804.272
1.13 Other Reserves	-	-
1.14 Special Funds	-	-
II. DISTRIBUTION OF RESERVES		
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 (-)	-	-
III. EARNINGS PER SHARE		
3.1 Shareholders	0,3336	0,6351
3.2 Shareholders (%)	33,36	63,51
3.3 To Privileged Stock Owners	-	-
3.4 To Owners of Privileged Shares (%)	-	-
IV. DIVIDEND PER SHARE		
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 2024 Ordinary General Assembly meeting has not been held yet.

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

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

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

SECTION THREE

EXPLANATIONS ON ACCOUNTING POLICIES

I. EXPLANATIONS ON BASIS OF PRESENTATION

The 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 content of the publicly announced unconsolidated financial statements and their explanations and footnotes, with the “Communiqué on the Financial Statements to Be Announced to Public by Banks” and the Announcements and Disclosures Related to These Communiqués published in the Official Gazette No. 28337 dated 28 June 2012. It has been prepared in accordance with. The Bank maintains its accounting records in Turkish currency in accordance with the Banking Law, Turkish Commercial Code and Turkish tax legislation.

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

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

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

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

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

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

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

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

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

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

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

III. EXPLANATIONS ON INVESTMENTS IN ASSOCIATES AND SUBSIDIARIES

Subsidiaries and affiliates denominated in Turkish currency are accounted for at cost in accordance with the "Turkish Accounting Standard for Separate Financial Statements" ("TAS 27") and are reflected in the unconsolidated financial statements after deducting the provision for impairment, if any. As of 22 January 2016, Ziraat Katılım Varlık Kiralama Anonim Şirketi was established as a wholly-owned subsidiary of the Bank with a capital of 50 TRY, and as of 19 July 2017, ZKB Varlık Kiralama Anonim Şirketi was established as a wholly-owned subsidiary of the Bank with a capital of 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 67.500 TRY on 30 April 2023.

IV. EXPLANATIONS ON FORWARD AND OPTION CONTRACTS AND DERIVATIVE INSTRUMENTS

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

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

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

V. EXPLANATIONS ON PROFIT SHARE INCOME AND EXPENSE

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

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

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

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

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

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

VI. EXPLANATIONS ON FEES AND COMMISSION INCOME AND EXPENSES

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

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

VII. EXPLANATIONS ON FINANCIAL ASSETS

Financial assets are recognized or derecognized according to TFRS 9 Financial Instruments Part Three “Recognition and Derecognition”. Financial assets are measured at fair value at initial recognition in the financial statements. During the initial recognition of financial assets other than “Financial Assets at Fair Value Through Profit or Loss”, transaction costs are added to fair value or deducted from fair value. They are included in the balance sheet of the Bank, if the Bank is a legal party to these instruments.

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

Classification and Measurement under TFRS 9

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

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

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

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

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

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

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

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

VII. EXPLANATIONS ON FINANCIAL ASSETS (Continued)

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

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

b. Financial assets at fair value through other comprehensive income

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

Financial assets at fair value through other comprehensive income are recognized by adding transaction cost to acquisition cost reflecting the fair value of the financial asset. After the recognition, financial assets at fair value through other comprehensive income are remeasured at fair value. Profit share income calculated with internal rate of return method arising from financial assets at fair value through other comprehensive income and dividend income from equity securities are recorded to income statement. “Unrealized gains and losses” arising from the difference between the amortized cost and the fair value of financial assets at fair value through other comprehensive income are not reflected in the income statement of the period until the acquisition of the asset, sale of the asset, the disposal of the asset, and impairment of the asset and they are accounted under the “Accumulated other comprehensive income or expense to be reclassified through profit or loss” under shareholders’ equity.

Equity investments

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

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

c. Financial assets measured at amortized cost:

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

Financial assets measured at amortized cost are initially recognized at acquisition cost including the transaction costs which reflect the fair value of those instruments and subsequently recognized at amortized cost by using internal rate of return method. Profit share income obtained from financial assets measured at amortized cost is accounted in P&L.

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

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

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

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

VII. EXPLANATIONS ON FINANCIAL ASSETS (Continued)

Loans

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

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

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

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

VIII. EXPLANATIONS ON IMPAIRMENT OF FINANCIAL ASSETS

Explanations on Expected Loss Provisions

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

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

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

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

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

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

VIII. EXPLANATIONS ON IMPAIRMENT OF FINANCIAL ASSETS (Continued)

Impairment

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

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

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

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

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

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

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

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

Significant increase in credit risk (Stage 2)

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

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

Default (Stage 3)

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

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

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

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

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

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

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

VIII. EXPLANATIONS ON IMPAIRMENT OF FINANCIAL ASSETS (Continued)

Impairment (Continued)

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

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

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

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

Probability of Default

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

Default Amount

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

Loss Given Default

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

Future Expectations

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

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

The Methodology of Behavioral Maturity Calculation

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

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

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

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

VIII. EXPLANATIONS ON IMPAIRMENT OF FINANCIAL ASSETS (Continued)

Write-off Policy

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

IX. EXPLANATIONS ON OFFSETTING OF FINANCIAL ASSETS AND LIABILITIES

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

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

As of the balance sheet date, there are no securities lending transactions. Central Bank of the Republic of Türkiye (“CBRT”) made some changes on orders for open market transactions (“OMT”) and prepared an additional frame contract for participation banks in order to present rent certificates to open market operations of CBRT in accordance with the principles of participation banks. According to this agreement, a new type of transaction was formed which enables participation banks to resell or repurchase rent certificates on their portfolio to CBRT when they are in need of funding or in attempt to evaluate the excess liquidity. The Bank performs purchase tenders which are held by CBRT of which maturities are weekly; in return for rent certificates that are reported as assets in balance sheet in order to raise funds. As of 31 December 2024, there are no securities lending transactions (31 December 2023: None). Securities sold under agreements for repurchase agreements (“Repos”) are classified as “Fair Value Through Profit or Loss”, “Fair Value Through Other Comprehensive Income” and “Financial Asset Measured at Amortized Cost” in the portfolio of the bank, according to the purposes of the Bank, and they are subject to valuation according to the portfolio which are belong. Funds obtained in return for repo agreements are accounted in "Money Markets Borrowing" account and and participation share rediscounts for the period are calculated according to the internal rate of return method.

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

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

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

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

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

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

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

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

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

As of 31 December 2024, the Bank's non-current assets held for sale are TRY 1.651.596 (31 December 2023: TRY 427.299).

XII. EXPLANATIONS ON GOODWILL AND OTHER INTANGIBLE ASSETS

As of the balance sheet date, the Bank has no goodwill within the financial statements.

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

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

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

XIII. EXPLANATIONS ON TANGIBLE ASSETS

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

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

Applied depreciation rates are as follows;

Vehicles and Fixtures: 2% - 25%
Operational Lease Improvement Costs (Leasehold Improvements) : Leasing Period - 5 years

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

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

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XIII. EXPLANATIONS ON TANGIBLE ASSETS (Continued)

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

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

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

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

XIV. EXPLANATIONS ON LEASING TRANSACTIONS

Operational Leasing Transactions

Transactions as a lessee

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

Right of use;

The Bank applies the “TFRS 16 – Leases” standard in the accounting of leasing transactions.

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

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

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

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

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

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

Lease Liabilities:

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

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

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

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XIV. EXPLANATIONS ON LEASING TRANSACTIONS (Continued)

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 income account. As the lease payments are realized, the rent amount is deducted from the lease receivables account; the profit share is reflected in the statement of profit or loss by deducting from the unearned profit share income account.

XV. EXPLANATIONS ON PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

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

The 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.

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

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

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

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

a. Employment termination and vacation benefits (Continued)

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 2024, the Bank’s employee termination benefit is TRY 286.680 (31 December 2023: TRY 202.704).

Communiqué on “Turkish Accounting Standard (“TAS 19”) about Benefits for Employee (No:9)” published in Official Gazette by Public Oversight Accounting and Auditing Standards Authority (“POA”) on 12 March 2013 numbered 28585, was entered into force for the account periods starting after 31 December 2012 on accounting treatment of actuarial profit and loss resulting from changes in actuarial assumptions or differences between actual and actuarial assumptions. Actuarial loss amounting to TRY 135.583 was classified under shareholders’ equity in the financials (31 December 2023: TRY 127.913 loss).

Unused vacation liability is calculated based on number of unused vacation days which is calculated by subtracting used vacation days of all personnel from legally deserved vacation days. As of 31 December 2024 unused vacation liability of the Bank is TRY 94.500 (31 December 2023: TRY 44.385).

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

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

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

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

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

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

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

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

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

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

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

The technical balance sheet report as of 31 December 2024 which is prepared in accordance with the new law and the rate determined as 9,80%, concluded no technical deficit arises in the above-mentioned fund. Since the Bank has no legal right to hold the present value of any economic benefits available in the form of refunds from Pension Fund or reductions in future contributions to Pension Fund, no asset is recognized in the Bank’s financial statements.

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

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

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XVII. EXPLANATIONS ON TAXATION

a. Current tax

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

However;

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

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

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

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

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

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

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

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XVII. EXPLANATIONS ON TAXATION (Continued)

a. Current tax (Continued)

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

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

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

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

Moreover, according to 5.1.f. article of Corporation Tax Law; corporations which have been fallen to legal proceedings because of owe to the bank or Savings Deposit Insurance Funds, and their warranters’ real estates, participation stocks, founding bonds, redeemed shares, options to call of mortgagors’ revenues that used for against debts or transferring to SDIF, 50% of the profits arising from the sale of the said assets obtained by the banks in this way, and 75% of the profits arising from the sale of others are exempted from corporation tax. However, based on the authority granted by Article 5/2 of the KVK, amended by Law No. 7491, it was determined as 50% by the Presidential Decree No. 9160, published in the Official Gazette No. 32735, dated 27.11.2024.

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

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

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

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XVII. EXPLANATIONS ON TAXATION (Continued)

a. Current tax (Continued)

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

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

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

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

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

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

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XVII. EXPLANATIONS ON TAXATION (Continued)

b. Deferred tax

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

Deferred tax liability or assets are determined by calculating the tax effects of the temporary differences between the amounts of assets and liabilities shown in the financial statements and the amounts taken into account in the calculation of the legal tax base, according to the balance sheet method, taking into account the enacted tax rates. In the calculation of deferred tax, the Bank estimates the time when temporary differences will be taxable/deductible and uses enacted tax rates as of the balance sheet date in accordance with the current tax legislation.As the deferred tax assets or liabilities within the scope of TAS 12 are calculated based on the tax rates (and tax laws) that are in effect or nearly effective as of the end of the reporting period (balance sheet date), using the tax rates expected to be applied in the periods when the assets are converted into income or the liabilities are paid, As of 31 December 2023, the Bank has deferred tax calculations were made based on rates varying 30% on assets and liabilities. While deferred tax liabilities are calculated for all taxable temporary differences, deferred tax assets consisting of deductible temporary differences are calculated provided that it is highly probable to benefit from these differences by generating taxable profit in the future. Except for goodwill or business combinations, deferred tax liability or asset is not calculated for temporary timing differences arising from the initial recognition of assets or liabilities and which 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 1 January 2018, deferred tax assets have started to be calculated based on expected loss provisions that constitute temporary differences within the framework of TFRS 9 provisions. There is no deferred tax calculation for free provisions.

According to the provisional Article 33 of the Tax Procedure Law, the tax effects arising from the inflation adjustment of corporate tax are included in the calculation of deferred tax as of 31 December 2024, in the financial statements dated 31 December 2024.

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

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

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XVIII. EXPLANATIONS ON ADDITIONAL DISCLOSURES ON BORROWINGS

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

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

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

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

XIX. EXPLANATIONS ON SHARE CERTIFICATES ISSUED

There are no issued shares by the Bank as of balance sheet date (31 December 2023: 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

There are no government incentives utilized by the Bank as of the balance sheet date. (31 December 2023: None).

XXII. EXPLANATIONS ON CASH AND CASH EQUIVALENTS

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

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

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

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

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XXIII. EXPLANATION ON SEGMENT REPORTING

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

XXIV. EXPLANATIONS ON OTHER MATTERS

None.

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

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

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 12 December 2023 and numbered 10747, the Central Bank's foreign exchange buying rate of 26 June 2023 was used while calculating the valued amounts in foreign currency in calculating the amount subject to credit risk.
- As of 1 January 2024, in case the net valuation differences of the securities held by banks in the portfolio of “Securities at Fair Value Reflected in Other Comprehensive Income” within the framework of the regulation dated 12 December 2023, and numbered 10747 are negative, these differences are allowed not to be taken into account in the equity amount.

The current period equity amount calculated as of 31 December 2024, taking into account the latest regulations, is TRY 42.843.530 (31 December 2023: TRY 24.251.951), and the capital adequacy standard ratio is 20,23% (31 December 2023: 15,10%). The Bank's capital adequacy standard ratio is above the minimum ratio determined by the relevant legislation.

Information Related To The Components of Shareholders’ Equity:

	Current Period 31 December 2024	Prior Period 31 December 2023
COMMON EQUITY TIER 1 CAPITAL		
Paid-in capital following all debts in terms of claim in liquidation of the Bank	10.350.000	10.350.000
Share issue premiums	-	-
Reserves	10.142.629	6.138.132
Gains recognized in equity as per TAS	412.468	597.284
Profit	3.452.822	4.004.497
Current Period Profit	3.452.822	4.004.497
Prior Period Profit	-	-
Shares acquired free of charge from subsidiaries, affiliates and jointly controlled partnerships and cannot be recognized within profit for the period	-	-
Common Equity Tier 1 Capital Before Deductions	24.357.919	21.089.913
Deductions from Common Equity Tier 1 Capital		
Common Equity as per the 1st clause of Provisional Article 9 of the Regulation on the Equity of Banks	-	-
Portion of the current and prior periods' losses which cannot be covered through reserves and losses reflected in equity in accordance with TAS	-	1.839.277
Improvement costs for operating leasing	1.367.288	922.211
Goodwill (net of related tax liability)	-	-
Other intangibles other than mortgage-servicing rights (net of related tax liability)	1.362.609	692.634
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 2024

(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 2024	Prior Period 31 December 2023
Excess amount arising from the net long positions of investments in common equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital	-	-
Excess amount arising from mortgage servicing rights	-	-
Excess amount arising from deferred tax assets based on temporary differences	-	-
Other items to be defined by the BRSA	-	-
Deductions to be made from common equity due to insufficient Additional Tier I Capital or Tier II Capital	-	-
Total Deductions From Common Equity Tier I Capital	2.729.897	3.454.122
Total Common Equity Tier I Capital	21.628.022	17.635.791
ADDITIONAL TIER I CAPITAL		
Preferred Stock not Included in Common Equity and the Related Share Premiums	-	-
Debt instruments and premiums approved by BRSA ^(**)	5.267.788	3.681.925
Debt instruments and premiums approved by BRSA(Temporary Article 4)	-	-
Additional Tier I Capital before Deductions	-	-
Deductions from Additional Tier I Capital	-	-
Direct and indirect investments of the Bank in its own Additional Tier I Capital	-	-
Investments of Bank to Banks that invest in Bank’s additional equity and components of equity issued by financial institutions with compatible with Article 7.	-	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital	-	-
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital	-	-
Other items to be defined by the BRSA	-	-
Transition from the Core Capital to Continue to deduce Components	-	-
Goodwill and other intangible assets and related deferred tax liabilities which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks’ Own Funds (-)	-	-
Net deferred tax asset/liability which is not deducted from Common Equity Tier 1 capital for the purposes of the sub-paragraph of the Provisional Article 2 of the Regulation on Banks’ Own Funds (-)	-	-
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-	-
Total Deductions From Additional Tier I Capital	-	-
Total Additional Tier I Capital	5.267.788	3.681.925
Total Tier I Capital (Tier I Capital=Common Equity+Additional Tier I Capital)	26.895.810	21.317.716
TIER II CAPITAL		
Debt instruments and share issue premiums deemed suitable by the BRSA ^(***)	15.176.901	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)	787.295	1.656.901
Tier II Capital Before Deductions	15.964.196	2.956.901
Deductions From Tier II Capital	-	-
Direct and indirect investments of the Bank on its own Tier II Capital (-)	-	-
Investments of Bank to Banks that invest on Bank’s Tier 2 and components of equity issued by financial institutions with the conditions declared in Article 8.	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-	-
Portion of the total of net long positions of investments made in Additional Tier I Capital item of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-	-
Other items to be defined by the BRSA (-)	-	-
Total Deductions from Tier II Capital	-	-
Total Tier II Capital	15.964.196	2.956.901
Total Capital (The sum of Tier I Capital and Tier II Capital)	42.860.006	24.274.617

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

(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 2024	Prior Period 31 December 2023
Total of Original Capital and Supplementary Capital (Total Capital)	42.860.006	24.274.617
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	16.476	22.666
In transition from Total Core Capital and Supplementary Capital (the capital) to Continue to Download Components		
The Sum of net long positions of investments (the portion which exceeds the 10% of Banks Common Equity) in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks’ Own Funds (-)	-	-
The Sum of net long positions of investments in the Additional Tier 1 capital and Tier 2 capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks’ Own Funds	-	-
The Sum of net long positions of investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity, mortgage servicing rights, deferred tax assets arising from temporary differences which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks’ Own Funds	-	-
TOTAL CAPITAL		
Total Capital (The sum of Tier I Capital and Tier II Capital)	42.843.530	24.251.951
Total risk weighted amounts	211.806.637	160.618.174
Capital Adequacy Ratios		
Core Capital Adequacy Ratio (%)	10,21	10,98
Tier I Capital Adequacy Ratio (%)	12,70	13,27
Capital Adequacy Ratio (%)	20,23	15,10
BUFFERS		
Total additional Common Equity Tier 1 Capital requirement ratio (a+b+c)	2,50	2,50
a) Capital conservation buffer requirement (%)	2,50	2,50
b) Bank specific counter-cyclical buffer requirement (%)	0,00	0,00
c) Systemic significant bank buffer ratio (%)	0,00	0,00
The ratio of Additional Common Equity Tier 1 capital which will be calculated by the first paragraph of the Article 4 of Regulation on Capital Conservation and Countercyclical Capital buffers to Risk Weighted Assets (%)	5,71	6,48
Amounts below the Excess Limits as per the Deduction Principles		
Portion of the total of net long positions of investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	-	-
Portion of the total of investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	-	-
Amount arising from mortgage-servicing rights	-	-
Amount arising from deferred tax assets based on temporary differences	-	-
Limits related to provisions considered in Tier II calculation		
General provisions for standard based receivables (before tenthousandtwentyfive limitation)	787.295	1.656.901
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	787.295	1.656.901
Excess amount of total provision amount to credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	-
Excess amount of total provision amount to 0,6% of risk weighted receivables of credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	-
Debt instruments subjected to Article 4 (to be implemented between 1 January 2018 and 1 January 2022)	-	-
Upper limit for Additional Tier I Capital subjected to temporary Article 4	-	-
Amounts Excess the Limits of Additional Tier I Capital subjected to temporary Article 4	-	-
Upper limit for Additional Tier II Capital subjected to temporary Article 4	-	-
Amounts Excess the Limits of Additional Tier II Capital subjected to temporary Article 4	-	-

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

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

(*) Profit share for participation banks.

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

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

(*) Profit share for participation banks.

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(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
Regulatory treatment	
From 1/1/2015, 10% reduction by being subject to the application	No
Eligible at unconsolidated / consolidated	Unconsolidated/Consolidated
Instrument type (types to be specified by each jurisdiction)	Subordinated Murabaha Loan as Secondary Capital
Amount recognized in regulatory capital (As of the latest reporting date – Million TRY)	500
Par value of instrument (Milliyon TRY)	500
Accounting classification	Liabilities/Subordinated loan
Original date of issuance	17 November 2021
Perpetual or dated	Dated
Original maturity date	10 (ten) years
Issuer call subject to prior supervisory approval	Yes
Optional call date, contingent call dates and redemption amount	Option date 5 years, (no conditional refund)
Subsequent call dates, if applicable	-
Coupons / dividends ^(*)	
Fixed or floating dividend/coupon	Fixed
Coupon rate and any related index	17.75%
Existence of a dividend stopper	-
Fully discretionary, partially discretionary or mandatory	-
Existence of step up or other incentive to redeem	-
Noncumulative or cumulative	-
Convertible or non-convertible	
If convertible, conversion trigger (s)	-
If convertible, fully or partially	-
If convertible, conversion rate	-
If convertible, mandatory or optional conversion	-
If convertible, specify instrument type convertible into	-
If convertible, specify issuer of instrument it converts into	-
Write-down feature	
If write-down, write-down trigger(s)	-
If write-down, full or partial	-
If write-down, permanent or temporary	-
If temporary write-down, description of write-up mechanism	-
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	It gives the owner the right to be credited before the borrowing instruments to be included in the additional capital calculation, after the depositors and all other creditors.
In compliance with article number 7 and 8 of “Own fund regulation”	In compliance with Article number 8
Details of incompliances with article number 7 and 8 of “Own fund regulation”	-

(*) Profit share for participation banks.

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(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	TWF Market Stability and Equilibrium Sub-Fund
Unique identifier (CUSIP, ISIN etc.)	-
Governing Law(s) of the instrument	Implementing Regulation on Equities of Banks in the Official Gazette dated 5 September 2013
Regulatory treatment	
From 1/1/2015, 10% reduction by being subject to the application	No
Eligible at unconsolidated / consolidated	Unconsolidated/Consolidated
Instrument type (types to be specified by each jurisdiction)	Additional capital
Amount recognized in regulatory capital (As of the latest reporting date – Million TRY)	1.268
Par value of instrument (Milliyon TRY)	2.062
Accounting classification	Liabilities/Subordinated loan
Original date of issuance	9 March 2022
Perpetual or dated	Undated
Original maturity date	9 March 2022
Issuer call subject to prior supervisory approval	Yes
Optional call date, contingent call dates and redemption amount	Option date 5 years (Subject to BRSA permission).
Subsequent call dates, if applicable	-
Coupons / dividends ^(*)	
Fixed or floating dividend/coupon	None
Coupon rate and any related index	None
Existence of a dividend stopper	-
Fully discretionary, partially discretionary or mandatory	-
Existence of step up or other incentive to redeem	None
Noncumulative or cumulative	-
Convertible or non-convertible	
If convertible, conversion trigger (s)	-
If convertible, fully or partially	-
If convertible, conversion rate	-
If convertible, mandatory or optional conversion	-
If convertible, specify instrument type convertible into	-
If convertible, specify issuer of instrument it converts into	-
Write-down feature	
If write-down, write-down trigger(s)	In case the Core Capital adequacy ratio or 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”	In compliance with Article number 7
Details of incompliances with article number 7 and 8 of “Own fund regulation”	In compliance with Article number 7

(*) Profit share for participation banks.

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

(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
Regulatory treatment	
From 1/1/2015, 10% reduction by being subject to the application	No
Eligible at unconsolidated / consolidated	Unconsolidated/Consolidated
Instrument type (types to be specified by each jurisdiction)	Subordinated Murabaha Loan as Secondary Capital
Amount recognized in regulatory capital (As of the latest reporting date – Million TRY)	3.484
Par value of instrument (Milliyon TRY)	3.484
Accounting classification	Liabilities/Subordinated loan
Original date of issuance	5 April 2024
Perpetual or dated	Dated
Original maturity date	10 (ten) years
Issuer call subject to prior supervisory approval	Yes
Optional call date, contingent call dates and redemption amount	Option date 5 years, (no conditional refund)
Subsequent call dates, if applicable	-
Coupons / dividends ^(*)	
Fixed or floating dividend/coupon	Fixed
Coupon rate and any related index	8,5%
Existence of a dividend stopper	-
Fully discretionary, partially discretionary or mandatory	-
Existence of step up or other incentive to redeem	-
Noncumulative or cumulative	-
Convertible or non-convertible	
If convertible, conversion trigger (s)	-
If convertible, fully or partially	-
If convertible, conversion rate	-
If convertible, mandatory or optional conversion	-
If convertible, specify instrument type convertible into	-
If convertible, specify issuer of instrument it converts into	-
Write-down feature	
If write-down, write-down trigger(s)	-
If write-down, full or partial	-
If write-down, permanent or temporary	-
If temporary write-down, description of write-up mechanism	-
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	It gives the owner the right to be credited before the borrowing instruments to be included in the additional capital calculation, after the depositors and all other creditors.
In compliance with article number 7 and 8 of “Own fund regulation”	In compliance with Article number 8
Details of incompliances with article number 7 and 8 of “Own fund regulation”	-

(*) Profit share for participation banks.

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

(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	Ziraat Katılım MTN
Unique identifier (CUSIP, ISIN etc.)	XS2954917873
Governing Law(s) of the instrument	Implementing Regulation on Equities of Banks in the Official Gazette dated 5 September 2013
Regulatory treatment	
From 1/1/2015, 10% reduction by being subject to the application	No
Eligible at unconsolidated / consolidated	Unconsolidated/Consolidated
Instrument type (types to be specified by each jurisdiction)	Issuance of Foreign Sukuk with Contributory Capital Qualities and Capital-Like Characteristics
Amount recognized in regulatory capital (As of the latest reporting date -Million TRY)	10.453
Par value of instrument (Million TRY)	10.453
Accounting classification	Liabilities/Subordinated Loan
Original date of issuance	17 December 2024
Perpetual or dated	Dated
Original maturity date	10 (ten) years
Issuer call subject to prior supervisory approval	Yes
Optional call date, contingent call dates and redemption amount	Option date 5 years, (no conditional refund)
Subsequent call dates, if applicable	-
Coupons/dividends ^(*)	
Fixed or floating dividend/coupon	Fixed
Coupon rate and any related index	8.25%
Existence of a dividend stopper	-
Fully discretionary, partially discretionary or mandatory	-
Existence of step up or other incentive to redeem	-
Noncumulative or cumulative	-
Convertible or non-convertible	
If convertible, conversion trigger (s)	-
If convertible, fully or partially	-
If convertible, conversion rate	-
If convertible, mandatory or optional conversion	-
If convertible, specify instrument type convertible into	-
If convertible, specify issuer of instrument it converts into	-
Write-down feature	
If write-down, write-down trigger(s)	-
If write-down, full or partial	-
If write-down, permanent or temporary	-
If temporary write-down, description of write-up mechanism	-
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	It grants the holder the right to receive the receivable before the debt instruments to be included in the calculation of additional Tier II capital, and after depositors and all other creditors.
In compliance with article number 7 and 8 of “Own fund regulation”	In Compliance with Article number 8
Details of incompliances with article number 7 and 8 of “Own fund regulation”	-

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(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
Regulatory treatment	
From 1/1/2015, 10% reduction by being subject to the application	No
Eligible at unconsolidated / consolidated	Unconsolidated/Consolidated
Instrument type (types to be specified by each jurisdiction)	Additional capital
Amount recognized in regulatory capital (As of the latest reporting date – Million TRY)	4.000
Par value of instrument (Milliyon TRY)	4.000
Accounting classification	Liabilities/Subordinated loan
Original date of issuance	30 December 2024
Perpetual or dated	Undated
Original maturity date	30 December 2024
Issuer call subject to prior supervisory approval	Yes
Optional call date, contingent call dates and redemption amount	Option date 5 years, (no conditional refund)
Subsequent call dates, if applicable	-
Coupons / dividends (*)	
Fixed or floating dividend/coupon	Fixed
Coupon rate and any related index	36%
Existence of a dividend stopper	-
Fully discretionary, partially discretionary or mandatory	-
Existence of step up or other incentive to redeem	-
Noncumulative or cumulative	-
Convertible or non-convertible	
If convertible, conversion trigger (s)	-
If convertible, fully or partially	-
If convertible, conversion rate	-
If convertible, mandatory or optional conversion	-
If convertible, specify instrument type convertible into	-
If convertible, specify issuer of instrument it converts into	-
Write-down feature	
If write-down, write-down trigger(s)	In case the Core Capital adequacy ratio or 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”	In compliance with Article number 7
Details of incompliances with article number 7 and 8 of “Own fund regulation”	In compliance with Article number 7

(*) Profit share for participation banks.

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(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:

	Current Period 31 December 2024	Prior Period 31 December 2023
Equity value of balance sheet	22.371.038	19.831.547
Cost of development of operating lease	(1.367.288)	(922.211)
Goodwill and other intangible assets and related deferred tax liability	(1.362.609)	(692.634)
Debt instruments and premiums approved by BRSA	15.176.901	1.300.000
Tier II Capital(Provisions)	787.295	1.656.901
Debt instruments and premiums approved by BRSA - subordinated loans	5.267.788	3.681.925
Other values deducted from equity	(16.476)	(22.666)
Other	1.986.881	(580.911)
Amount taken into consideration in the calculation of legal equity	42.843.530	24.251.951

II. EXPLANATIONS ON CREDIT RISK

1. Information 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.

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

(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)

3. Risk Profile by Sectors or Counterparties

Current Period 31.12.2024	Sectors/Counter Parties	Risk Classes														Total				
		Conditional and unconditional receivables from governments or central banks	Conditional and unconditional receivables from regional governments	Conditional and unconditional receivables from administrative and non-financial 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 receivables from retail and corporate	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 investment funds		Equity Investments	Other receivables	TRY	FC
Agriculture	-	-	-	-	-	1,667,635	1,152,700	2,524,933	22,238	-	-	-	-	-	-	-	-	4,813,531	553,975	5,367,506
Fishing and Stockbreeding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Forestry	-	-	-	-	-	1,425,289	1,004,980	2,439,908	10,639	-	-	-	-	-	-	-	-	4,478,342	402,474	4,880,816
Fishing	-	-	-	-	-	115,189	142,931	20,085	11,599	-	-	-	-	-	-	-	-	257,329	32,475	289,804
Manufacturing	-	-	-	-	-	127,157	4,789	64,940	-	-	-	-	-	-	-	-	-	77,860	119,026	196,886
Mining and Quarrying	-	-	-	-	-	77,501,214	8,066,601	9,239,120	346,749	462,274	-	-	-	-	-	-	-	42,970,176	56,672,886	99,643,062
Production of Electric, Gas and Water	-	-	-	-	-	2,601,621	174,942	424,900	719	-	-	-	-	-	-	-	-	3,073,934	1,756,804	4,830,738
Construction	-	-	-	-	-	69,241,822	7,706,280	8,632,232	341,174	462,274	-	-	-	-	-	-	-	37,634,479	51,665,800	89,298,279
Services	-	-	-	-	-	4,957,771	185,379	181,898	4,856	-	-	-	-	-	-	-	-	2,261,763	3,252,382	5,514,045
Wholesale and Retail Trade	-	-	-	-	-	29,412,736	3,811,737	7,019,924	123,545	324,814	-	-	-	-	-	-	-	28,754,206	11,938,619	40,692,825
Transportation and Telecommunication	-	-	-	-	-	50,306,437	10,380,801	9,677,206	296,348	306,430	-	-	-	36,380	120,513	6,393,291	106,774,066	36,749,469	143,523,535	
Financial Institutions	-	-	-	-	-	27,593,502	7,679,558	6,424,076	238,696	185,017	-	-	-	-	-	-	-	30,194,724	11,926,125	42,120,849
Real Estate and Leasing Services	-	-	-	-	-	1,667,563	524,203	525,241	13,263	6,317	-	-	-	-	-	-	-	1,497,088	1,239,902	2,736,990
Self Employment Services	-	-	-	-	-	2,621,417	723,710	813,614	12,966	107,197	-	-	-	-	-	-	-	2,395,159	2,369,944	4,765,153
Education Services	-	-	-	-	-	8,731,376	6,093	114	6,456	-	-	-	-	36,380	79,412	6,393,291	61,975,648	18,776,947	80,752,595	
Health and Social Services	-	-	-	-	-	8,007,102	1,161,917	1,364,675	22,067	1,443	-	-	-	-	-	-	-	8,358,466	2,247,428	10,605,894
Other	-	-	-	-	-	296,859	82,069	95,697	7,776	-	-	-	-	-	-	-	-	483,896	9,769	493,665
	-	-	-	-	-	359,697	59,000	176,225	75	-	-	-	-	-	-	-	-	582,071	14,009	596,080
	-	-	-	-	-	1,038,921	144,251	277,564	1,505	-	-	-	-	-	-	-	-	1,287,014	165,295	1,452,309
	-	-	-	-	-	3,018,476	1,114,919	4,271,405	917,396	-	-	-	-	-	-	-	-	77,236,769	22,449,014	99,685,783
	-	-	-	-	-	2,279	68	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	86,432,881	31,310	2,279	-	-	1,114,919	4,271,405	3,785,567	11,249	917,396	-	-	-	102,301	120,513	6,495,592	260,548,748	123,632,963	388,917,711	
Total	132,725,499	31,310	6,032,737	-	20,728,452	160,002,941	27,682,244	32,244,750	800,129	2,010,914	-	-	36,380	120,513	6,495,592	260,548,748	123,632,963	388,917,711		

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

(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)

3. Risk Profile by Sectors or Counterparties (Continued)

Prior Period 31.12.2023	Sectors/counter parties	Risk Classes																
		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 receivables from retail and corporate 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	Equity Investments	Other receivables	TRY	FC	Total
Agriculture	-	-	-	-	1,544,430	808,482	634,392	281	41,674	-	-	-	-	-	2,767,385	262,074	-	3,029,459
Farming and Stockbreeding	-	-	-	-	1,492,659	678,478	620,465	280	28,327	-	-	-	-	-	2,582,722	257,687	-	2,840,409
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
Production of Electric, Gas and Water	-	-	-	-	2,842,771	161,862	162,493	85	79,417	-	-	-	-	-	1,996,417	1,250,211	-	3,246,628
Manufacturing and Quarrying	-	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	82,867	9,720	156,127	-	-	-	-	-	2,160,975	2,608,349	-	4,769,324
Construction	-	11	-	-	18,694,807	3,771,252	3,093,511	35,162	1,687,262	-	-	-	-	-	20,224,547	7,057,458	-	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	7,340,335	2,547,140	51,354	1,856,208	-	-	-	-	-	31,268,938	6,979,478	-	38,248,416
Transportation and Telecommunication	-	-	-	-	1,778,081	319,401	195,061	801	63,280	-	-	-	-	-	1,968,150	388,474	-	2,356,624
Real Estate and Leasing Services	-	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	-	373,291	-	-	-	780,200	56,019,673	39,201,967	-	95,221,640
Real Estate and Leasing Services	-	258,980	-	-	6,242,887	1,195,466	729,249	3,713	401,697	-	-	-	-	-	7,728,648	1,193,254	-	8,921,902
Self Employment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Education Services	-	-	-	-	319,227	51,449	88,889	2	504	-	-	-	-	-	442,866	16,500	-	459,366
Health and Social Services	-	56,836	-	-	1,239,112	249,835	79,263	38	45,602	-	-	-	-	-	1,459,840	219,846	-	1,679,686
Other	-	3,479	-	-	902,120	2,913,883	5,499,235	1,852	513,107	-	-	-	-	-	3,003,975	9,680,050	-	13,687,551
Total	78,969,631	2,731,331	-	13,018,706	122,460,449	25,098,577	16,837,764	191,060	7,058,581	-	-	-	-	-	174,507,171	95,782,493	-	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 2024

(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)

4. 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	88.524.406	47.590	2.981.441	761.228	40.411.083
Conditional and unconditional exposures to regional governments or local authorities	8	-	-	-	31.301
Conditional and unconditional receivables from administrative units and non-commercial enterprises	1.991.950	2.459.377	418.568	753.883	408.960
Conditional and unconditional exposures to multilateral development banks	-	-	-	-	-
Conditional and unconditional exposures to international organisations	-	-	-	-	-
Conditional and unconditional exposures to banks and brokerage houses	20.476.560	141.258	-	8.393	102.241
Conditional and unconditional exposures to corporates	9.512.873	23.692.310	24.179.521	31.289.393	71.328.845
Conditional and unconditional retail exposures	2.936.876	2.809.331	3.706.906	6.813.803	11.416.329
Conditional and unconditional exposures secured by real estate property	1.072.725	2.510.005	3.709.134	6.933.067	18.019.820
Past due receivables	-	-	-	-	-
Receivables defined in high risk category by BRSA	81.986	63.760	61.411	203.476	1.600.281
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	4.949.497	-	-	-	1.546.095
Grand Total	129.546.881	31.723.631	35.056.981	46.763.243	144.864.955

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	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	-	-	-	-
Grand Total	55.949.743	62.788	16.238	329.880	213.791.124

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 2024

(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)

4. Analysis of maturity-bearing exposures according to remaining maturities (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;

- Receivables from Central Governments or Central Banks
- Receivables from Regional Governments or Local Governments
- Receivables from Administrative Units and Non-Commercial Enterprises
- 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.

5. Exposures by risk weights:

Current Period														
	Risk Weights	0%	10%	20%	25%	35%	50%	75%	100%	150%	200%	250%	Other Risk Weights	Deductions from Equity
1	Exposures before Credit Risk Mitigation	134.169.543	-	28.460.163	-	-	21.362.929	41.366.616	161.328.077	1.785.292	-	-	440.091	2.729.897
2	Exposures after Credit Risk Mitigation	134.883.038	-	29.671.020	-	6.662.250	43.580.880	26.316.158	138.151.381	1.593.635	-	-	440.091	2.729.897

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	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.

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(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)

6. 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.

Current Period 31.12.2024	Loans		Provisions
	Impaired (TFRS 9)		2nd and 3rd Stage Loan Provisions
	Significant Increase in Credit Risk (Stage 2)	Non-performing loans (Stage 3)	
Agriculture	203.828	103.403	57.226
Farming and Stockbreeding	148.638	71.694	42.462
Forestry	48.782	30.943	13.870
Fishery	6.408	766	894
Manufacturing	6.855.684	1.597.250	1.447.868
Mining and Quarrying	278.333	21.886	39.431
Production	6.433.410	1.556.506	1.374.210
Electricity, Gas and Water	143.941	18.858	34.227
Construction	2.267.854	503.108	784.885
Services	2.576.969	661.950	600.606
Wholesale and Retail Trade	1.520.373	477.918	382.761
Accommodation and Dining	126.965	6.533	30.154
Transportation and Telecom.	93.528	90.878	64.391
Financial Institutions	79.807	412	8.656
Real Estate and Rental Services	722.423	54.360	98.897
Professional Services	25.551	3.469	3.381
Educational Services	3.722	16.682	4.714
Health and Social Services	4.600	11.698	7.652
Other	262.753	29.244	28.941
Total	12.167.088	2.894.955	2.919.526

Prior Period 31.12.2023	Loans		Provisions
	Impaired (TFRS 9)		2nd and 3rd Stage Loan Provisions
	Significant Increase in Credit Risk (Stage 2)	Non-performing loans (Stage 3)	
Agriculture	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
Manufacturing	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
Construction	1.366.726	570.208	705.600
Services	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
Other	160.116	6.682	30.492
Total	4.912.959	1.940.950	2.538.897

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(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)

7. Information about Value Adjustment and Change in Provisions:

Current Period (*) 31.12.2024		Opening Balance	Provision for Period	Provision Reversals	Other Adjustments	Closing Balance
1	Stage 3 Provisions	1.682.006	734.379	(792.908)	-	1.623.477
2	Stage 1 and 2 Provisions	2.156.649	1.536.946	(1.520.308)	-	2.173.287

Prior Period (*) 31.12.2023		Opening Balance	Provision for Period	Provision Reversals	Other Adjustments	Closing Balance
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

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

Information on credit quality by financial asset class:

Financial Assests	Current Period 31.12.2024			Prior Period 31.12.2023		
	Not Overdue and Not Impaired	Overdue and Not Impaired	Total	Not Overdue and Not Impaired	Overdue and Not Impaired	Total
Banks	20.675.299	-	20.675.299	13.029.805	-	13.029.805
Financial Assets at Fair Value Through Profit / Loss	9.483.947	-	9.483.947	3.812.067	-	3.812.067
Loans Given:	306.598.435	12.167.088	318.765.523	256.755.432	4.912.960	261.668.392
Corporate / Entrepreneurial Loans	295.415.161	11.904.359	307.319.520	243.756.361	4.757.337	248.513.698
Personal Loans	11.183.274	262.729	11.446.003	12.999.071	155.623	13.154.694
Specialized Loans	-	-	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	32.495.812	-	32.495.812	17.547.002	-	17.547.002
Financial Assets Measured at Amortised Cost	19.413.517	-	19.413.517	21.830.293	-	21.830.293

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 31 December 2024, 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 31.12.2024			
Country	Banking accounts RWA	Trading accounts RWA	Total
South Sudan	1.376.093	-	1.376.093
Marshall Island	813.779	-	813.779
Liberia	117.472	-	117.472
Holland	100.112	-	100.112
Germany	16.658	-	16.658
Saint Kitts and Nevis	15.362	-	15.362
Somalia	9.684	-	9.684
Austria	7.562	-	7.562
Russia	5.950	-	5.950
England	2.149	-	2.149
Other	15.930	-	15.930

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

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(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

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. Risks are monitored by the currency risk tables prepared based on the standard method. Besides, “Value at Risk” (“VAR”) is calculated for daily foreign exchange position and reported to the related departments. VAR based currency risk limit is also followed which was approved by Board of Directors.

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

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

None.

c) Foreign currency risk policy:

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

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

	USD	EUR	AUD	DKK	SEK	CHF	CAD	NOK	GBP	SAR	100JPY
31.12.2024	34,8423	36,1564	21,4896	4,8241	3,1423	38,4313	23,9874	3,0534	43,6565	9,2029	22,0060
30.12.2024	34,8192	36,2342	21,5551	4,8339	3,1382	38,4280	23,9201	3,0484	43,7174	9,1963	21,9460
27.12.2024	34,7102	36,1884	21,4486	4,8280	3,1343	38,4369	23,8570	3,0362	43,6299	9,1724	21,7770
26.12.2024	34,6009	35,9894	21,4193	4,8001	3,1060	38,3444	23,7847	3,0280	43,2718	9,1435	21,6910
25.12.2024	34,7318	36,0474	21,5134	4,8038	3,0752	38,4258	23,8702	3,0032	43,4080	9,1781	21,8400
24.12.2024	34,7445	36,1488	21,5628	4,8209	3,1167	38,5249	23,9189	3,0418	43,6466	9,1839	21,8710

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
34,4889	36,1199	21,7188	4,8184	3,1221	38,6056	23,9592	3,0555	43,5894	9,1103	22,1853

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(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

f) Information on the foreign currency risk of the Bank

	EUR	USD	Other FC(***)	Total
Current Period				
Assets				
Cash (Cash in vault, effectives, money in transit, cheques purchased) and balances with Central Bank of the Republic of Türkiye	11.894.103	18.419.040	7.312.812	37.625.955
Banks	1.825.315	3.318.677	11.426.375	16.570.367
Financial assets at fair value through profit and loss	181.054	174.495	9.128.398	9.483.947
Money market placements	-	-	-	-
Financial assets at fair value through other comprehensive income	-	2.637.721	-	2.637.721
Loans (*)	75.859.095	73.556.747	1.472	149.417.314
Partnership Investments	-	-	-	-
Financial assets measured at amortized cost	1.454.538	-	-	1.454.538
Derivative financial assets for hedging purposes	-	-	-	-
Tangible fixed assets	-	45.931	1.720	47.651
Intangible assets	-	-	-	-
Other assets(****)	86.299	258.436	187.089	531.824
Total assets	91.300.404	98.411.047	28.057.866	217.769.317
Liabilities				
Current account and funds collected from Banks via participation accounts	22.850	70.083	-	92.933
Current and profit sharing accounts FC	62.688.700	59.976.505	27.456.790	150.121.995
Money market borrowings	-	-	-	-
Funds provided from other financial institutions	8.399.594	42.482.824	-	50.882.418
Marketable securities issued (*****)	-	-	-	-
Miscellaneous debts	165.878	82.932	2.804	251.614
Derivative financial liabilities for hedging purposes	-	-	-	-
Other liabilities (****)	2.173.172	14.360.582	37.240	16.570.994
Total liabilities	73.450.194	116.972.926	27.496.834	217.919.954
Net balance sheet position	17.850.210	(18.561.879)	561.032	(150.637)
Net off-balance sheet position (**)	(16.993.508)	17.318.368	-	324.860
Financial derivative assets	-	17.318.368	-	17.318.368
Financial derivative liabilities	16.993.508	-	-	16.993.508
Non-cash loans	22.388.859	25.829.966	1.942.445	50.161.270
Prior Period				
Total assets	64.602.191	79.233.786	16.826.852	160.662.829
Total liabilities	58.954.632	84.482.297	16.564.551	160.001.480
Net balance sheet position	5.647.559	(5.248.511)	262.301	661.349
Net off-balance sheet position	(5.533.670)	5.358.368	-	(175.302)
Financial derivative assets	976.530	6.380.356	-	7.356.886
Financial derivative liabilities	6.510.200	1.021.988	-	7.532.188
Non-cash loans	17.170.349	21.151.158	1.665.621	39.987.128

(*) Foreign currency indexed loans amounting to TRY 41.007 (31 December 2023: TRY 108.158) which are displayed as TRY in the consolidated financial statements, are shown with the relevant foreign currency code. Includes receivables from lease transactions.

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

(***) 89% of the currencies in the other FC column of the assets section consists of Gold, 2% of GBP, 2% of CHF and the remaining 7% of other currencies. In the FC column of the liabilities section, 90% of the currencies are Gold, 2% of GBP, 6% of CHF and the remaining 4% are other currencies.

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

(*****) Prepaid expenses amounting to TRY 44.078 within other assets are not included in the table.

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(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)

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

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

According to the standard method of credit risk, equity investments in banking accounts are TRY 52.913 all of which are 100% risk weighted (31 December 2023: TRY 52.913).

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

The 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..

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(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 ON LIQUIDITY RISK MANAGEMENT,LIQUIDITY COVERAGE RATIO AND NET STABLE FUNDING RATIO (Continued)

1) Liquidity risk (Continued)

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

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

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

Although 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 2024 are listed in the table below.

Current Period	Highest	Date	Lowest	Date
TRY+FC	197,46	21.12.2024	137,58	20.11.2024
FC	414,79	10.10.2024	212,91	11.11.2024

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

(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)

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 2024	Consideration Ratio Not Applied Total Value (*)		Consideration Ratio Applied Total Value (*)	
	TRY+FC	FC	TRY+FC	FC
HIGH QUALITY LIQUID ASSETS				
High quality liquid assets	-	-	112.604.202	44.535.225
CASH OUTFLOWS				
Real person deposits and retail deposits	132.946.873	62.098.242	13.016.657	6.304.286
Stable deposit	11.579.444	-	578.972	-
Deposit with low stability	121.367.429	62.098.242	12.437.685	6.304.286
Unsecured debts except real person deposits and retail deposits	159.202.423	62.516.344	85.195.729	29.730.321
Operational deposit	-	-	-	-
Non-operational deposits	-	-	-	-
Other unsecured debts	159.202.423	62.516.344	85.195.729	29.730.321
Secured debts	-	-	-	-
Other cash outflows	139.812.078	60.122.341	17.728.799	12.604.186
Derivative liabilities and margin obligations	12.036.483	10.011.161	10.636.929	10.011.161
Debt from structured financial instruments	-	-	-	-
Other off-balance sheet liabilities and commitments for the payment owed to financial markets	2.491.402	451.485	827.660	110.041
Revocable off-balance sheet obligations regardless of any other requirement and other contractual obligations	-	-	-	-
Other irrevocable or provisory revocable off-balance sheet liabilities	125.284.193	49.659.695	6.264.210	2.482.984
TOTAL CASH OUTFLOWS	-	-	115.941.185	48.638.793
CASH INFLOWS				
Secured receivables	-	-	-	-
Unsecured claims	52.145.980	29.948.991	37.004.563	25.658.301
Other cash inflows	10.863.311	8.728.417	10.863.311	8.728.417
TOTAL CASH INFLOWS	63.009.291	38.677.408	47.867.874	34.386.718
	Applied maximum rate values			
TOTAL HIGH QUALITY LIQUID ASSET STOCK	-	-	112.604.202	44.535.225
TOTAL NET CASH OUTFLOWS	-	-	68.073.311	14.252.075
LIQUIDITY COVERAGE RATIO (%)	-	-	165	312

(*) 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 2024

(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)

Prior Period 31 December 2023	Consideration Ratio Not Applied Total Value (*)		Consideration Ratio Applied Total Value (*)	
	TRY+FC	FC	TRY+FC	FC
HIGH QUALITY LIQUID ASSETS				
High quality liquid assets	-	-	70.703.465	42.033.221
CASH OUTFLOWS				
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
TOTAL CASH OUTFLOWS	-	-	98.023.253	42.286.449
CASH INFLOWS				
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
TOTAL CASH INFLOWS	59.362.327	33.806.703	44.846.289	28.757.898
	Applied maximum rate values			
TOTAL HIGH QUALITY LIQUID ASSET STOCK	-	-	70.703.465	42.033.221
TOTAL NET CASH OUTFLOWS	-	-	53.176.965	13.528.552
LIQUIDITY COVERAGE RATIO (%)	-	-	133	311

(*) 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 2024

(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)

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

	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Undistributed (**)	Total
Current Period 31 December 2024								
Assets								
Cash (Cash in Vault, Effectives, Money in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Türkiye	61.608.350	41.820.282	-	-	-	-	-	103.428.632
Banks	16.635.647	4.039.545	-	-	-	-	-	20.675.192
Financial Assets at Fair Value Through Profit and Loss	-	1.530.160	-	-	7.953.787	-	-	9.483.947
Money Market Placements	-	-	-	-	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	-	56.316	3.335.331	6.358.591	20.053.175	2.639.486	52.913	32.495.812
Loans Given (****)	-	19.404.110	41.762.677	100.662.600	139.249.142	15.513.706	1.271.478	317.863.713
Financial Assets Measured at Amortised Cost	-	-	-	438.973	14.308.065	4.666.479	-	19.413.517
Other Assets	-	-	-	-	-	-	11.967.556	11.967.556
Total Assets(*)	78.243.997	66.850.413	45.098.008	107.460.164	181.564.169	22.819.671	13.291.947	515.328.369
Liabilities								
Funds Collected from Banks Via Current and Participation Accounts	2.122.132	-	-	-	-	-	-	2.122.132
Current and Participation Accounts	71.005.216	186.512.714	71.629.687	25.511.110	871.944	-	-	355.530.671
Funds Provided from Other Financial Instruments	-	12.207.819	16.046.999	30.206.428	18.096.079	1.207.259	-	77.764.584
Money Market Borrowings	-	26.163.921	-	-	-	-	-	26.163.921
Issued Marketable Securities (***)	-	-	-	-	-	-	-	-
Miscellaneous Payables	-	-	-	-	-	-	1.340.789	1.340.789
Other Liabilities	-	-	-	-	1.766.881	19.078.214	31.561.177	52.406.272
Total Liabilities	73.127.348	224.884.454	87.676.686	55.717.538	20.734.904	20.285.473	32.901.966	515.328.369
Liquidity Gap	5.116.649	(158.034.041)	(42.578.678)	51.742.626	160.829.265	2.534.198	(19.610.019)	-
Net Off-Balance Sheet Position	-	222.813	102.047	-	-	-	-	324.860
Receivables From Derivative Financial Instruments	-	11.069.733	6.248.635	-	-	-	-	17.318.368
Financial Derivative Liabilities	-	10.846.920	6.146.588	-	-	-	-	16.993.508
Non-Cash Loans	24.317.354	5.769.590	13.118.475	45.242.205	19.382.778	8.615.028	-	116.445.430

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

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(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)

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

	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Undistributed (**)	Total
Prior Period 31 December 2023								
Assets								
Cash (Cash in Vault, Effectives, Money in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Türkiye	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
Total Assets(*)	41.553.975	59.226.199	39.763.342	92.482.594	120.887.779	22.393.381	7.949.335	384.256.605
Liabilities								
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
Total Liabilities	59.452.740	183.598.564	50.823.801	36.178.725	18.949.829	2.563.812	32.689.134	384.256.605
Liquidity Gap	(17.898.765)	(124.372.365)	(11.060.459)	56.303.869	101.937.950	19.829.569	(24.739.799)	-
Net Off-Balance Sheet Position	-	(796)	(129.591)	5.097	-	-	-	(125.290)
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
Non-Cash Loans	16.599.290	6.620.773	6.937.164	25.513.580	15.004.322	7.655.404	-	78.330.533

(*) 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 2024

(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)

4) Net Stable Funding Ratio Template

At the end of the current period, the unconsolidated NSFR and the elements constituting NSFR are shown in the table below, as of 31 December 2024 simple arithmetic average NSFR is 138.43% (Third quarter of 2024: 131.72%). The average NSFR for the last three months of the current period was 133.10% (Third quarter of 2024: 131.14%).

Current Period	a	b	c	d	e
	Unweighted amount by residual maturity				Weighted Amount
	Undated/No Maturity (*)	Up to 6 months	6 Months to 1 yetar	1 year and more than 1 year	
Available Stable Funding					
1 Capital Instruments	39.897.302	-	-	-	39.897.302
2 Regulatory capital	39.897.302	-	-	-	39.897.302
3 Other capital instruments	-	-	-	-	-
4 Deposits (from retail and small business customers)	36.249.842	32.660.523	69.233.538	-	125.022.921
5 Stable Deposits (from retail and small business customers)	3.237.559	-	10.630.599	-	13.174.750
6 Less Stable Deposits (from retail and small business customers)	33.012.283	32.660.523	58.602.939	-	111.848.171
7 Wholesale funding	75.847.683	242.385.649	23.995.702	-	143.464.816
8 Operational deposits	-	96.323.047	-	-	-
9 Other wholesale funding	75.847.683	146.062.602	23.995.702	-	143.464.816
10 Liabilities with matching interdependent assets					
11 Other liabilities	12.584.393	351.277	-	-	-
12 Net Derivatives Liabilities				351.27	
13 All other liabilities and equity not included in the above categories	12.584.393	-	-	-	-
14 Total Available Stable Funding					308.385.039
Required Stable Funding					
15 High Quality Liquid Assets (HQLA)					2.693.918
16 Deposits held at other financial institutions for operational purposes	-	-	-	21.740.336	21.740.336
17 Performing loan and securities	-	174.536.748	68.829.719	99.159.529	191.214.068
18 Performing loans to financial institutions secured by Level 1 HQLA	-	-	478.012	-	239.006
19 Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	35.083.198	-	-	5.262.480
20 Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs	-	139.453.550	68.351.707	91.524.992	180.519.684
21 35% or Lower Risk Weight	-	139.453.550	68.351.707	91.524.992	180.519.684
22 Residential Mortgage Secured Loans	-	-	-	6.482.290	4.213.488
23 35% or Lower Risk Weight	-	-	-	6.482.290	4.213.488
24 Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	-	-	-	1.152.247	979.410
25 Assets with matching interdependent liabilities					
26 Other Assets	705.434	-	-	-	599.619
27 Physical traded commodities (including gold)	705.434				599.619
28 Initial Margin of Derivative Contracts or Default Funds Provided to a Central Counterparty					
29 Net Derivative Assets					-
30 Derivatives Liabilites Before Deducting Variation Margin Posted					-
31 All other assets not included in the above categories	-	-	-	-	-
32 Off Balance Sheet Liabilities		34.260.826	29.869.443	38.996.933	6.528.350
33 Total Required Stable Funding					222.776.291
34 Net Stable Funding Ratio (%)					138.43

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

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(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)

4) Net Stable Funding Ratio Template (Continued)

Prior Period	a	b	c	d	e
	Unweighted amount by residual maturity				Weighted Amount
	Undated/No Maturity (*)	Up to 6 months	6 Months to 1 yetar	1 year and more than 1 year	
Available Stable Funding					
1 Capital Instruments	22.974.617	-	-	1.300.000	24.274.617
2 Regulatory capital	22.974.617	-	-	1.300.000	24.274.617
3 Other capital instruments	-	-	-	-	-
4 Deposits (from retail and small business customers)	28.408.853	76.444.445	14.174.327	-	107.139.030
5 Stable Deposits (from retail and small business customers)	1.200	209.863	72.293	-	269.189
6 Less Stable Deposits (from retail and small business customers)	28.407.652	76.234.581	14.102.034	-	106.869.842
7 Wholesale funding	53.581.068	171.199.312	8.443.273	-	94.727.246
8 Operational deposits	-	70.074.221	-	-	-
9 Other wholesale funding	53.581.068	101.125.091	8.443.273	-	94.727.246
10 Liabilities with matching interdependent assets					
11 Other liabilities	11.620.682	-	-	-	-
12 Net Derivatives Liabilities		-	-	-	
13 All other liabilities and equity not included in the above categories	11.620.682	-	-	-	-
14 Total Available Stable Funding					226.140.893
Required Stable Funding					
15 High Quality Liquid Assets (HQLA)					2.105.192
16 Deposits held at other financial institutions for operational purposes	-	-	-	18.604.072	18.604.072
17 Performing loan and securities	-	146.920.282	47.529.229	72.904.414	148.528.552
18 Performing loans to financial institutions secured by Level 1 HQLA	-	-	122.879	-	61.439
19 Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	23.905.413	-	-	3.585.812
20 Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs	-	123.014.869	47.406.350	65.060.570	139.759.280
21 35% or Lower Risk Weight	-	123.014.869	47.406.350	65.060.570	139.759.280
22 Residential Mortgage Secured Loans	-	-	-	7.726.235	5.022.053
23 35% or Lower Risk Weight	-	-	-	7.726.235	5.022.053
24 Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	-	-	-	117.609	99.968
25 Assets with matching interdependent liabilities					
26 Other Assets	114.485	126.855	-	-	224.167
27 Physical traded commodities (including gold)	114.485				97.312
28 Initial Margin of Derivative Contracts or Default Funds Provided to a Central Counterparty					
29 Net Derivative Assets				126.855	126.855
30 Derivatives Liabilites Before Deducting Variation Margin Posted				-	-
31 All other assets not included in the above categories	-	-	-	-	-
32 Off Balance Sheet Liabilities		21.029.097	18.737.933	25.939.901	4.199.250
33 Total Required Stable Funding					173.661.233
34 Net Stable Funding Ratio (%)					130.22

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

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

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

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

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

5) 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	2.122.132	-	-	-	-	2.122.132
Other special current account and participation accounts	257.517.931	71.629.687	25.511.109	871.944	-	355.530.671
Funds borrowed from other financial institutions	12.207.819	16.046.999	30.206.428	18.096.079	1.207.259	77.764.584
Funds borrowed from Interbank money market	26.163.921	-	-	-	-	26.163.921
Total	298.011.803	87.676.686	55.717.537	18.968.023	1.207.259	461.581.308
Prior Period						
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
Total	243.051.304	50.823.801	36.178.725	18.949.829	1.221.825	350.225.484

VII. EXPLANATIONS ON LEVERAGE RATIO

As of 31 December 2024, the leverage ratio of the Bank calculated from the average of three months is 3,61% (31 December 2023: 4,38%). 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:

Balance sheet assets	Current Period ^(*) 31 December 2024	Prior Period ^(*) 31 December 2023
Balance sheet assets (Except for derivative financial instruments and credit derivatives, including warranties)	480.455.089	366.459.646
(Assets deducted from main capital)	(5.720.340)	(2.841.169)
Total risk amount of the balance sheet assets	474.734.749	363.618.477
Derivative financial instruments and credit derivatives		
Replacement cost of derivative financial instruments and credit derivatives	58.007	20.393
Potential credit risk amount of derivative financial instruments and credit derivatives	95.599	85.902
Total risk amount of derivative financial instruments and credit derivative	153.606	106.295
Security or secured financing transactions		
Risk amount of security or secured financing transactions (Except balance sheet)	5.508.860	12.392.818
Risk amount due to intermediated transactions	-	-
Total risk amount of security or secured financing transactions	5.508.860	12.392.818
Off-balance sheet transactions		
Gross nominal amount of off-balance sheet transactions	133.122.216	83.884.553
(Adjustment amount resulting from multiplying by credit conversion rates)	-	-
Risk amount of the off-balance sheet transactions	133.122.216	83.884.553
Equity and total risk		
Main capital	22.195.187	20.156.171
Total risk amount	613.826.642	460.044.660
Leverage ratio		
Leverage ratio %	3,61	4,38

(*) 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 2024

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

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

VIII. EXPLANATIONS ON 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 2024

(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 2024	Prior Period 31 December 2023	Current Period 31 December 2024
1	Credit risk (excluding counterparty credit risk)	189.848.139	149.737.660	15.187.851
2	Standardized approach	189.848.139	149.737.660	15.187.851
3	Internal rating-based approach	-	-	-
4	Counterparty credit risk	2.773.090	107.754	221.847
5	Standardized approach for counterparty credit risk	2.773.090	107.754	221.847
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	36.380	-	2.910
10	Investments made in collective investment companies - 1250% weighted risk approach	-	-	-
11	Settlement risk	-	-	-
12	Securitization positions in banking accounts	-	-	-
13	IRB ratings-based approach	-	-	-
14	IRB Supervisory Formula pproach	-	-	-
15	SA/simplified supervisory formula approach	-	-	-
16	Market risk	5.595.063	2.348.348	447.605
17	Standardized approach	5.595.063	2.348.348	447.605
18	Internal model approaches	-	-	-
19	Operational risk	13.553.964	8.424.411	1.084.317
20	Basic Indicator approach	13.553.964	8.424.411	1.084.317
21	Standard approach	-	-	-
22	Advanced measurement approach	-	-	-
23	The amount of the discount threshold under the equity (subject to 250% risk weight)	-	-	-
24	Floor adjustment	-	-	-
25	Total (1+4+7+8+9+10+11+12+16+19+23+24)	211.806.636	160.618.173	16.944.530

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

(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

			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
Current Period 31.12.2024	Valued amount according to TAS within legal consolidation (*)	Subject to credit risk framework			
Assets					
Cash and Balances at Central Bank	103.428.525	103.428.525	-	37.626.323	-
Derivative Financial Assets	274.090	-	274.090	-	-
Financial Assets Measured At Fair Value To Profit Or Loss	9.483.948	-	-	9.483.947	-
Banks	20.675.299	20.675.299	-	16.570.441	-
Receivables From Money Markets	-	-	-	-	-
Financial Assets Measured At Fair Value To Other Comprehensive Income	32.495.812	32.495.812	19.208.440	2.637.279	-
Loans and Receivable	264.549.620	264.549.620	-	130.193.334	-
Factoring Receivable	-	-	-	-	-
Financial Assets Measured At Amortised Cost	19.413.517	19.413.517	8.308.859	1.454.538	-
Investments in Associates (Net)	67.500	67.500	-	-	-
Investments in Subsidiaries (Net)	100	100	-	-	-
Jointly Controlled Partnerships (Joint Ventures) (Net)	-	-	-	-	-
Receivables form Leasing Transactions	53.314.093	53.314.093	-	19.182.631	-
Derivative Financial Assets for Hedging Purposes	-	-	-	239.416	-
Tangible Assets (Net)	3.564.558	3.564.558	-	47.651	1.367.288
Intangible Assets (Net)	1.362.609	-	-	-	1.362.609
Investment Properties (Net)	-	-	-	-	-
Tax Asset	2.078.602	2.078.602	-	-	-
Non-Currents Assets Or Disposal Groups"Held For Sale" And "From Discontinued Operations (Net)	1.651.596	1.651.596	-	-	-
Other Assets	2.968.498	2.968.498	-	336.486	-
Total Assests	515.328.367	504.207.720	27.791.389	217.772.046	2.729.897
Liabilities					
Deposits	357.652.802	-	-	150.214.928	-
Derivative Financial Liabilities	-	-	-	-	-
Funds Borrowed	77.764.584	-	-	50.882.418	-
Money Markets	26.163.921	-	26.163.921	-	-
Securities Issued (Net)	-	-	-	-	-
Funds	-	-	-	-	-
Other Liabilities	6.259.107	-	-	315.420	-
Factoring Liabilities	-	-	-	-	-
Leasing Liabilities	1.658.566	-	-	-	-
Derivative Financial Liabilities for Hedging Purposes	-	-	-	-	-
Provisions	1.670.197	-	-	1.010.285	-
Tax Liability	943.055	-	-	238	-
Non-Currents Liabilities Or Disposal Groups "Held For Sale" And "From Discontinued Operations (Net)	-	-	-	-	-
Subordinated Debt Instruments	20.845.095	-	-	15.496.665	-
Equity	22.371.040	-	-	(13.541)	-
Total Liabilities	515.328.367	-	26.163.921	217.906.413	-

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

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(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)

		Carrying values of items			
	Valued amount according to TAS within legal consolidation ^(*)	Subject to credit risk framework	Subject to counter party credit risk framework	Subject to the market risk framework	Not subject to capital requirements or subject to deduction from capital
Piror Period 31.12.2023					
Assets					
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	-
Total Assests	384.256.605	379.748.178	8.869.072	160.588.143	1.614.845
Liabilities					
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)	-
Total Liabilities	384.256.605	-	10.964.133	159.969.722	-

(*) It represents the Bank’s unconsolidated financial statements

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(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

Current Period 31.12.2024	Total	Subject to credit risk framework	Securitization position	Subject to counter party credit risk framework	Subject to the market risk framework
Asset carrying value amount under scope of regulatory consolidation	515.328.367	504.207.720	-	27.791.389	217.416.499
Liabilities carrying value amount under regulatory scope of consolidation	26.163.921	-	-	26.163.921	217.906.413
Total net amount under regulatory scope of consolidation	489.164.446	504.207.720	-	1.627.468	(489.914)
Differences in valuations	170.872.682	70.295.908	-	34.311.876	-
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	-	-	-	-	-
Amount of risk	660.037.128	574.503.628	-	35.939.344	(489.914)

Prior Period 31.12.2023	Total	Subject to credit risk framework	Securitization position	Subject to counter party credit risk framework	Subject to the market risk framework
Asset carrying value amount under scope of regulatory consolidation	384.256.605	379.748.174	-	8.869.072	160.588.143
Liabilities carrying value amount under regulatory scope of consolidation	10.964.134	-	-	10.964.134	159.969.722
Total net amount under regulatory scope of consolidation	373.292.471	379.748.174	-	(2.095.061)	618.421
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	-	-	-	-	-
Amount of risk	474.015.370	427.502.830	-	14.642.846	618.421

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 2024

(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 31.12.2024	Defaulted	Non-defaulted	Allowances/Amortisat ion and impairments	Net values
1	Loans (*)	2.894.955	318.765.524	3.796.765	317.863.714
2	Debt securities	-	61.861.690	468.414	61.393.276
	Off-balance sheet exposures	-	136.599.920	39.114	136.560.806
4	Total	2.894.955	517.227.134	4.304.293	515.817.796

(*) Financial lease amounting to TRY 53.312.093 is included in the table.

	Prior Period 31.12.2023	Defaulted	Non-defaulted	Allowances/Amortisat ion 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
	Off-balance sheet exposures	-	83.984.992	23.035	83.961.957
4	Total	1.940.950	389.249.101	4.268.044	386.922.007

(*) Financial lease amounting to TRY 52.645.704 is included in the table.

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

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

Prior 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

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 2024

(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 31.12.2024	Significant Increase in Credit Risk (Stage 2)	Significant Increase in Credit Risk (Stage 2)	Significant Increase in Credit Risk (Stage 2)
Domestic	12.163.134	2.894.955	3.786.830
European Union Countries	3.954	-	823
USA, Canada	-	-	-
OECD Countries	-	-	-
Off-Shore Banking Regions	-	-	-
Other Countries	-	-	9.112
Total	12.167.088	2.894.955	3.796.765

	Credits		
	Impaired (TFRS 9)		
Prior 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
Total	4.912.959	1.940.950	3.838.655

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

(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)

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. (Continued)

Current Period 31.12.2024	Loans	Non Preforming Loans	Expected Loss Provisions	Total
Agriculture	12.423.473	103.403	78.281	12.448.595
Farming and Stockbreeding	8.479.962	71.694	58.442	8.493.214
Forestry	3.577.471	30.943	18.502	3.589.912
Fishing	366.040	766	1.337	365.469
Manufacturing	187.912.657	1.597.250	2.067.311	187.442.596
Mining and Quarrying	14.055.838	21.886	62.715	14.015.009
Production	170.695.849	1.556.506	1.963.439	170.288.916
Electric, Gas and Water	3.160.970	18.858	41.157	3.138.671
Construction	46.708.436	503.108	899.393	46.312.151
Services	56.400.219	661.950	705.099	56.357.070
Wholesale and Retail Trade	24.969.171	477.918	435.220	25.011.869
Hotel Food and Beverage Services	2.642.609	6.533	36.868	2.612.274
Transportation and Telecommunication	4.132.840	90.878	74.236	4.149.482
Financial Institutions	10.125.223	412	16.965	10.108.670
Real Estate and Leasing Services	10.867.630	54.360	117.199	10.804.791
Self Employment Services	758.041	3.469	5.615	755.895
Education Services	880.875	16.682	6.342	891.215
Health and Social Services	2.023.830	11.698	12.654	2.022.874
Other	15.320.738	29.244	46.681	15.303.301
Total	318.765.523	2.894.955	3.796.765	317.863.713

Prior Period 31.12.2023	Loans	Non Preforming Loans	Expected Loss Provisions	Total
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
Total	261.668.392	1.940.950	3.838.655	259.770.687

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(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 2024	Up to 1 Month	1-2 Month	2-3 Month	3+ Month	Total
Loans and Receivables (*)					
Corporate /Entrepreneurial Loans	2.268.172	2.176.553	2.502.093	1.074.470	8.021.288
Consumer Loans	188.171	40.274	28.255	1.920	258.620
Total	2.456.343	2.216.827	2.530.348	1.076.390	8.279.908

(*) The Bank's loan amounting to TRY 1.490.235, which is under close monitoring, has no delay.

Prior 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
Total	692.930	496.471	827.756	141.447	2.158.604

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

Breakdown of restructured receivables by allocation of provision

The Bank's total restructured loans amounting to TRY 4.578.362 consist of performing loans amounting to TRY 4.524.579 and non-performing loans amounting to TRY 53.783. Stage 1 and Stage 2 expected loss provision for restructured loans amounting to TRY 547.374 and Stage 3 expected loss provision for restructured loans from non-performing receivables amounting to TRY 8.347. (31 December 2023: The Bank's total restructured loans amounting to TRY 3.212.990 consist of performing loans amounting to TRY 3.199.230 and restructured non-performing loans amounting to TRY 13.760. The total amount of Stage 1 and Stage 2 expected loss provision for restructured loans amounting to TRY 483.196 and Stage 3 expected loss provision for restructured loans from non-performing receivables amounting to TRY 348).

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 under market risk are not subject to collateralization.

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 secured receivables 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 2024

(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 31.12.2024	Unsecured receivables: Amount assessed pursuant to TAS	Receivables secured by guarantee	Collateralized portions of collateralized receivables	Receivables protected by financial guarantees	Collateralized portions of receivables protected by financial guarantees	Receivables protected by credit derivatives	Collateralized portions of receivables protected by credit derivatives
Loans *	260.448.635	21.709.768	8.466.894	3.788.476	1.948.672	-	-
Debt Securities *	50.904.608	-	-	-	-	-	-
Total	311.353.243	21.709.768	8.466.894	3.788.476	1.948.672	-	-
Of which defaulted *	2.865.746	3.771	1.472	-	-	-	-

(*) Based on the article titled "Changes Regarding the Calculation of Capital Adequacy" dated 12.12.2023 by BRSA, it has been decided to continue calculating the Amount Subject to Credit Risk by using the Central Bank foreign exchange buying rate of 26.06.2023, starting from January 2024, until a Board Decision to the contrary is taken. . For this reason, the figures in the Credit Risk Mitigation Techniques table show an exchange rate difference of 35.705.311 Thousand TRY in "Loans", 10.488.668 Thousand TRY in "Debt Instruments" and 25.438 Thousand TRY in the "Default" class..

Prior 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	-	-	-	-	-	-
Total	229.870.115	31.155.501	20.725.537	1.800.576	1.398.348	-	-
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..

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.

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

(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)

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

	Current Period 31.12.2024	Exposures before CCF and CRM		Exposures post-CCF and CRM		Risk weighted amount and risk weighted amount density	
		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	Risk weighted amount	Risk weighted amount density
1	Exposures to sovereigns and their central banks	132.725.650	200	133.438.985	259	-	0%
2	Exposures to regional and local governments	10.570	41.465	-	67	33	50%
3	Exposures to administrative bodies and non-commercial entities	3.732.008	1.224.544	3.728.947	797.275	4.526.223	100%
4	Exposures to multilateral development banks	-	-	-	-	-	0%
5	Exposures to international organizations	-	-	-	-	-	0%
6	Exposures to banks and brokerage houses	20.218.929	2.884.889	21.454.266	67.317	4.344.473	20%
7	Exposures to corporates	109.429.930	87.973.797	101.992.563	49.827.481	135.336.521	89%
8	Retail exposures	18.336.561	20.365.955	17.335.385	7.670.667	18.754.539	75%
9	Exposures secured by residential property	6.388.561	581.461	6.379.943	276.317	2.329.691	35%
10	Exposures secured by commercial property	21.954.699	6.668.947	21.954.699	3.622.059	14.151.911	55%
11	Past-due items	740.111	147.426	738.639	59.674	1.352.530	169%
12	Exposures in high-risk categories	1.813.880	410.912	1.808.992	178.900	3.879.909	195%
13	Exposures in the form of bonds secured by mortgages	-	-	-	-	-	0%
14	Short term exposures to banks, brokerage houses and corporates	-	-	-	-	-	0%
15	Exposures in the form of collective investment undertakings	36.380	-	36.380	-	36.380	100%
16	Other exposures	6.495.592	-	6.495.592	-	5.051.798	78%
17	Equity share investments	120.513	-	120.513	-	120.513	100%
18	Total	322.003.384	120.299.596	315.484.904	62.500.016	189.884.521	50%

	Prior Period 31.12.2023	Exposures before CCF and CRM		Exposures post-CCF and CRM		Risk weighted amount and risk weighted amount density	
		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	Risk weighted amount	Risk weighted amount density
1	Exposures to sovereigns and their central banks	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	Total	233.973.920	68.903.179	231.495.819	38.653.955	149.737.660	55%

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

(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 Collateralized with Real- Estate Mortgage	50%	75%	100%	150%	200%	Other	Total risk amount (post-CCF and CRM)
Exposures to sovereigns and their central banks	133.439.244	-	-	-	-	-	-	-	-	-	-	133.439.244
Exposures to regional and local government	-	-	-	-	-	67	-	-	-	-	-	67
Exposures to administrative bodies and non-commercial entities	-	-	-	-	-	-	-	4.526.222	-	-	-	4.526.222
Exposures to multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-
Exposures to international organizations	-	-	-	-	-	-	-	-	-	-	-	-
Exposures to banks and brokerage houses	-	-	21.393.596	-	-	124.468	-	3.519	-	-	-	21.521.583
Exposures to corporates	-	-	7.898.958	-	-	20.328.713	-	123.592.373	-	-	-	151.820.044
Retail exposures	-	-	-	-	-	-	25.006.052	-	-	-	-	25.006.052
Exposures secured by residential property	-	-	-	6.656.260	-	-	-	-	-	-	-	6.656.260
Exposures secured by commercial property	-	-	-	-	22.849.694	-	-	2.727.064	-	-	-	25.576.758
Past-due items	-	-	-	-	-	114.642	-	478.715	59.510	-	145.446	798.313
Exposures in high-risk categories	-	-	-	5.991	-	99.466	-	53.664	1.534.126	-	294.645	1.987.892
Exposures in the form of bonds secured by mortgages	-	-	-	-	-	-	-	-	-	-	-	-
Short term exposures to banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-	-	-	-
Exposures in the form of collective investment undertakings	-	-	-	-	-	-	-	36.380	-	-	-	36.380
Equity share investments	-	-	-	-	-	-	-	120.513	-	-	-	120.513
Other exposures	1.443.794	-	-	-	-	-	-	5.051.798	-	-	-	6.495.592
Total	134.883.038	-	29.292.554	6.662.251	22.849.694	20.667.356	25.006.052	136.590.248	1.593.636	-	440.091	377.984.920

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

(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 (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	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 propertyr	-	-	-	-	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
Total	101.627.815	-	13.900.077	7.613.818	11.339.148	19.433.473	109.176.862	867.077	5.795.622	395.882	270.149.774

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

(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)

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 FC and TRY liquidity risk is limited by the transactions performed.

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

Within the scope of the footnotes and related explanations prepared in accordance with the “Communiqué on Public Disclosure by the Banks” published in the Official Gazette dated 23 October 2015 and numbered 29511 by the BRSA and entered into force as of 31 March 2016, it is given annually and quarterly. The following required tables are not presented as of 31 December 2024 as the standard approach is used in the calculation of the Bank's credit risk.

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

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

(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

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

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

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

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

(*) Effective expected positive exposure

	Prior Period 31.12.2023	Replacement cost	Potential future exposure	EEPE (Effective Expected Positive Exposure) (*)	Alpha used for computing regulatory EAD	Exposure at default post CRM	Risk Weighted Amount
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	Total						74.794

(*) Effective expected positive exposure

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

(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)

c) Capital requirement for loan valuation adjustment

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

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

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

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

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

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

(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 ^(*)
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	-	-	-	-	-	-	-	-	-
Total ^(*)	8.571.649	-	60.987	121.242	-	1.976	-	-	8.755.854

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

e) Risk classes and counter party credit risk explanation

None

f) Collateral used for counterparty credit risk

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

Prior Period 31.12.2023	Collateral for derivative transactions				Other transaction collaterals	
	Collaterals provided		Collaterals received		Collaterals provided	Collaterals received
	Separated	Unseparated	Separated	Unseparated		
Cash-domestic currency	-	-	-	-	-	-
Cash-foreign currency	-	-	-	-	-	-
Domestic sovereign debts	-	-	-	-	-	-
Other sovereign debts	-	-	-	-	-	-
Government agency debts	-	-	-	-	-	-
Corporate Debts	-	-	-	-	-	-
Equity Securiitiyes	-	-	-	-	-	-
Other collateral	-	-	-	-	-	8.692.891
Total	-	-	-	-	-	8.692.891

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

(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

	Current Period 31.12.2024	Exposure at default (post-CRM)	RWA
1	Exposure to Qualified Central Counterparties (QCCPs)	704	14
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	-	-
3	(i) OTC Derivatives	-	-
4	(ii) Exchange-traded Derivatives	-	-
5	(iii) Securities financing transactions	-	-
6	(iv) Netting sets where cross-product netting has been approved	-	-
7	Segregated initial margin	-	-
8	Non-segregated initial margin	-	-
9	Pre-funded default fund contributions	704	14
10	Unfunded default fund contributions	-	-
11	Exposures to non-QCCPs (total)	-	-
12	Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which)	-	-
13	(i) OTC Derivatives	-	-
14	(ii) Exchange-traded Derivatives	-	-
15	(iii) Securities financing transactions	-	-
16	(iv) Netting sets where cross-product netting has been approved	-	-
17	Segregated initial margin	-	-
18	Non-segregated initial margin	-	-
19	Pre-funded default fund contributions	-	-
20	Unfunded default fund contributions	-	-

	Prior Period 31.12.2023	Exposure at default (post-CRM)	RWA
1	Exposure to Qualified Central Counterparties (QCCPs)	498	10
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	Exposures to non-QCCPs (total)	-	-
12	Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which)	-	-
13	(i) OTC Derivatives	-	-
14	(ii) Exchange-traded Derivatives	-	-
15	(iii) Securities financing transactions	-	-
16	(iv) Netting sets where cross-product netting has been approved	-	-
17	Segregated initial margin	-	-
18	Non-segregated initial margin	-	-
19	Pre-funded default fund contributions	-	-
20	Unfunded default fund contributions	-	-

4. Explanations on Securitization Disclosure

The Bank does not have any securitization positions as of 31 December 2024. (31 December 2023:None).

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(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)

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.

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.

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(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)

5. Explanations on Market Risk (Continued)

b) Standard Approach

		Current Period 31.12.2024	Prior Period 31.12.2023
		Risk Weighted Amount	Risk Weighted Amount
	Outright products		
1	Profit share rate risk (general and specific)	309.875	4.025
2	Equity risk (general and specific)	-	-
3	Foreign exchange risk	4.805.802	2.019.969
4	Commodity risk	479.386	324.355
	Options		
5	Simplified approach	-	-
6	Delta-plus method	-	-
7	Scenario approach	-	-
8	Securitisation	-	-
9	Total	5.595.063	2.348.349

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 2024, 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 31 DECEMBER 2024

(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)

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.

Current Period 31.12.2024	31.12.2021	31.12.2022	31.12.2023	Total/Number of Positive GI years	Ratio (%)	Total
Gross Income	1.924.105	9.221.586	10.540.651	7.228.781	15	1.084.317
Amount Subject to Operational Risk (Total*12,5)	-	-	-	-	-	13.553.964

Prior Period 31.12.2023	31.12.2020	31.12.2021	31.12.2022	Total/Number of Positive GI years	Ratio (%)	Total
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

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(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 2024	Private Banking	Corporate/ Commercial Banking	Treasury/ Investment Banking	Other/Undistributed	Total
OPERATING INCOME / EXPENSES					
Profit Shares Income	1.746.550	69.123.805	18.459.396	707.795	90.037.546
Profit Shares Expense	(22.323.150)	(49.533.947)	(13.687.363)	(356.424)	(85.900.884)
Net Profit Shares Income/Expense	(20.576.600)	19.589.858	4.772.033	351.371	4.136.662
Net Fees and Commission Income/Expense	628.509	844.437	-	1.450.932	2.923.878
Fees and Comission Received	628.509	844.437	-	2.964.899	4.437.845
Fees and Comission Provided	-	-	-	(1.513.967)	(1.513.967)
Dividend Income	-	-	1.428	-	1.428
Trading Profit/Loss (Net)	-	-	3.317.201	-	3.317.201
Other Operating Income	-	4.940.394	-	53.514	4.993.908
Provision for Expected Losses	(103.936)	(2.687.976)	-	(100.902)	(2.892.814)
Other Expense	-	(175.458)	-	(8.064.017)	(8.239.475)
Personnel Expenses	(20.052.023)	22.511.250	8.090.663	(6.309.102)	4.240.788
Other Operating Expense	-	-	-	(787.966)	(787.966)
Net Operating Profit/Loss	(20.052.023)	22.511.250	8.090.663	(7.097.068)	3.452.822
SEGMENT ASSETS (*)					
Financial Assets at FV Through P/L	-	-	9.483.947	-	9.483.947
Banks (*)	-	-	20.675.299	-	20.675.299
Financial Assets Measured at Fair Value Through Other Comprehensive Income	-	-	32.495.812	-	32.495.812
Loans (**)	11.542.516	298.522.354	7.798.843	-	317.863.713
Financial Assets Measured at Amortised Cost	-	-	19.413.517	-	19.413.517
Derivative Financial Assets	-	-	274.091	-	274.091
Partnership Investment	-	-	67.600	-	67.600
Other Assets	-	-	-	115.054.390	115.054.390
TOTAL SEGMENT ASSETS	11.542.516	298.522.354	90.209.109	115.054.390	515.328.369
SEGMENT LIABILITIES					
Funds Collected	139.381.349	218.271.454	-	-	357.652.803
Derivative Financial Liabilities	-	-	-	-	-
Funds Borrowed	-	-	77.764.584	-	77.764.584
Money Market Funds	-	-	26.163.921	-	26.163.921
Securities Issued (Net)	-	-	-	-	-
Provisions	-	-	-	1.670.197	1.670.197
Other Liabilities	-	-	-	29.705.826	29.705.826
Shareholders' Equity	-	-	-	22.371.038	22.371.038
TOTAL SEGMENT LIABILITIES	139.381.349	218.271.454	103.928.505	53.747.061	515.328.369

(*) Includes expected loss provisions.

(**) Includes lease receivables.

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(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 2023	Private Banking	Corporate/ Commercial Banking	Treasury/ Investment Banking	Other/Undistributed	Total
OPERATING INCOME / EXPENSES					
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
Fees and Commision Received	320.793	503.059	-	2.877.765	3.701.617
Fees and Commision Provided	-	-	-	(769.729)	(769.729)
Dividend Income	-	-	714	-	714
Trading Profit/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
SEGMENT ASSETS					
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
TOTAL SEGMENT ASSETS	12.277.999	239.059.396	64.678.787	68.240.423	384.256.605
SEGMENT LIABILITIES					
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
TOTAL SEGMENT LIABILITIES	120.857.108	183.515.266	46.006.205	33.878.026	384.256.605

(*) Includes expected loss provisions.
(**) Includes lease receivables.

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(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 31.12.2024	Book Value	Fair Value
Financial Assets	394.245.107	405.557.915
Due from Interbank Money Market	-	-
Banks	20.675.299	20.611.186
Financial Assets Measured at Fair Value Through Other Comprehensive Income	32.495.812	32.495.812
Financial Assets Measured at Amortised Cost	19.413.517	16.789.690
Loans	321.660.479	335.661.227
Financial Liabilities	436.758.176	438.780.055
Bank Deposits	2.122.132	2.122.132
Other Deposits	355.530.671	355.530.671
Funds Borrowed from Other Financial Institutions	77.764.584	79.786.462
Issued Marketable Securities	-	-
Miscellaneous Payables	1.340.789	1.340.789

Prior Period 31.12.2023	Book Value	Fair Value
Financial Assets	316.016.443	308.319.029
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
Financial Liabilities	341.167.896	339.697.785
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

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 2024

(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)

Current Period 31.12.2024	Level 1	Level 2	Level 3 (*)	Total
Financial Assets at Fair Value Through Profit or (Loss)	-	9.483.947	-	9.483.947
Government Debt Securities	-	9.128.399	-	9.128.399
Marketable Securities	-	-	-	-
Other Marketable Securities	-	355.548	-	355.548
Financial Assets at Fair Value Through Other Comprehensive Income	29.805.178	2.637.721	52.913	32.495.812
Marketable Securities	-	-	52.913	52.913
Government Debt Securities	23.325.523	2.637.721	-	25.963.244
Other Marketable Securities	6.479.655	-	-	6.479.655
Derivative Financial Assets	34.675	239.416	-	274.091
Total Assets	29.839.853	12.361.084	52.913	42.253.850
Derivative Financial Liabilities	-	-	-	-
Total Liabilities	-	-	-	-

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

(*) Securities amounting to TRY 52.913 under the 'financial assets measured at fair value through other comprehensive income' category have been reflected in the financial statements at their acquisition cost, as they are not traded in an active market. These securities have not been presented in these financial statements.

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 2024

(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 Türkiye

	Current Period 31 December 2024		Prior Period 31 December 2023	
	TRY	FC	TRY	FC
Cash	301.270	1.095.606	170.718	871.290
Central Bank of the Republic of Türkiye	65.501.747	35.825.283	24.036.052	35.447.767
Other	-	705.434	-	114.484
Total	65.803.017	37.626.323	24.206.770	36.433.541

1.a.1) Information on Required Reserves:

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

Banks are required to maintain reserves with Central Bank of the Republic of Türkiye for their TRY and FC liabilities that are specified in the aforementioned Communiqué. Establishment of required reserves begins on Friday, two weeks after the liability calculation date, and lasts for 14 days. Required reserves can be kept in Turkish Lira, USD, EUR and standard gold in accordance with the “Communiqué on Required Reserves” at the Central Bank of the Republic of Türkiye. Required reserve ratios vary according to the maturity structure of the liabilities and are applied between 3% and 17% for Turkish Lira deposits and other liabilities, for foreign currency deposits and other liabilities, it is applied in the range of 4% - 30%, and for accounts with exchange rate/price protection support, it is applied in the range of 22% - 33%.

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

	Current Period 31 December 2024		Prior Period 31 December 2023	
	TRY	FC	TRY	FC
Unrestricted Demand Deposit	29.112.700	35.825.283	24.036.052	35.447.767
Unrestricted Time Deposit	36.389.047	-	-	-
Restricted Time Deposit	-	-	-	-
Total (*)	65.501.747	35.825.283	24.036.052	35.447.767

(*) 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 2024

(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 2024		Prior Period 31 December 2023	
	TRY	FC	TRY	FC
Banks				
Domestic Banks	4.104.858	2.091.469	114.562	1.726.491
Foreign Banks	-	14.478.972	-	11.188.752
Foreign Head Office and Branches	-	-	-	-
Total	4.104.858	16.570.441	114.562	12.915.243

Information on Foreign Bank Accounts

	Unrestricted Amount		Restricted Amount	
	Current Period 31.12.2024	Prior Period 31.12.2023	Current Period 31.12.2024	Prior Period 31.12.2023
European Union Countries	10.634.625	9.866.979	-	-
USA, Canada	2.516.431	550.441	-	-
OECD Countries*	342.836	35.959	-	-
Off-Shore Banking Regions	-	-	-	-
Other Countries	985.080	735.373	-	-
Total	14.478.972	11.188.752	-	-

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

3. Financial assets at fair value through profit or loss

	Current Period 31 December 2024	Prior Period 31 December 2023
Financial Assets at Fair Value Through Profit / Loss	9.428.068	3.790.194
Other Dividends and Income Rediscounts	55.879	21.873
Provision for Impairment (-)	-	-
Total	9.483.947	3.812.067

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 2024	Prior Period 31 December 2023
Assets Subject to Repurchase Agreements	19.208.447	8.362.369
Assets Blocked/Given as Collateral	2.379.300	1.479.501
Total (*)	21.587.747	9.841.870

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

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

	Current Period 31 December 2024	Prior Period 31 December 2023
Debt Securities	32.911.312	17.900.443
Quoted in Stock Exchange	32.911.312	17.900.443
Not Quoted in Stock Exchange	-	-
Share Certificates	52.913	52.913
Quoted in Stock Exchange	-	-
Not Quoted in Stock Exchange (*)	52.913	52.913
Provision for Impairment (-) (**)	468.413	406.354
Total	32.495.812	17.547.002

(*) The mentioned amounts consist of payments to İhracatı Geliştirme A.Ş. in the amount of TRY 41.101 to the Credit Guarantee Fund in the amount of TRY 7.659 and to JCR Eurasia Rating Inc. in the amount of TRY 4.153 with the non-traded line highlighted (31 December 2023: TRY 41.101 İhracatı Geliştirme A.Ş., TRY 7.659 Credit Guarantee Fund, and TRY 4.153 JCR Eurasia Rating Inc.).

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

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(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 2024		Prior Period 31 December 2023	
	TRY	FC	TRY	FC
Forward Transactions	-	-	847	-
Swap Transactions	-	238.236	-	199
Futures Transactions	-	-	-	-
Options	-	-	-	-
Other	34.675	1.180	2.143	539
Total	34.675	239.416	2.990	738

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 2024		Prior Period 31 December 2023	
	Cash	Non-Cash	Cash	Non-Cash
Direct Loans Granted to Shareholders	3.310.391	-	6.184.984	-
Corporate Shareholders	3.310.391	-	6.184.984	-
Real Person Shareholders	-	-	-	-
Indirect Loans Granted to Shareholders	-	-	-	-
Loans Granted to Employees	185.399	-	192.704	-
Total (*)	3.495.790	-	6.377.688	-

(*) Includes rediscount amounts.

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

(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

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

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

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

Prior Period 31 December 2023				
	Standard Loans and Other Receivables	Loans Under Close Monitoring		
		Not Under the Scope of Restructuring or Rescheduling	Restructured or Rescheduled	
			Loans with revised contract terms	Refinancing
Cash Loans				
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	-	-	-	-
Total	204.622.474	1.302.075	1.232.299	1.865.840

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

Other Investment Loans	10.785.355
Installment Commercial Loans	1.762.733
Profit and loss sharing investments	173.167
Receivables from Financing of Trade on Credit Terms	-
Other Loans	70.765
Total	12.792.020

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

(**) The related balance consists of funds provided through profit and loss sharing investments as of 31 December 2024. The profit and loss sharing investment projects is carried out in accordance with the profit and loss sharing investment agreement signed between the parties, after the relevant cost accounts are finalized and net profit is calculated, either at the project completion or at the end of phases/parts. Profit and loss sharing investments have been classified as financial assets with fair value changes recognized in profit or loss. For the year 2024, the net valuation gain of TRY 510.676, based on the bank's project-specific risk and independent valuation reports related to the project, has been reflected in the profit or loss statement. The total accumulated value increase on profit and loss sharing investments is TRY 510.676.

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

(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 Under Close Monitoring (First and Second Group Loans) and Restructured Under Close Monitoring Loans (Continued)

	Current Period 31 December 2024		Prior Period 31 December 2023	
	Standard Loans	Loans Under Close Monitoring	Standard Loans	Loans Under Close Monitoring
General Provisions				
12 Month Expected Credit Losses	877.239	-	1.299.758	-
Significant Inrease in Credit Risk	-	1.296.049	-	856.891

	Current Period 31 December 2024		Prior Period 31 December 2023	
	Standard Loans and Other Receivables	Loans Under close monitoring and Other Receivables	Standard Loans and Other Receivables	Loans Under close monitoring and Other Receivables
Number of Amendments Made to Extend the Payment Plan				
1 or 2 Times Extended	1.501.182	3.032.480	257.418	2.910.873
3 - 4 or 5 Times Extended	-	-	-	-
Over 5 Times Extended	-	-	-	-
Total	1.501.182	3.032.480	257.418	2.910.873

	Current Period 31 December 2024		Prior Period 31 December 2023	
	Standard Loans and Other Receivables	Loans Under close monitoring and Other Receivables	Standard Loans and Other Receivables	Loans Under close monitoring and Other Receivables
Extended Period with Payment Plan Amendment				
0 - 6 Months	316.118	1.370.672	-	974.563
6 Months - 12 Months	6.350	265.330	4.539	157.645
1 - 2 Years	659.942	1.119.643	229.594	1.123.898
2 - 5 Years	34.545	197.616	23.285	22.491
5 Years and Over	484.227	79.219	-	632.276
Total	1.501.182	3.032.480	257.418	2.910.873

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

(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 31.12.2024			
	Standard Loans and Other Receivables	Loans under Close Monitoring	
		Loans Not Subject to Restructuring	Refinancing
Cash Loans			
Short-term Loans	113.649.103	912.287	571.615
Medium and Long-term Loans	142.032.184	119.411	1.637.500
Total	255.681.287	1.031.698	2.209.115

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

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

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

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

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

(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 2023	Short-Term	Medium and Long-Term	Total
Consumer Loans – TRY	62.737	11.556.368	11.619.105
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	-	-	-
Consumer Loans-FC Indexed	-	-	-
Housing Loans	-	-	-
Vehicle Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Consumer Loans-FC	-	-	-
Housing Loans	-	-	-
Vehicle Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Retail Credit Cards-TRY	463.842	1.984	465.826
With Installment	160.566	1.500	162.066
Without Installment	303.276	484	303.760
Retail Credit Cards-FC	-	-	-
With Installment	-	-	-
Without Installment	-	-	-
Personnel Loans-TRY	21.534	155.825	177.359
Housing Loans	-	18.093	18.093
Vehicle Loans	-	4.170	4.170
Consumer Loans	21.534	133.562	155.096
Other	-	-	-
Personnel Loans-FC Indexed	-	-	-
Housing Loans	-	-	-
Vehicle Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Personnel Loans-FC	-	-	-
Housing Loans	-	-	-
Vehicle Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Personnel Credit Cards-TRY	15.345	-	15.345
With Installment	6.214	-	6.214
Without Installment	9.131	-	9.131
Personnel Credit Cards-FC	-	-	-
With Installment	-	-	-
Without Installment	-	-	-
Overdraft Account-TRY (Real Person)	-	-	-
Overdraft Account-FC (Real Person)	-	-	-
Total (*)	563.458	11.714.177	12.277.635

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

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(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)

e) Information on installment commercial loans and corporate credit cards

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

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

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(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 2024	Prior Period 31 December 2023
Public	5.987.710	9.274.657
Private	259.463.720	199.748.031
Total(*)	265.451.430	209.022.688

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

g) Breakdown of domestic and international loans

	Current Period 31 December 2024	Prior Period 31 December 2023
Domestic Loans	262.346.995	206.980.128
Foreign Loans	3.104.435	2.042.560
Total(*)	265.451.430	209.022.688

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

h) Loans granted to subsidiaries and participations

As of 31 December 2024, the Bank has no loans granted to subsidiaries and participations (31 December 2023: None).

i) Expected Loss Provisions for Loans (Third Stage)

	Current Period 31 December 2024	Prior Period 31 December 2023
Loans and receivables with limited collectability	120.017	38.715
Loans and receivables with doubtful collectability	345.520	27.959
Uncollectible loans and other receivables	1.157.940	1.615.332
Total	1.623.477	1.682.006

j) Information on lease receivables

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

	Current Period 31 December 2024		Prior Period 31 December 2023	
	Gross	Net	Gross	Net
Less than 1 year	373.680	315.902	224.845	214.022
1-5 year	59.345.625	44.212.935	59.978.540	41.201.771
More than 5 years	10.773.338	8.785.256	13.243.798	11.229.911
Total	70.492.643	53.314.093	73.447.183	52.645.704

j.2) Information on net investments in financial leasing

	Current Period 31 December 2024	Prior Period 31 December 2023
Gross Financial Lease Receivable	70.492.643	73.447.183
Unearned Financial Income from Financial Lease (-)	(17.178.550)	(20.801.479)
Canceled Rental Amounts	-	-
Total	53.314.093	52.645.704

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

(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 2024, the sum of the Bank's non-performing loans restructured or rescheduled for a new redemption plan and other receivables is TRY 67.997 (31 December 2023: 130.382).

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

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

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

	Group III: Loans and other receivables with limited collectability	Group IV: Loans and other receivables with doubtful collectability	Group V: Uncollectible loans and other receivables
Prior Period 31 December 2023			
Ending balance of prior period	23.334	178.305	1.674.102
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 (-)	-	-	-
Corporate and commercial loans	-	-	-
Retail loans	-	-	-
Credit cards	-	-	-
Other	-	-	-
Ending balance of the current period	136.753	68.734	1.735.463
Expected Loss Provision (Stage 3) (-)	38.715	27.959	1.615.332
Net balance on balance sheet	98.038	40.775	120.131

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

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

(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

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

	Group III: Loans with limited collectability	Group IV: Loans with doubtful collectability	Group V: Uncollectible Loans
Prior Period 31 December 2023			
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

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

	Group III: Loans and other receivables with limited collectability	Group IV: Loans and other receivables with doubtful collectability	Group V: Uncollectible loans and other receivables
Current Period (Net)	352.347	671.005	248.126
Loans to Real Persons and Legal Entities (Gross)	472.364	1.016.525	1.406.066
Specific Provisions (-)	120.017	345.520	1.157.940
Loans to Real Persons and Legal Entities (Net)	352.347	671.005	248.126
Banks (Gross)	-	-	-
Specific Provisions (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	-
Specific Provisions (-)	-	-	-
Other Loans and Receivables (Net)	-	-	-
Prior Period (Net)	98.038	40.775	120.131
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)	-	-	-

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

	Group III: Loans with limited collectability	Group IV: Loans with doubtful collectability	Group V: Uncollectible loans
Current Period (Net)	57.947	122.740	56.818
Profit Share Accrual and Valuation Differences Provision	76.668	189.658	322.352
Provision Amount (-)	18.721	66.918	265.534
Prior Period (Net)	7.303	3.556	19.379
Profit Share Accrual and Valuation Differences Provision	9.946	6.208	255.061
Provision Amount (-)	2.643	2.652	235.682

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(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

	Current Period 31.12.2024			
	1.Stage	2. Stage	3.Stage	Total
Balance at the Beginning of the Period	1.299.758	856.891	1.682.006	3.838.655
Addition	473.408	1.137.079	660.839	2.271.326
Disposals(-)	(902.044)	(626.581)	(784.591)	(2.313.216)
Sold (-)	-	-	-	-
Deleted From Actual (-)	-	-	-	-
Transfer to Stage 1	40.056	(40.056)	-	-
Transfer to Stage 2	(29.637)	37.954	(8.317)	-
Transfer to Stage 3	(4.302)	(69.238)	73.540	-
Balance at the Closing of the Period	877.239	1.296.049	1.623.477	3.796.765

	Prior Period 31.12.2023			
	1.Stage	2. Stage	3.Stage	Total
Balance at the Beginning of the Period	683.003	438.587	1.595.446	2.717.036
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	-
Balance at the Closing of the Period	1.299.758	856.891	1.682.006	3.838.655

Cash loan changes according to TFRS 9

	Current Period 31.12.2024			
	1.Stage	2. Stage	3.Stage	Total
Balance at the Beginning of the Period	256.755.433	4.912.959	1.940.950	263.609.342
Addition	149.644.431	4.217.235	345.935	154.207.601
Disposals(-)	(94.732.893)	(551.558)	(872.012)	(96.156.463)
Sold (-)	-	-	-	-
Deleted From Actual (-)	-	-	-	-
Transfer to Stage 1	1.688.048	(1.688.048)	-	-
Transfer to Stage 2	(5.655.432)	5.741.526	(86.094)	-
Transfer to Stage 3	(1.085.570)	(480.610)	1.566.180	-
Balance at the Closing of the Period	306.614.017	12.151.505	2.894.957	321.660.479

(*) Includes TRY 50.917.148 in the first stage and TRY 2.396.945 in the second stage.

	Prior Period 31.12.2023			
	1.Stage	2. Stage	3.Stage	Total
Balance at the Beginning of the Period	143.092.370	2.607.193	1.875.741	147.575.304
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	-
Balance at the Closing of the Period	256.755.433	4.912.959	1.940.950	263.609.342

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

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(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 2024	Prior Period 31 December 2023
Debt Securities	19.413.517	21.830.293
Quoted in Stock Exchange	-	-
Not Quoted in Stock Exchange	19.413.517	21.830.293
Provision of Impairment (-)	-	-
Total (*)	19.413.517	21.830.293

(*) An amount of 4.353.190 TRY of the related balance has been pledged as collateral due to repurchase agreement transactions

b) Information on other financial assets valued at amortized cost

None (31 December 2023: None).

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

As of 31 December 2024, government debt securities measured at amortized cost of the Bank is TRY 19.413.517 (31 December 2023: TRY 21.830.293).

	Current Period 31 December 2024	Prior Period 31 December 2023
Balances at Beginning of Period	21.830.293	5.323.943
Foreign Currency Differences on Monetary Assets	207.561	1.862.347
Purchases during the Period ^(*)	794.079	14.644.003
Disposals through Sales/Redemptions	(3.418.416)	-
Provision of Impairment (-)	-	-
Balances at End of Period	19.413.517	21.830.293

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

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

As of 31 December 2024, the Bank's assets held for sale amounted to TRY 1.651.596 (31 December 2023: TRY 427.229).

	Current Period 31 December 2024	Prior Period 31 December 2023
Beginning Balance (Net)	427.229	274.644
Changes During the Period (Net)	1.224.367	152.585
Amount of Depreciation	-	-
Provision for Impairment	-	-
Period End Balance (Net)*	1.651.596	427.229

(*) The Bank has right of reversion on TRY 502.495 (31 December 2023: TRY 197.860) and right of preemption on TRY 540.852 (31 December 2023: None) of assets held for sale.

As of 31 December 2024, the Bank has no discontinued operations (31 December 2023: None).

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(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 TRY 67.500. (31 December 2023: 22.500) The total capital of the company is TRY 600.000 and the Bank's total participation amount is TRY 90.000, which corresponds to 15%. The remaining TRY 22.500 will be paid within 1 year. There is a member of the board of directors in the company to represent the Bank's shares.

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

	Current Period 31 December 2024	Prior Period 31 December 2023
Balance at the beginning of the year	22.500	-
Movements during the year		
Purchases	45.000	-
Bonus Share	-	22.500
Dividends from current year income	-	-
Transfers to available for sale financial assets (-)	-	-
Sales	-	-
Reveluation increase	-	-
Impairment provision (-)	-	-
Balance at the end of the year	67.500	22.500
Capital commitments	22.500	90.000
Share percentage at the end of the year (%)	15%	15%

a.2) Information on consolidated subsidiaries

As of the balance sheet date, the Bank does not have any consolidated subsidiaries (31 December 2023: None).

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(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 (Continied)

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

b.1) Information on unconsolidated subsidiaries

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

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

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

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

	Total Assets	Shareholders Equity	Total Fixed Assets	Dividend or profit share income	Income from marketable securities	Current Period Income/Loss	Prior period Income/ Loss(**)	Fair Value	Needed Shareholders Equity
1(*)	37.616.303	1.866	-	6.702.305	-	1.330	469	-	-
2(*)	1.276.535	3.145	-	3.992	-	2.722	357	-	-

(*) Within the framework of BRSA regulations, the financial statement information of subsidiaries Ziraat Katılım Varlık Kiralama A.Ş., ZKB Varlık Kiralama AŞ. are taken from the financial statements dated 31 December 2024, which are not subjected to inflation accounting and independently audited.

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

(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 2024	Prior Period 31 December 2023
Balance at the beginning of the year	938	515
Movements during the year	4.073	423
Additions	-	-
Bonus Share Certificates	-	-
Shares of Current Year Profits	4.052	423
Transfers to available for sale financial assets (-)	-	-
Sales	-	-
Revaluation increase	21	-
Revaluation/Impairment (-)	-	-
Balance at the end of the year	5.011	938
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 31.12.2024	Prior Period 31.12.2023
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 2023: None).

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

None (31 December 2023: None).

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

(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
Prior Period End:							
Cost	-	805.383	671.298	175.266	1.094.452	-	2.746.399
Accumulated Depreciation (-)	-	204.013	154.653	49.793	172.241	-	580.700
Impairment Allowance (-)							
Net Book Value	-	601.370	516.645	125.473	922.211	-	2.165.699
Current Period End:							
Net Book Value at the Beginning of the Period	-	601.370	516.645	125.473	922.211	-	2.165.699
Additions During The Period	-	875.123	338.791	133.345	800.346	-	2.147.605
Disposals (-)	-	-	10.512	-	1.362	-	11.874
Change in Impairment Provision(-)	-	-	-	-	-	-	-
Depreciation Expense (Net Change) (-)	-	172.072	157.499	53.392	353.907	-	736.870
Transfers (-)	-	-	-	-	-	-	-
Foreign Exchange Differences on Non-Operating Income (-)	-	-	-	-	-	-	-
Closing Net Book Value	-	1.304.421	687.425	205.426	1.367.288	-	3.564.560
Ending Cost	-	1.680.505	999.577	308.611	1.893.436	-	4.882.129
Ending Accumulated Depreciation (-)	-	376.084	312.152	103.185	526.148	-	1.317.569
Impairment Provision (-)	-						
Closing Net Book Value	-	1.304.421	687.425	205.426	1.367.288	-	3.564.560

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 2024			Prior Period 31 December 2023		
	Book Value	Accumulated Depreciation	Net Value	Book Value	Accumulated Depreciation	Net Value
Leasehold Improvements	-	-	-	-	-	-
Establishment Costs	-	-	-	-	-	-
Goodwill	-	-	-	-	-	-
Intangible Assets	1.618.583	255.974	1.362.609	825.160	132.526	692.634
Total	1.618.583	255.974	1.362.609	825.160	132.526	692.634

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

(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)

11. Explanations on intangible assets (Continued)

Statement of Movements Between the Beginning and End of the Period

	Current Period 31.12.2024	Prior Period 31.12.2023
	Intangible Assets	Intangible Assets
Prior Period End:		
Cost	825.160	426.161
Accumulated Depreciation (-)	132.526	83.707
Impairment Allowance (-)		
Net Book Value	692.634	342.454
Current Period End:		
Beginning of Period Net Book Value	692.634	342.454
Additions During the Period	793.423	398.999
Assets Derecognized and Sold (-)	-	-
Depreciation Expense (Net Change) (-)	123.448	48.819
Impairment Allowance (-)	-	-
Closing Net Book Value	1.362.609	692.634
Period End Cost	1.618.583	825.160
Period End Accumulated Depreciation (-)	255.974	132.526
Impairment Allowance (-)	-	-
Closing Net Book Value	1.362.609	692.634

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

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

(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 2024, the Bank has no investment properties (31 December 2023: None).

13. Information on deferred tax asset:

The Bank's deferred tax asset of TRY 5.452.332 (31 December 2023: TRY 4.387.183) and the deferred tax liability of TRY 3.373.730 (31 December 2023: TRY 1.909.078) are offset, resulting in a deferred tax asset of TRY 2.078.602 in the financial statements (31 December 2023: TRY 2.478.105. deferred tax asset).

	Current Period 31.12.2024	Prior Period 31.12.2023
Deferred Tax Assets	5.452.332	4.387.183
Deferred Tax Liabilities	3.373.730	1.909.078
Net Deferred Tax Assets	2.078.602	2.478.105
Net Deferred Tax Income	(787.966)	311.824

	Current Period 31.12.2024	Prior Period 31.12.2023
Reserve for Employee Benefits	136.558	96.331
Short-term Employee Benefits	366.440	333.118
Financial Assets Valuation Differences	182.930	787.122
Other (*)	1.392.674	1.261.534
Net Deferred Tax Asset	2.078.602	2.478.105

- (*) As of 31 December 2024, the Bank has recognised deferred tax assets amounting to TRY 217.555 (31 December 2023: None) on deductible tax losses arising from temporary differences amounting to TRY 62.567 (31 December 2023: None), as it is probable that future taxable profit will be available against which the deductible tax losses can be utilised. The amortisation date of these tax losses is 2029.

14. Information on other assets:

As of 31 December 2024 and as of 31 December 2023, 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 2024

(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 31.12.2024	Demand	Up to 1 Month	Up to 3 Months	Up to 6 months	Up to 9 months	Up to 1 year	1 year and over	Accumulated Participation Account	Total
I. Real persons current accounts non-trade TRY	4.110.584	-	-	-	-	-	-	-	4.110.584
II. Real persons participation accounts non- trade TRY	-	2.297.940	42.080.378	4.423.696	2.182.128	550.107	17.212.565	-	68.746.814
III. Other current accounts- TRY	16.568.839	-	-	-	-	-	-	-	16.568.839
Public sector	2.129.355	-	-	-	-	-	-	-	2.129.355
Commercial sector	11.802.847	-	-	-	-	-	-	-	11.802.847
Other institutions	603.461	-	-	-	-	-	-	-	603.461
Commercial and other institutions	3.977	-	-	-	-	-	-	-	3.977
Banks and participation banks	2.029.199	-	-	-	-	-	-	-	2.029.199
Central Bank of Republic of Türkiye	-	-	-	-	-	-	-	-	-
Domestic banks	1.261	-	-	-	-	-	-	-	1.261
Foreign banks	2.027.720	-	-	-	-	-	-	-	2.027.720
Participation banks	218	-	-	-	-	-	-	-	218
Others	-	-	-	-	-	-	-	-	-
IV. Participation accounts- TRY	-	21.213.803	80.866.035	8.638.412	5.874.812	329.133	1.089.441	-	118.011.636
Public sector	-	136.798	6.305.307	4.078.020	10.413	-	-	-	10.530.538
Commercial sector	-	20.861.267	70.105.978	3.488.885	5.862.811	86.060	1.047.152	-	101.452.153
Other institutions	-	215.738	4.362.940	1.026.573	1.588	243.073	42.289	-	5.892.201
Commercial and other institutions	-	-	91.810	44.934	-	-	-	-	136.744
Banks and participation banks	-	-	-	-	-	-	-	-	-
V. Real persons current accounts non-trade FC	16.130.617	-	-	-	-	-	-	-	16.130.617
VI. Real persons participation accounts-FC	-	140.687	21.371.703	453.211	-	522.462	1.755.842	-	24.243.905
VII. Other current accounts-FC	20.129.987	-	-	-	-	-	-	-	20.129.987
Commercial residents in Türkiye	18.175.391	-	-	-	-	-	-	-	18.175.391
Commercial residents in Abroad	1.861.663	-	-	-	-	-	-	-	1.861.663
Banks and participation banks	92.933	-	-	-	-	-	-	-	92.933
Central Bank of Republic of Türkiye	82.254	-	-	-	-	-	-	-	82.254
Domestic banks	1	-	-	-	-	-	-	-	1
Foreign banks	10.678	-	-	-	-	-	-	-	10.678
Participation banks	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-
VIII. Participation accounts- FC	-	5.789.234	51.794.792	2.736.047	2.824.768	518.577	32.983	-	63.696.401
Public sector	-	-	2.773.011	-	-	508.263	-	-	3.281.274
Commercial sector	-	5.711.499	47.117.434	2.718.970	2.824.768	10.314	12.145	-	58.395.130
Other institutions	-	59.235	1.761.185	17.077	-	-	7.984	-	1.845.481
Commercial and other institutions	-	18.500	143.162	-	-	-	12.854	-	174.516
Banks and participation banks	-	-	-	-	-	-	-	-	-
IX. Precious metal funds	16.187.321	-	8.771.805	662.425	142.767	-	249.702	-	26.014.020
X. Participation accounts special funds - TRY	-	-	-	-	-	-	-	-	-
Residents in Türkiye	-	-	-	-	-	-	-	-	-
Residents Abroad	-	-	-	-	-	-	-	-	-
XI. Participation accounts special funds - FC	-	-	-	-	-	-	-	-	-
Residents in Türkiye	-	-	-	-	-	-	-	-	-
Residents Abroad	-	-	-	-	-	-	-	-	-
Total (I+II+.....+IX+X+XI)	73.127.348	29.441.664	204.884.713	16.913.791	11.024.475	1.920.279	20.340.533	-	357.652.803

(*) As of 31 December 2024, there are no balances related to the 16.370.016 TRY TCMB Exchange Rate Protected Participation Account or the Treasury Exchange Rate Protected Participation Account, and the amount includes 6.080.813 TRY related to Yuvam Account products

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(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 31.12.2023	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 Türkiye	-	-	-	-	-	-	-	-	-
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 Türkiye	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 Türkiye	-	-	-	-	-	-	-	-	-
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 Türkiye	-	-	-	-	-	-	-	-	-
Residents Abroad	-	-	-	-	-	-	-	-	-
XI. Participation accounts special funds - FC	-	-	-	-	-	-	-	-	-
Residents in Türkiye	-	-	-	-	-	-	-	-	-
Residents Abroad	-	-	-	-	-	-	-	-	-
Total (I+II+.....+IX+X+XI)	59.452.740	41.303.629	151.958.256	9.795.977	2.240.966	521.325	39.099.481	-	304.372.374

(*) As of 31 December 2023, the amount includes 32.845.870 TRY related to the TCMB Exchange Rate Protected Participation Account, 21.340.933 TRY related to the Treasury Exchange Rate Protected Participation Account, and 3.640.392 TRY related to Yuvam Account products

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(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	Exceeding the limit of saving deposit	Under the guarantee of saving deposit insurance	Exceeding the limit of saving deposit
	Current Period 31 December 2024	Prior Period 31 December 2023	Current Period 31 December 2024	Prior Period 31 December 2023
Real persons current and profit sharing accounts that are not subject to commercial activities	30.478.881	21.915.098	104.186.506	93.404.253
TRY accounts	13.482.653	10.549.941	59.374.715	50.387.918
FC accounts	16.996.228	11.365.157	44.811.791	43.016.335
Foreign branches’ deposits under foreign authorities’ insurance	-	-	-	-
Off-shore banking regions’ under foreign authorities’ insurance	-	-	-	-

According to the Regulation on Amendments to the Regulation on Deposits and Participation Funds Subject to Insurance and the Premiums to be Collected by the Savings Deposit Insurance Fund, published in the Official Gazette No. 31936 dated 27 August 2022, all deposits and participation funds, except those held by official institutions, credit institutions, and financial institutions, are now covered under insurance. In line with this change, 4.915.719 TRY (31 December 2023: 3.239.462 TRY) of commercial deposits, which are covered by insurance, have not been included in the table. The portion of these deposits exceeding the insurance limit is 201.068.973 TRY (31 December 2023: 156.727.806 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 2024	Prior Period 31 December 2023
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	7.511	2.258
Profit sharing account and other accounts within the scope of the property holdings derived from crime defined in article 282 of Turkish Criminal Law No:5237 dated 26 September 2004	-	-
Profit sharing accounts in participation banks which are established in Türkiye in order to engage in off-shore banking activities solely	-	-

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(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 2024		Prior Period 31 December 2023	
	TRY	FC	TRY	FC
Syndicated Loans	3.035.754	2.893.597	4.711.292	1.255.451
Proxy Loans	-	2.120.705	-	-
Funds Provided from Issued Lease Certificates (Sukuk)	19.968.545	17.645.676	5.059.316	14.918.648
Other	3.877.867	28.222.440	2.316.964	6.627.307
Total	26.882.166	50.882.418	12.087.572	22.801.406

The details of other loans are provided below.

	Current Period 31 December 2024		Prior Period 31 December 2023	
	TRY	FC	TRY	FC
Loans Provided by Domestic Banks	3.877.866	712.051	2.316.964	1.077.366
Loans Provided by Foreign Banks	-	23.252.181	-	5.549.941
Loans Provided by Foreign Institutions	-	4.258.208	-	-
Total	3.877.866	28.222.440	2.316.964	6.627.307

b) Information on banks and other financial institutions

	Current Period 31 December 2024		Prior Period 31 December 2023	
	TRY	FC	TRY	FC
Borrowings from the CBRT	1.177.636	-	1.206.486	-
From Domestic Banks and Institutions	25.704.530	21.251.324	10.881.086	17.251.464
From Foreign Banks, Institutions and Funds	-	29.631.094	-	5.549.941
Total	26.882.166	50.882.418	12.087.572	22.801.405

c) Information on maturity structure of borrowings

	Current Perio 31 December 2024		Prior Period 31 December 2023	
	TRY	FC	TRY	FC
Short-term	25.359.521	3.859.783	10.752.997	1.256.521
Medium and Long-term	1.522.645	47.022.635	1.334.575	21.544.884
Total	26.882.166	50.882.418	12.087.572	22.801.405

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

69.42% of liabilities consists of current and participation account. (31 December 2023: 79.31%)

3. Information on funds obtained from money market transactions

	Current Period 31 December 2024		Prior Period 31 December 2023	
	TRY	FC	TRY	FC
Domestic	26.163.921	-	435.678	10.528.455
Financial Institutions	26.163.921	-	435.678	10.528.455
Abroad	-	-	-	-
Financial Institutions	-	-	-	-
Total	26.163.921	-	435.678	10.528.455

4. Information on securities issued

None (31 December 2023: None).

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

None (31 December 2023:None).

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

(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 2024		Prior Period 31 December 2023	
	TRY	FC	TRY	FC
Forward transactions	-	-	-	-
Swap transactions	-	-	-	153.095
Futures transaction	-	-	-	-
Options transaction	-	-	-	-
Other	-	-	-	-
Total	-	-	-	153.095

7. Information on financial lease obligations

	Current Period 31 December 2024		Prior Period 31 December 2023	
	Gross	Net	Gross	Net
Less than 1 year	19.461	18.415	17.264	16.604
Between 1-5 years	216.049	165.952	152.835	118.660
More than 5 years	2.866.344	1.474.199	1.210.600	650.595
Total	3.101.854	1.658.566	1.380.699	785.859

8. Information on provisions:

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

There is no foreign exchange loss provisions on foreign currency indexed loans and financial lease receivables as of 31 December 2024. (31 December 2023: 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 39.114 (31 December 2023: TRY 23.032).

c) Information on other provisions

c.1) Information on free provisions for possible risks

Free provision amounting to TRY 500.000 thousand which was provided by the Bank management in prior periods outside of the requirements of BRSA Accounting and Financial Reporting Legislation, is reversed in the current period (31 December 2023: 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).

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

(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 Decemebr 2024, TRY 503.944 of other provisions is related to provisions for non-cash loans (31 December 2023: TRY 534.833), TRY 737.003 of other provisions (31 December 2023: TRY 1.548.811) was allocated from profits to be distributed to participation accounts, TRY 9.439 (31 December 2023: TRY 4.248) was made from provisions for foreign currency purchases and sales, the portion amounting to TRY 2.861 (31 December 2023: TRY 2.180) consists of the provision for promotional practices regarding credit cards and banking services.

c.3) Information on litigation provisions

A provision of TRY 29.620 has been set aside in the financial statements for lawsuits that have not yet been finalized against the bank (31 December 2024: TRY 89.976).

d) Information on provisions for employee benefits

d.1) Employment termination benefits and unused vacation rights

The Bank accounts for its obligations related to severance pay and leave rights in accordance with Turkish Accounting Standard 19, 'Accounting for Benefits Provided to Employees.' It has calculated the future obligations arising from severance and notice pay at their net present value and reflected them in the financial statements. As of 31 December 2024, an amount of TRY 94.500 for leave provision (as of 31 December 2023: TRY 44.385) and TRY 286.680 for severance pay are recorded in the Employee Benefits Provision account in the financial statements (as of 31 December 2023: TRY 202.704).

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 2024	Prior Period 31 December 2023
Discount Rate (%)	26.67%	24.60%
Inflation (%)	23.49%	22.16%
Real Discount Rate (%)	2.58%	2.00%

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

	Current Period 31 December 2024	Prior Period 31 December 2023
Balance at the 1 January	202.704	125.764
Total Provisions During the Period	104.264	46.941
Paid During the Period	(27.958)	(3.549)
Actuarial loss/(gain)	7.670	33.548
Balance at the end of the period	286.680	202.704

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

(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 ratio 9,80% as determined in the Law numbered 5754, published on the Official Gazette dated 8 May 2008 and numbered 26870, as of 31 December 2023, no technical deficit has been reported.

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

In calculating the liability amount for transferable benefits, largely fixed and certain assumptions are used within the framework of the New Law. However, the final amount for the liability that the Bank will bear when the transfer takes place may vary depending on factors such as the number of participants and withdrawal rates, especially the discount rate, inflation and wage increases.

	Current Period	Prior Period
Opening - Beginning of Period Assets	20.411.236	9.609.837
Actual Return on Fund Assets	11.663.060	7.737.805
Employer Contributions	5.457.963	2.969.551
Employee Contributions	3.972.240	2.145.456
Paid Benefits –	(3.975.154)	(2.051.413)
Total Assets at Period End	37.529.345	20.411.236

According to related Actuary Report, the Fund’s surplus is TRY 75.572.898 as of 31 December 2024 (31 December 2023: TRY 42.138.296).

	Current Period	Prior Period
Non Medical Assets	37.529.345	20.411.236
Actual and Technical Overrun	75.572.898	42.138.296

The principal actuarial assumptions used are as follows:

	Current Period	Prior Period
Discount rate		
- Pension benefits transferable to SSI	9,80%	9,80%
- Post employment medical benefits transferable to SSI	9,80%	9,80%

The CSO 1980 Female / Male mortality table is used to represent the expected mortality rates before and after retirement.

The distribution of the fund assets is as follows::

	Current Period	Prior Period
Bank placements	2.405.748	3.753.005
Property and equipment	7.260.000	4.800.000
Marketable securities	21.290.395	11.260.039
Other	6.573.202	598.192
Total	37.529.345	20.411.236

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

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

The Bank has a total of TRY 164 provision in the current period, based on the additional bonus to be paid to the personnel (31 December 2023: TRY 164).

9. Explanations on tax liability

a) Explanations on current tax liability

As of 31 December 2024, the Bank does not have any remaining corporate tax liability after deducting the provisional taxes paid during the period from the tax provisions.

(As of 31 December 2023, the remaining corporate tax liability after deducting the provisional taxes paid during the period was TRY 536.382).

b) Information on taxes payable

	Current Period 31 December 2024	Prior Period 31 December 2023
Corporate Tax Payable	-	536.382
Taxation on Income From Securities	512.575	142.164
Property Tax	3.759	1.818
Banking Insurance Transactions Tax (BITT)	270.583	102.122
Foreign Exchange Transactions Tax	9.107	3.662
Value Added Tax Payable	65.804	48.906
Other	71.659	27.199
Total	933.487	862.253

c) Information on premiums:

	Current Period 31 December 2024	Prior Period 31 December 2023
Social Security Premiums – Employee	907	529
Social Security Premiums – Employer	1.317	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	2.454	1.153
Unemployment Insurance – Employer	4.892	2.299
Other	-	-
Total	9.570	4.715

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

(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 2023: 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 2023: None).

12. Explanations on subordinated debts

	Current Period 31 December 2024		Prior Period 31 December 2023	
	TRY	FC	TRY	FC
From Domestic Banks	5.348.430	-	1.341.987	-
Domestic Other Organizations	-	15.496.665	-	4.451.686
From Foreign Banks	-	-	-	-
Overseas Other Organizations	-	-	-	-
Total	5.348.430	15.496.665	1.341.987	4.451.686

	Current Period 31 December 2024		Prior Period 31 December 2023	
	TRY	FC	TRY	FC
Debt instruments to be included in the additional capital calculation	-	15.496.665	-	4.451.686
Subordinated Loans (*)	-	15.496.665	-	4.451.686
Equity-like Debt Instruments	-	-	-	-
Debt instruments to be included in Contribution Capital Calculation:	5.348.430	-	1.341.987	-
Subordinated Loans	5.348.430	-	1.341.987	-
Equity-like Debt Instruments	-	-	-	-
Total	5.348.430	15.496.665	1.341.987	4.451.686

(*) The Bank obtained a subordinated loan within the scope of additional Tier 1 capital from the TWF Market Stability and Equilibrium Sub-Fund amounting to EUR 57.039 thousand on 9 March 2022, with the approval of the BRSA dated 9 March 2022, on a perpetual and non-dividend basis. The Bank calculated the fair value of the mentioned loan amount using the prices of similar financial instruments at the date it was recognized in the financial statements in accordance with TFRS 9 and TFRS 13 standards. The Bank obtained a subordinated loan qualifying as contribution capital from TC Ziraat Bankası A.Ş. amounting to USD 100.000 thousand with the approval of the BRSA dated 5 April 2024; and an additional Tier 1 capital subordinated loan amounting to TRY 4.000.000 on a perpetual and non-dividend basis on 30 December 2024. The Bank obtained a subordinated loan qualifying as contribution capital from Ziraat Katılım MTN Limited amounting to USD 300.000 thousand on 17 December 2024. The loan amounting to EUR 100.000 thousand obtained from the TWF Market Stability and Equilibrium Sub-Fund on 24 April 2019, was closed on 30 December 2024.

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

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

14. Information on shareholders’ equity

a) Presentation on paid-in capital:

	Current Period	Prior Period
Stock Provision	10.350.000	10.350.000
Provision for Preferred Stock	-	-

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

None.

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

(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

None.

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

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 2023: None).

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

As of 31 December 2024, the Bank has no preferred shares (31 December 2023: None).

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

	Current Period 31 December 2024		Prior Period 31 December 2023	
	TRY	FC	TRY	FC
From Subsidiaries, Associates and Entities under Common Control	-	-	-	-
Revaluation Difference	-	-	-	-
Foreign Exchange Difference	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	(1.685.928)	(13.541)	(761.298)	(31.758)
Revaluation Difference	(2.644.711)	(13.541)	(1.331.619)	(31.758)
Deferred Tax Effect	958.783	-	570.321	-
Foreign Exchange Difference	-	-	-	-
Total	(1.685.928)	(13.541)	(761.298)	(31.758)

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

(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 6 June 2024, it was decided to distribute the profit for 2023 as follows:

Profit distribution table for 2023:

Profit for the year 2023	4.004.497
A - 1st Tier general legal reserves (TTK 519 / A) 5%	200.225
B - First dividend to shareholders	-
C - Extraordinary reserves	3.804.272
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

	Current Period 31 December 2024	Prior Period 31 December 2023
Forward Asset Value Trading Commitments	5.993.801	1.798.821
Guaranteed Loan Allocation Commitments	-	-
Payment Commitments for Cheques	3.122.449	1.708.702
Tax and Fund Liabilities from Export Commitments	627.241	296.293
Commitments for Credit Card Expenditure Limits	5.664.778	2.342.967
Other Irrevocable Commitments	4.704.090	1.304.223
Commitment to Implementation of Promotions for Credit Card and Banking Services	3.016	2.276
Total	20.115.375	7.453.282

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 503.944 (31 December 2023: TRY 534.833).

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

(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

	Current Period 31 December 2024	Prior Period 31 December 2023
Guarantee Letters	105.574.323	69.092.049
Bank Acceptances	249.113	414.759
Letter of Credits	10.507.996	7.928.282
Other Contingencies	113.998	895.443
Total	116.445.430	78.330.533

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

	Current Period 31 December 2024	Prior Period 31 December 2023
Letters of Temporary Guarantees	7.794.155	2.285.988
Letters of Certain Guarantees	59.092.207	41.486.780
Letters of Advance Guarantees	12.017.864	8.893.988
Letters of Guarantees given to Customs Offices	1.856.757	794.150
Other Letters of Guarantees	24.813.340	15.631.143
Total	105.574.323	69.092.049

b.3) Total non-cash loans

	Current Period 31 December 2024	Prior Period 31 December 2023
Non-Cash Loans for Providing Cash Loans	24.807.484	15.625.859
With Original Maturity of One Year or Less	1.688.049	1.572.826
With Original Maturity of More than One Year	23.119.435	14.053.033
Other Non-Cash Loans	91.637.946	62.704.674
Total	116.445.430	78.330.533

c) Information on sectoral risk concentrations of non-cash loans

	Current Period 31.12.2024				Prior Period 31.12.2023			
	TRY	(%)	FC	(%)	TRY	(%)	FC	(%)
Agricultural	734.972	1	64.048	-	376.582	1	24.037	-
Farming and Raising								
Livestock	627.832	1	3.796	-	293.577	1	24.037	-
Forestry	89.069	-	8.549	-	70.970	-	-	-
Fishing	18.071	-	51.703	-	12.035	-	-	-
Manufacturing	18.501.523	28	31.920.170	64	11.422.927	30	25.075.793	63
Mining and Quarrying	280.750	-	893.173	2	178.717	-	528.968	1
Production	16.365.801	25	30.854.420	62	9.984.970	26	24.209.408	61
Electric, Gas and Water	1.854.972	3	172.577	0	1.259.240	3	337.417	1
Construction	29.820.994	45	10.255.622	20	16.449.392	43	7.076.223	18
Services	17.170.601	26	7.825.543	16	10.089.266	26	7.420.871	18
Wholesale and Retail Trade	11.400.714	17	4.199.516	8	7.079.837	18	3.146.391	8
Hotel, Food and Beverage Services	675.772	1	1.066.800	2	313.751	1	280.074	-
Transportation and Telecommunication	1.259.658	2	566.054	1	743.429	2	1.590.958	4
Financial Institutions	167.604	-	338.075	1	122.219	-	1.172.953	3
Real Estate and Leasing Services	2.913.038	4	1.518.241	4	1.394.445	4	1.081.553	3
Self-employment Services	501.440	1	118.794	0	264.776	1	120.817	-
Education Services	75.097	-	18.063	0	46.871	-	28.125	-
Health and Social Services	177.278	-	-	-	123.938	-	-	-
Other	56.070	-	95.887	-	5.238	-	390.204	1
Total	66.284.160	100	50.161.270	100	38.343.405	100	39.987.128	100

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

(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
Non-cash Loans	65.585.006	48.437.562	699.154	1.723.708
Letters of Guarantee	65.469.571	37.681.890	699.154	1.723.708
Aval and Acceptance Loans	-	249.113	-	-
Letters of credit	12.992	10.495.004	-	-
Turnover	-	-	-	-
Our Guarantees for Purchase in Securities Issue	-	-	-	-
From Factoring Guarantees	-	-	-	-
Other Guarantees and Sureties	102.443	11.555	-	-

2. Explanations on derivative transactions:

	Current Period 31.12.2024	Prior Period 31.12.2023
Types of Trading Transactions		
Foreign Currency Related Derivative Transactions: (I)	34.311.876	14.939.086
Forward Foreign Exchange Transactions	-	94.674
Swap Money Exchange Transactions	34.311.876	14.844.412
Futures Money Transactions	-	-
Money Trading Options	-	-
Other Trading Derivative Transactions: (II)	-	-
A. Total Trading Derivative Transactions (I+II)	34.311.876	14.939.086
Types of Hedging Derivative Transactions		
Fair Value Hedges	-	-
Cash Flow Hedges	-	-
Foreign Currency Investment Hedges	-	-
B. Derivative Transactions for Total Hedging Purposes	-	-
Total Derivative Transactions (A + B)	34.311.876	14.939.086

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 31.12.2024	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Total
Derivatives held for trading						
Foreign exchange derivatives:	222.813	102.047	-	-	-	324.860
- Inflow	11.069.733	6.248.635	-	-	-	17.318.368
- Outflow	(10.846.920)	(6.146.588)	-	-	-	(16.993.508)
Derivatives held for hedging						
Foreign exchange derivatives:	-	-	-	-	-	-
- Inflow	-	-	-	-	-	-
- Outflow	-	-	-	-	-	-
Total Inflow	11.069.733	6.248.635	-	-	-	17.318.368
Total Outflow	(10.846.920)	(6.146.588)	-	-	-	(16.993.508)

Prior Period 31.12.2023	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Total
Derivatives held for trading						
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)
Derivatives held for hedging						
Foreign exchange derivatives:	-	-	-	-	-	-
- Inflow	-	-	-	-	-	-
- Outflow	-	-	-	-	-	-
Total Inflow	976.530	6.388.495	41.873	-	-	7.406.898
Total Outflow	(977.326)	(6.518.087)	(36.775)	-	-	(7.532.188)

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

(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)

c) 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 3.122.449 (31 December 2023: TRY 1.708.702).

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

d) 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 2024		Prior Period 31 December 2023	
	TRY	FC	TRY	FC
Profit share on loans ^(*)	47.699.043	8.114.347	20.568.191	5.599.861
Short term loans	23.452.790	3.465.247	12.677.077	3.437.665
Medium and long term loans ^(**)	23.946.432	4.649.100	7.834.010	2.162.196
Profit share on non-performing loans	299.821	-	57.104	-
Premiums received from resource utilization support fund	-	-	-	-

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

(**) Includes a gain of 510.676 TRY from profit and loss sharing investments

b) Information on profit share income from banks

	Current Period 31 December 2024		Prior Period 31 December 2023	
	TRY	FC	TRY	FC
Central Bank of the Republic of Türkiye	732.795	-	-	-
Domestic Banks	1.868.177	-	424.880	68.213
Foreign Banks	-	-	-	640
Head Office and Branches	-	-	-	-
Total	2.600.972	-	424.880	68.853

c) Information on profit share income from securities portfolio

	Current Period 31 December 2024		Prior Period 31 December 2023	
	TRY	FC	TRY	FC
Financial Assets at Fair Value through Profit and Loss	-	151.811	-	71.248
Financial Assets at Fair Value through Other Comprehensive Income	6.349.993	95.171	5.440.368	218.670
Investments Held-to-Maturity Financial Assets Measured by Amortized Cost	3.399.798	154.816	1.445.798	400.601
Total	9.749.791	401.798	6.886.166	690.519

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

None (31 December 2023: None).

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

(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 2024		Prior Period 31 December 2023	
	TRY	FC	TRY	FC
Banks	1.476.311	1.624.072	706.719	368.762
Central Bank of the Republic of Türkiye	233.695	-	5.325	-
Domestic Banks	1.242.615	761.245	701.394	177.704
Foreign Banks	-	862.827	-	191.058
Head Office and Branches	-	-	-	-
Other Institutions	5.095.815	1.601.540	1.234.305	637.338
Total	6.572.125	3.225.612	1.941.024	1.006.100

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

The amount of profit share expense given to associates and subsidiaries is TRY 6.697.355 (31 December 2023: TRY 1.442.455).

c) Information on profit share expense paid to securities issued

None (31 December 2023: None).

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

Current Period 31 December 2024	Participation Accounts					
Account Name	1 month	3 months	6 months	1 year	Over 1 year	Total
Turkish Lira						
Funds Collected from Banks via Current and Participation Accounts	4.726	534.562	375.454	-	-	914.742
Real Person's Non Commercial Participation Accounts	614.048	11.642.671	1.149.840	1.096.482	5.962.225	20.465.266
Public Sector Participation Accounts	4.877.295	1.375.694	3.816.493	150.774	26.994	10.247.250
Commercial Sector Participation Accounts	4.667.385	26.188.932	3.010.239	1.296.954	1.704.419	36.867.929
Other Institutions Participation Accounts	60.912	1.873.971	306.410	118.441	43.392	2.403.126
Total	10.224.366	41.615.830	8.658.436	2.662.651	7.737.030	70.898.313
Foreign Currency						
Funds Collected from Banks via Current and Participation Accounts	224	499	-	-	432	1.155
Real Person's Non Commercial Participation Accounts	15.247	289.779	5.368	6.274	31.417	348.085
Public Sector Participation Accounts	7	80.707	3.822	1.382	-	85.918
Commercial Sector Participation Accounts	9.183	826.459	250.533	67.320	74	1.153.569
Other Institutions Participation Accounts	100.730	168.326	910	235	111	270.312
Public Sector Participation Accounts	14.487	-	-	-	-	14.487
Total	139.878	1.365.770	260.633	75.211	32.034	1.873.526
Grand Total	10.364.244	42.981.600	8.919.069	2.737.862	7.769.064	72.771.839

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

(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 2023	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	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
Total	4.537.040	22.931.927	1.748.850	681.256	2.959.312	32.858.385
Foreign Currency						
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
Total	267.371	1.546.575	212.596	3.919	39.494	2.069.955
Grand Total	4.804.411	24.478.502	1.961.446	685.175	2.998.806	34.928.340

3. Information on dividend income:

As of 31 December 2024, the Bank has TRY 1.428 dividend income (31 December 2023: TRY 714).

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

	Current Period 31 December 2024	Prior Period 31 December 2023
Income	16.194.442	10.125.896
Foreign exchange gains	389.376	6.530
Gain on derivative financial instruments	1.710.012	790.478
Gain on capital market transactions	14.095.054	9.328.888
Losses (-)	12.877.241	7.967.350
Foreign exchange losses	43.658	23.223
Losses on derivative financial instruments	174.100	87.001
Losses on capital market transactions	12.659.483	7.857.126
Net	3.317.201	2.158.546

b. Information on Profit/Loss on Derivative Financial Operations

	Current Period 31 December 2024	Prior Period 31 December 2023
Effect of the change in exchange rates on profit/loss	1.535.912	703.477
Total	1.535.912	703.477

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

(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 2024	Prior Period 31 December 2023
Correction Account for Previous Years Expenses (*)	4.758.038	2.066.827
Income from the Sale of the Asset	181.717	22.665
Provision for Communication Expenses	34.777	10.614
Checkbook Fees	6.118	1.268
Other	13.258	12.480
Total	4.993.908	2.113.854

(*) Adjustment to prior year expenses consists of TRY 3.128.088 from provisions for loans (31 December 2023: TRY 1.127.776), TRY 500.000 from free provisions (31 December 2023: TRY 600.000), TRY 1.038.034 from provisions for participation accounts (31 December 2023: TRY 294.049), and TRY 2.247 from provisions for impairment of securities (31 December 2023: TRY 3).

6. Provision expenses for impairment on loans and other receivables

	Current Period 31 December 2024	Prior Period 31 December 2023
Expected Credit Loss	2.892.814	3.136.003
12 month expected credit loss (Stage 1)	862.578	1.413.476
Significant increase in credit risk (Stage 2)	1.212.501	904.072
Non-performing loans (Stage 3)	817.735	818.455
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	130.523	182.212
Total	3.023.337	3.318.215

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

(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 2024	Prior Period 31 December 2023
Reserve for Employee Termination Benefits	76.306	43.392
Bank Social Aid Provision Fund Deficit Provision	-	-
Impairment Expenses of Tangible Assets	-	-
Depreciation Expenses of Tangible Fixed Assets	835.024	326.634
Impairment Expenses of Intangible Assets	-	-
Goodwill Impairment Expense	-	-
Amortization Expenses of Intangible Assets	123.416	49.850
Impairment Expense of Equity Participations for which Equity Method is Applied	-	-
Impairment Expenses of Assets Held for Sale	-	-
Depreciation Expenses of Assets Held for Sale	-	-
Impairment Expenses for Non-Current Assets Held for Sale and Discontinued Operations	-	-
Other Operating Expenses	1.454.873	828.703
Leasing Expenses Related to TFRS 16 Exceptions	18.128	3.050
Maintenance Expenses	210.547	139.971
Advertisement Expenses	209.322	185.162
Other Expenses (*)	1.016.876	500.520
Loss on Sales of Assets	8.994	546
Other (**)	1.352.613	1.562.560
Total	3.851.226	2.811.685

(**) Of the balance comprising the other item, TRY 476.521 (31 December 2023 TRY 326.663) consists of SDIF premium and audit and consultancy service expenses, 723.398 TRY (31 December 2023 TRY 177.752) amount consists of taxes, fees, and funds, as well as other service expenses (31 December 2023: the amount of TRY 1.000.000 related to donations made to AFAD due to the earthquake disaster in Kahramanmaraş and surrounding provinces in February).

(*) The details of the 'Other Expenses' balance under Other Operating Expenses are as follows in the table below:

	Current Period 31 December 2024	Prior Period 31 December 2023
Cleaning Expenses	191.828	96.246
Credit Cards and Banking Services Promotional Expenses	175.458	129.126
Communication Expenses	175.058	98.389
Heating, Lighting, and Water Expenses	80.943	32.499
Shared Expenses	66.440	3.187
Donations and Charitable Contributions	62.030	8.588
Representation and Entertainment Expenses	49.322	34.795
Vehicle Expenses	37.544	20.419
Office Supplies Expenses	25.203	19.201
Computer Usage Expenses	22.476	5.625
Non-deductible Expenses	15.151	5.785
Insurance Expenses	10.516	4.616
Other	104.904	42.044
Total	1.016.876	500.520

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

(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)

8. Fees for Services Received from Independent Auditor / Independent Audit Firm

In accordance with the decision of the POA dated 26 March 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 31.12.2024	Prior Period 31.12.2023
Independent audit fee for the reporting period	7.216	7.753
Fees for tax advisory services	-	-
Fee for other assurance services	8.919	437
Fees for services other than independent auditing	-	-
Total^(*)	16.135	8.190

(*) 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 2024, 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 2024	Prior Period 31 December 2023
Net Profit Share Income	4.136.662	5.428.985
Net Fees and Commissions Income	2.923.878	2.931.888
Dividend Income	1.428	714
Trading Income/Expense (Net)	3.317.201	2.158.546
Other Operating Income	4.993.908	2.113.854
Expected Loss Provision (-)	2.892.814	3.136.003
Other Provision Expense (-)	130.523	182.212
Personnel Expense	4.257.726	2.086.880
Other Operating Expenses (-)	3.851.226	2.811.685
Income/(Loss) from Continuing Operations	4.240.788	4.417.207

10. Information on tax provision for continued and discontinued operations

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

As of 31 December 2024, the Bank has deferred tax income of TRY 676.686 (31 December 2023: TRY 1.227.284) and deferred tax expense of TRY 1.464.652 (31 December 2023: TRY 311.824). There is no current tax provision (31 December 2023: TRY 724.534 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 TRY 3.452.822 (31 December 2023: 4.004.397 TRY net profit).

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

(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)

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 2023: 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 2023 Ordinary General Assembly meeting held on 6 June 2024, TRY 200.225 was allocated as a general legal reserve fund at the rate of 5% from the balance sheet profit of TRY 4.004.497 for 2023, and the remaining TRY 3.804.272 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 2024 as of the date of preparation of these unconsolidated financial statements.

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.

c) Profit Reserves:

As of the balance sheet date, profit reserves amounted to TRY 10.142.629 (31 December 2023: TRY 6.138.132), legal reserves amounted to TRY 312.264 (31 December 2023: TRY 312.264), extraordinary reserves amounted to TRY 9.584.074 (31 December 2023: TRY 5.779.801), other profit reserves amounted to TRY 46.067 (31 December 2023: TRY 46.067).

d) Explanations on Previous Period Profit / Loss:

As of 31 December 2024, the Bank has no prior period profit or loss. (31 December 2023: None)

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

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

EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
(Continued)

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:

Of the operating loss before changes in operating assets and liabilities amounting to TRY 3.623.139 (31 December 2023: TRY 6.051.687 profit), TRY 77.264.565 (31 December 2023: TRY 37.366.067) mainly consists of profit share income from loans and marketable securities and financial leases and TRY 79.573.666 (31 December 2023: TRY 33.095.831) mainly consists of profit share expenses on deposits and loans used. Other income mainly consists of net fee and commission income and trading profit and loss income.

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 761.962 TRY (31 December 2023: 1.250.021 TRY) as of 31 December 2024.

Cash, cash deposits, free accounts of the Central Bank of the Republic of Türkiye, 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 31.12.2024	Prior Period 31.12.2023
Cash in TRY and in Foreign Currency	2.102.309	1.156.493
Central Bank of the Republic of Türkiye and Other Banks	80.142.502	40.405.930
Money Market Operations	-	-
Total Cash and Cash Equivalents	82.244.811	41.562.423

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
Loans and other receivables	-	-	-	-	-	-
Balance at beginning of period	-	-	6.184.984	-	-	-
Balance at end of period	-	-	3.310.391	-	-	-
Profit share and commission income	-	-	2.023	-	-	-

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

(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
Loans and other receivables	-	-	-	-	-	-
Balance at beginning of period	-	-	2.374	-	-	-
Balance at end of period	-	-	6.184.984	-	-	-
Profit share and commission income	-	-	2.703	-	-	-

b) Current and profit sharing 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	Prior Period	Current Period	Prior Period
Current and participation accounts						
Balance at the beginning of period	1.740	-	-	-	-	-
Balance at the end of period	4.092	1.740	-	-	-	-
Participation Accounts						
Profit Share Expenses	-	-	-	-	-	-

c) Information on loans received from 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
Funds Borrowed						
Balance at the beginning of period	19.510.499	5.200.000	112.751	284.791	-	-
Balance at the end of period	35.421.127	19.510.499	75.191	112.751	-	-
Participation Accounts						
Profit Share Expenses	6.697.355	1.442.455	241.723	72.040	-	-

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	-	-	14.844.411	5.928.040	-	-
Balance at the end of period	-	-	29.203.067	14.844.411	-	-
Total Profit / Loss	-	-	207.595	(152.895)	-	-
Hedging transactions	-	-	-	-	-	-
Balance at the beginning of period	-	-	-	-	-	-
Balance at the end of period	-	-	-	-	-	-
Total Profit / Loss	-	-	-	-	-	-

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

(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 56.793 (31 December 2023: TRY 29.269).

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	Country of Location	Total Assets	Legal Capital
Domestic Branch (*)	208	2.864			
Foreign Representatives	-	-		-	
Foreign Branch (**)	1	-	Sudan	1.235.018	7.325
	1	7	Somalia	1.501.445	20.705
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.

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

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

SECTION SIX

OTHER EXPLANATIONS AND NOTES

I. INFORMATION ON THE BANK'S RATING THAT HAS BEEN DETERMINED BY INTERNATIONAL RATING AGENCIES

Fitch Ratings: 3 January 2025

Not

Foreign Currency Long Term Credit Rating

B+

Foreign Currency Short Term Credit Rating

B

Local Currency Long Term Credit Rating

BB-

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 2024

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

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 2024 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 14 February 2025.

II. EXPLANATIONS AND NOTES PREPARED BY THE INDEPENDENT AUDITORS

None.

ZİRAAT KATILIM BANKASI ANONİM ŞİRKETİ

CONSOLIDATED FINANCIAL STATEMENTS AND
RELATED EXPLANATIONS AND NOTES AS OF
31 DECEMBER 2024 WITH AUDITOR’S REPORT

(CONVENIENCE TRANSLATION OF CONSOLIDATED
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 Consolidated Financial Statements

1. Qualified Opinion

We have audited the accompanying consolidated financial statements of Ziraat Katılım Bankası Anonim Şirketi (the “Bank”), and its subsidiaries (collectively referred to as the “Group”) which comprise the statement of consolidated balance sheet as at 31 December 2024, consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in shareholders’ equity, consolidated statement of cash flows for the year then ended and the notes to the consolidated financial statements and a summary of significant accounting policies and consolidated financial statement notes.

In our opinion, except for the effect of the matter on the consolidated financial statements described in the basis for qualified opinion section of our report, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2024, and its consolidated financial performance and its consolidated 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 Opinion

As mentioned in Section Five Part II. 8.c.1 of Explanations and Notes to the consolidated Financial Statements, the free provision amounting to TRY 500.000 thousand, which was fully provided in prior years outside of the requirements of BRSA Accounting and Financial Reporting Legislation, was reversed in the current year by the Bank management as at 31 December 2024 in the accompanying consolidated financial statements. Had this free provision not been accounted for in prior years and not been reversed in the current year, net profit and prior periods’ profit would have decreased by TRY 500.000 thousand and increased by TRY 500.000 thousand respectively for the year ended 31 December 2024.

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 Consolidated Financial Statements” section of our report. We hereby declare that we are independent of the Group 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 consolidated 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 consolidated financial statements of the current period. Key audit matters were addressed in the context of our independent audit of the consolidated 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.

Key Audit Matters	How the key audit matter was addressed in the audit
Expected credit losses for loans and receivables The Group has total expected credit losses for loans and receivables amounting to TRY 3.796.765 thousand in respect to total loans and receivables amounting to TRY 321.660.478 thousand which represent a significant portion of the Group’s total assets in its consolidated financial statements as at 31 December 2024. 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 consolidated financial statements as at 31 December 2024. The Group 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 Group 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 receivables and calculation of expected credit losses, we have assessed policy, procedure and management principles of the Group 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 Group with TFRS 9 for calculation of the provision amount through stage classification of loans and receivables. For forward looking assumptions made by the Group’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.



<i>Key Audit Matters</i>	<i>How the key audit matter was addressed in the audit</i>
The Group uses complex models to determine significant increase in credit risk and to 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. 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 loans and receivables balances; the classification of loans and receivables 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 and receivables. Therefore, this area is considered as key audit matter.	We have assessed expert judgment utilized in interpretation of supportable forward looking expectations (including macroeconomic factors). 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. We have checked selected models used in determination of expected loss provisions for various loans and receivables portfolios with our financial risk experts by reperforming on a sample selection basis. 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. For a selected sample, we checked accuracy of resultant expected credit losses calculations. To assess appropriateness of the Group’s determination of staging for credit risk for loans and receivables 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. We evaluated the adequacy of the disclosures made in the consolidated financial statements regarding the provision for impairment of loans and receivables.



4. Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Group management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group’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 Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group’s financial reporting process.

5. Auditor’s Responsibilities for the Audit of the Consolidated 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 consolidated 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 consolidated 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 Group '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 Group 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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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 consolidated 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

- 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 2024 period are not in compliance with the TCC and provisions of the Bank's articles of association related to financial reporting.
- 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 2024. Accordingly, the accompanying consolidated financial statements are not intended to present fairly the consolidated financial position, results of operations, changes in equity and cash flows of the Group in accordance with IFRS.

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

Didem Demer Kaya, SMMM
Independent Auditor

Istanbul, 14 February 2025



THE CONSOLIDATED FINANCIAL REPORT OF
ZİRAAT KATILIM BANKASI A.Ş AS OF 31 DECEMBER 2024

The Bank’s Headquarter Address: Finanskent Mahallesi, Finans Caddesi,
B Blok No: 44B, İç Kapı No: 29, Ümraniye/İstanbul
Phone: 0 216 557 27 00
Facsimile: 0 212 404 10 80
Website: www.ziraatkatilim.com.tr
E-mail: bilgi@ziraatkatilim.com.tr

The consolidated 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 PARENT BANK
- CONSOLIDATED FINANCIAL STATEMENTS OF THE PARENT BANK
- EXPLANATIONS ON THE ACCOUNTING POLICIES APPLIED IN THE RELATED PERIOD
- INFORMATIONS ON THE FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE GROUP
- EXPLANATIONS AND DISCLOSURES RELATED TO THE CONSOLIDATED FINANCIAL STATEMENTS
- OTHER EXPLANATIONS
- AUDITOR’S REPORT

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

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

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

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

Alpaslan ÇAKAR Chairman of the Board	Fikrettin AKSU Vice Chairman of the BOD, Member of the Audit Committee	Metin ÖZDEMİR Member of the Board, General Manager
Mahmut Esfa EMEK Member of the Board, Member of the Audit Committee	Osman KARAKÜTÜK Vice President of Treasury Management and International Banking	Figen BAHADIR Head of Financial Coordination Department

Contact information of the personnel in charge of the addressing of questions about this financial report:
Name-Surname/Position : Erdem DENİZHAN / Financial Audit Processes Department Manager
Tel No : 0 216 559 22 56
Facsmile : 0 212 404 10 80

SECTION ONE General Information about the Group		Page Number
I.	History of the Parent Bank including its incorporation date, initial legal status and amendments to legal status	340
II.	Explanation about the Parent Bank’s capital structure and shareholders who are in charge of the management and/or auditing of the Bank directly or indirectly, changes in these matters throughout the year (if any) and the group of the Parent Bank	341
III.	Explanations on the chairman and members of the board of directors, members of audit committee, general managers and assistant general managers and their shareholdings in the Parent Bank	341
IV.	Information about the persons and institutions that have qualified shares attributable to the Parent Bank	342
V.	Explanations of the Parent Bank’s services and field of operations	342
VI.	Differences between the Communiqué on Preparation of Consolidated Financial Statements of Banks and Turkish Accounting Standards and short explanation about the entities subject to full consolidation or proportional consolidation and entities which are deducted from equity or entities which are not included in these three methods	342
VII.	Current or likely actual legal barriers to immediate transfer of equity or repayment of debts between the Bank and its subsidiaries	342
SECTION TWO Consolidated Financial Statements		
I.	Consolidated balance sheet (Statement of Financial Position)	344-345
II.	Consolidated statement of off-balance sheet commitments	346
III.	Consolidated statement of profit or loss	347
IV.	Consolidated statement of profit or loss and other comprehensive income	348
V.	Consolidated Statement of changes in shareholders’ equity	349
VI.	Consolidated statement of cash flows	350
VII.	Consolidated statement of profit distribution	351
SECTION THREE Explanations on Accounting Policies		
I.	Explanations on basis of presentation	352
II.	Explanations on strategy of using financial instruments and foreign currency transactions	353
III.	Explanations on consolidated subsidiaries	353-354
IV.	Explanations on forward and option contracts and derivative instruments	354
V.	Explanations on profit share income and expense	354
VI.	Explanations on fees and commission income and expenses	355
VII.	Explanations on financial assets	355-357
VIII.	Explanations on impairment of financial assets	357-360
IX.	Explanations on offsetting of financial assets and liabilities	360
X.	Explanations on sales and repurchase agreements and lending of securities	360
XI.	Explanations on assets held for sale and discontinued operations and related liabilities	360-361
XII.	Explanations on goodwill and other intangible assets	361
XIII.	Explanations on tangible assets	361-362
XIV.	Explanations on leasing transactions	362-363
XV.	Explanations on provisions, contingent asset and liabilities	363
XVI.	Explanations on obligations related to employee rights	364-366
XVII.	Explanations on taxation	366-369
XVIII.	Explanations on additional disclosures on borrowings	370
XIX.	Explanations on share certificates issued	370
XX.	Explanations on acceptances	370
XXI.	Explanations on government incentives	370
XXII.	Explanations on cash and cash equivalents	370
XXIII.	Explanations on segment reporting	371
XXIV.	Explanations on other matters	371
SECTION FOUR Explanations on the Financial Position and Risk Management		
I.	Explanations on shareholders’ equity	372-382
II.	Explanations on credit risk	382-390
III.	Risk included in the cyclical capital buffer calculation	390-391
IV.	Explanations on the consolidated currency risk	391-392
V.	Equity Share Position Risk on Banking Accounts	393
VI.	Explanations on liquidity risk management and liquidity coverage ratio	393-401
VII.	Explanations on consolidated leverage ratio	401
VIII.	Explanations on securitization positions	402
IX.	Explanations on risk management	402-415
X.	Explanations on risk protection procedures	416
XI.	Counter party credit risk disclosures	417-422
XII.	Explanations on consolidated operating segments	423-424
XIII.	Explanations on the fair value realization of financial assets and liabilities	425-426
XIV.	Explanations on the activities carried out on behalf and on account of other parties	426
SECTION FIVE Explanations and Notes Related to Consolidated Financial Statements		
I.	Explanations and notes related to consolidated assets	427-444
II.	Explanations and notes related to consolidated liabilities	445-455
III.	Explanations and notes related to consolidated off-balance sheet accounts	455-458
IV.	Explanations and notes related to the statement of consolidated profit or loss	458-464
V.	Explanations and notes related to the changes in shareholders’ equity	464
VI.	Explanations and notes related to the statement of consolidated cash flow	465
VII.	Explanations and notes related to the risk group of the Parent Bank	465-467
VIII.	Significant events and matters arising subsequent to consolidated balance sheet date	467
IX.	Explanations regarding the Bank’s domestic, foreign, off-shore branches or associates and representatives abroad	467
SECTION SIX Other Explanations and Notes		
I.	Information on the Group’s rating that has been determined by international rating agencies	468
II.	Other explanations on the Group’s operations	468
SECTION SEVEN Explanations on Independent Audit Report		
I.	Matters to be explained on the independent auditor’s report	469
II.	Explanations and notes prepared by the independent auditors	469

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

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

SECTION ONE

GENERAL INFORMATION ABOUT THE GROUP

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

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

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

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

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

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

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

GENERAL INFORMATION ABOUT THE GROUP (Continued)

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

As of 31 December 2024, and 31 December 2023, main shareholders and capital amounts as follows:

Name of Shareholders	31 December 2024		31 December 2023	
	Paid-in Capital	%	Paid-in Capital	%
T.C. Ziraat Bankası A.Ş	10.350.000	99,99999996	10.350.000	99,99999996
Ziraat Gayrimenkul Yatırım Ortaklığı A.Ş.	-	0,00000001	-	0,00000001
Ziraat İşletme Yönetimi ve Gayrimenkul Geliştirme A.Ş.	-	0,00000001	-	0,00000001
Ziraat Teknoloji A.Ş.	-	0,00000001	-	0,00000001
Ziraat Yatırım Menkul Değerler A.Ş.	-	0,00000001	-	0,00000001
Total	10.350.000	100,00	10.350.000	100,00

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

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

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

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

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

GENERAL INFORMATION ABOUT THE GROUP (Continued)

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

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

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

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

The Bank sorts out participation accounts and participation accounts based on investment wakala contracts discretely from the other accounts in its account records in terms of their maturity. Participation accounts are opened in 5 maturity groups as maturity to one month, maturity to three months (three months included), maturity to six months (six months included), maturity to one year (one year included) and maturity to one year or more (with dividend payment of one month, 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 31 December 2024, the Bank operates with a total of 210 branches, including 208 domestic branches and two foreign branches: the Sudan branch, which commenced operations on 27 August 2020, and the Somalia branch, which commenced operations on 5 September 2023 (31 December 2023: 189 domestic, 2 foreign). As of 31 December 2024, the Bank has 2.864 employees in Türkiye (31 December 2023: 2.430) and 7 employees abroad (31 December 2023: 5).

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

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

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

None.

SECTION TWO

CONSOLIDATED FINANCIAL STATEMENTS

- Consolidated Balance Sheet (Statement of Financial Position)
- Consolidated Statement of Off - Balance Sheet Commitments
- Consolidated Statement of Profit or Loss
- Consolidated Statement of Profit or Loss and Other Comprehensive Income
- Consolidated Statement of Changes in Shareholder’s Equity
- Consolidated Statement of Cash Flows
- Consolidated Statement of Profit Distribution

ZİRAAT KATILIM BANKASI A.Ş.

CONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)
AS OF 31 DECEMBER 2024

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

ZİRAAT KATILIM BANKASI A.Ş. CONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)								
ASSETS		Note (V-I)	Current Period (31 December 2024)			Prior Period (31 December 2023)		
			TRY	FC	Total	TRY	FC	Total
I.	FINANCIAL ASSETS (NET)		93.356.993	66.557.406	159.914.399	37.383.085	56.778.131	94.161.216
I.1	Cash And Cash Equivalents		69.907.502	54.196.322	124.103.824	24.310.294	49.348.784	73.659.078
I.1.1	Cash And Balances with Central Bank	(1)	65.803.017	37.626.323	103.429.340	24.206.770	36.433.541	60.640.311
I.1.2	Banks	(2)	4.104.858	16.570.441	20.675.299	114.562	12.915.243	13.029.805
I.1.3	Money Markets Placements		-	-	-	-	-	-
I.1.4	Expected Loss Provision (-)		373	442	815	11.038	-	11.038
I.2	Financial Assets Measured At Fair Value Through Profit/Loss	(3)	-	9.483.947	9.483.947	-	3.812.067	3.812.067
I.2.1	Government Securities		-	9.128.399	9.128.399	-	3.812.067	3.812.067
I.2.2	Equity Securities		-	-	-	-	-	-
I.2.3	Other Financial Assets		-	355.548	355.548	-	-	-
I.3	Financial Assets Measured at Fair Value Through Other Comprehensive Income	(4)	23.414.816	2.637.721	26.052.537	13.069.801	3.616.542	16.686.343
I.3.1	Government Securities		23.325.523	2.637.721	25.963.244	13.001.450	3.616.542	16.617.992
I.3.2	Equity Securities		52.913	-	52.913	52.913	-	52.913
I.3.3	Other Financial Assets		36.380	-	36.380	15.438	-	15.438
I.4	Derivative Financial Assets	(5)	34.675	239.416	274.091	2.990	738	3.728
I.4.1	Derivative Financial Assets Measured at Fair Value Through Profit and Loss		34.675	239.416	274.091	2.990	738	3.728
I.4.2	Derivative Financial Assets Measured at Fair Value Through Other Comprehensive Income		-	-	-	-	-	-
II.	FINANCIAL ASSETS MEASURED AT AMORTIZED COST (NET)		186.446.727	150.830.503	337.277.230	178.139.272	103.461.708	281.600.980
2.1	Loans	(6)	137.109.263	131.237.122	268.346.385	122.689.489	88.274.149	210.963.638
2.2	Lease Receivables	(6)	34.131.462	19.182.631	53.314.093	41.601.878	11.043.826	52.645.704
2.3	Other Financial Assets Measured at Amortized Cost	(7)	17.958.979	1.454.538	19.413.517	17.374.116	4.456.177	21.830.293
2.3.1	Government Securities		17.856.635	1.454.538	19.311.173	17.374.116	4.456.177	21.830.293
2.3.2	Other Financial Assets		102.344	-	102.344	-	-	-
2.4	Expected Loss Provision (-)		2.752.977	1.043.788	3.796.765	3.526.211	312.444	3.838.655
III.	ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (NET)	(8)	1.651.596	-	1.651.596	427.229	-	427.229
3.1	Assets Held for Sale		1.651.596	-	1.651.596	427.229	-	427.229
3.2	Assets of Discontinued Operations		-	-	-	-	-	-
IV.	INVESTMENTS IN ASSOCIATES SUBSIDIARIES AND JOINT VENTURES	(9)	67.500	-	67.500	22.500	-	22.500
4.1	Associates (Net)		67.500	-	67.500	22.500	-	22.500
4.1.1	Associates Consolidated Under Equity Accounting		-	-	-	-	-	-
4.1.2	Unconsolidated Associates		67.500	-	67.500	22.500	-	22.500
4.2	Subsidiaries (Net)		-	-	-	-	-	-
4.2.1	Unconsolidated Financial Investments in Subsidiaries		-	-	-	-	-	-
4.2.2	Unconsolidated Non-Financial Investments in Subsidiaries		-	-	-	-	-	-
4.3	Joint Ventures (Net)		-	-	-	-	-	-
4.3.1	Joint-Ventures Consolidated Under Equity Accounting		-	-	-	-	-	-
4.3.2	Unconsolidated Joint-Ventures		-	-	-	-	-	-
V.	TANGIBLE ASSETS (NET)	(10)	3.516.909	47.651	3.564.560	2.159.859	5.840	2.165.699
VI.	INTANGIBLE ASSETS (NET)	(11)	1.362.609	-	1.362.609	692.634	-	692.634
6.1	Goodwill		-	-	-	-	-	-
6.2	Other		1.362.609	-	1.362.609	692.634	-	692.634
VII.	INVESTMENT PROPERTY (NET)	(12)	-	-	-	-	-	-
VIII.	CURRENT TAX ASSET		-	-	-	-	-	-
IX.	DEFERRED TAX ASSETS	(13)	2.078.602	-	2.078.602	2.478.105	-	2.478.105
X.	OTHER ASSETS	(14)	3.905.346	336.486	4.241.832	1.767.543	342.464	2.110.007
TOTAL ASSETS			292.386.282	217.772.046	510.158.328	223.070.227	160.588.143	383.658.370

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

ZİRAAT KATILIM BANKASI A.Ş.

CONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)
AS OF 31 DECEMBER 2024

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

ZİRAAT KATILIM BANKASI A.Ş. CONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)								
LIABILITIES		Note (V-II)	Current Period (31 December 2024)			Prior Period (31 December 2023)		
			TRY	FC	Total	TRY	FC	Total
I.	FUNDS COLLECTED	(1)	207.437.775	150.214.928	357.652.703	185.040.826	119.331.448	304.372.274
II.	FUNDS BORROWED	(2)	6.913.621	21.590.520	28.504.141	7.028.256	7.882.757	14.911.013
III.	MONEY MARKETS DEBTS	(3)	26.163.921	-	26.163.921	435.678	10.528.455	10.964.133
IV.	SECURITIES ISSUED (NET)	(4)	14.798.604	29.291.898	44.090.502	4.461.181	14.918.648	19.379.829
V.	FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	(5)	-	-	-	-	-	-
VI.	DERIVATIVE FINANCIAL LIABILITIES	(6)	-	-	-	-	153.095	153.095
6.1	Derivative Financial Liabilities at Fair Value Through Profit or Loss		-	-	-	-	153.095	153.095
6.2	Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income		-	-	-	-	-	-
VII.	LEASE PAYABLES (NET)	(7)	1.658.566	-	1.658.566	785.859	-	785.859
VIII.	PROVISIONS	(8)	659.912	1.010.285	1.670.197	1.456.125	1.476.173	2.932.298
8.1	Restructuring Provisions		-	-	-	-	-	-
8.2	Reserve for Employee Benefits		381.344	-	381.344	247.253	-	247.253
8.3	Insurance Technical Provisions (Net)		-	-	-	-	-	-
8.4	Other Provisions		278.568	1.010.285	1.288.853	1.208.872	1.476.173	2.685.045
IX.	CURRENT TAX LIABILITY	(9)	942.819	238	943.057	866.770	198	866.968
X	DEFERRED TAX LIABILITY	(10)	-	-	-	-	-	-
XI.	LIABILITIES FROM PROPERTY AND EQUIPMENT HELD FOR SALE AND RELATED TO DISCONTINUED OPERATIONS (NET)	(11)	-	-	-	-	-	-
11.1	Held for Sale Purpose		-	-	-	-	-	-
11.2	Related to Discontinued Operations		-	-	-	-	-	-
XII.	SUBORDINATED DEBT INSTRUMENTS	(12)	5.348.430	15.496.665	20.845.095	1.341.987	4.451.686	5.793.673
12.1	Loans		5.348.430	15.496.665	20.845.095	1.341.987	4.451.686	5.793.673
12.2	Other Debt Instruments		-	-	-	-	-	-
XIII.	OTHER LIABILITIES	(13)	5.943.688	315.420	6.259.108	2.408.661	1.259.020	3.667.681
XIV.	SHAREHOLDERS' EQUITY	(14)	22.384.579	(13.541)	22.371.038	19.863.305	(31.758)	19.831.547
14.1	Paid-in capital		10.350.000	-	10.350.000	10.350.000	-	10.350.000
14.2	Capital Reserves		261.513	-	261.513	261.513	-	261.513
14.2.1	Share Premium		-	-	-	-	-	-
14.2.2	Share Cancellation Profits		-	-	-	-	-	-
14.2.3	Other Capital Reserve		261.513	-	261.513	261.513	-	261.513
14.3	Accumulated Other Comprehensive Income or Loss That will not be Reclassified in Profit or Loss		(136.457)	-	(136.457)	(129.539)	-	(129.539)
14.4	Accumulated Other Comprehensive Income or Loss That will not be Reclassified in Profit or Loss		(1.685.928)	(13.541)	(1.699.469)	(761.298)	(31.758)	(793.056)
14.5	Profit Reserves		10.142.629	-	10.142.629	6.138.132	-	6.138.132
14.5.1	Legal Reserves		512.488	-	512.488	312.264	-	312.264
14.5.2	Status Reserves		-	-	-	-	-	-
14.5.3	Extraordinary Reserves		9.584.074	-	9.584.074	5.779.801	-	5.779.801
14.5.4	Other Profit Reserves		46.067	-	46.067	46.067	-	46.067
14.6	Profit or (Loss)		3.452.822	-	3.452.822	4.004.497	-	4.004.497
14.6.1	Prior Period Profit/Loss		-	-	-	-	-	-
14.6.2	Current Period Profit/Loss		3.452.822	-	3.452.822	4.004.497	-	4.004.497
TOTAL LIABILITIES			292.251.915	217.906.413	510.158.328	223.688.648	159.969.722	383.658.370

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

ZİRAAT KATILIM BANKASI A.Ş.

CONSOLIDATED STATEMENT OF OFF-BALANCE SHEET COMMITMENTS
AS OF 31 DECEMBER 2024

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

ZİRAAT KATILIM BANKASI A.Ş. CONSOLIDATED OFF-BALANCE SHEET COMMITMENTS							
	Note (V-III)	Current Period (31 December 2024)			Prior Period (31 December 2023)		
		TRY	FC	Total	TRY	FC	Total
A OFF-BALANCE SHEET COMMITMENTS (I+II+III)		83.053.874	87.818.807	170.872.681	44.556.727	56.166.174	100.722.901
I. GUARANTEES AND WARRANTIES	(I)	66.284.160	50.161.270	116.445.430	38.343.405	39.987.128	78.330.533
1.1 Letters of Guarantee		66.168.725	39.405.598	105.574.323	38.324.265	30.767.784	69.092.049
1.1.1 Guarantees Subject to State Tender Law		539.393	27.379.221	27.918.614	652.636	21.831.242	22.483.878
1.1.2 Guarantees Given for Foreign Trade Operations		50.985.613	-	50.985.613	30.182.880	-	30.182.880
1.1.3 Other Letters of Guarantee		14.643.719	12.026.377	26.670.096	7.488.749	8.936.542	16.425.291
1.2 Bank Acceptances		-	249.113	249.113	-	414.759	414.759
1.2.1 Import Letter of Acceptance		-	249.113	249.113	-	414.759	414.759
1.2.2 Other Bank Acceptances		-	-	-	-	-	-
1.3 Letters of Credit		12.992	10.495.004	10.507.996	-	7.928.282	7.928.282
1.3.1 Documentary Letters of Credit		12.992	10.495.004	10.507.996	-	7.928.282	7.928.282
1.3.2 Other Letters of Credit		-	-	-	-	-	-
1.4 Prefinancing Given as Guarantee		-	-	-	-	-	-
1.5 Endorsements		-	-	-	-	-	-
1.5.1 Endorsements to the Central Bank of the Republic of Türkiye		-	-	-	-	-	-
1.5.2 Other Endorsements		-	-	-	-	-	-
1.6 Other Guarantees		5.989	11.555	17.544	10.586	876.303	886.889
1.7 Other Collaterals		96.454	-	96.454	-	8.554	-
II. COMMITMENTS	(I)	16.769.714	3.345.661	20.115.375	6.163.310	1.289.972	7.453.282
2.1 Irrevocable Commitments		16.769.714	3.345.661	20.115.375	6.163.310	1.289.972	7.453.282
2.1.1 Forward asset purchase commitments		2.648.140	3.345.661	5.993.801	508.849	1.289.972	1.798.821
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		3.122.449	-	3.122.449	1.708.702	-	1.708.702
2.1.7 Tax and Fund Liabilities from Export Commitments		627.241	-	627.241	296.293	-	296.293
2.1.8 Commitments for Credit Card Limits		5.664.778	-	5.664.778	2.342.967	-	2.342.967
2.1.9 Commitments for Credit Cards and Banking Services Promotions		3.016	-	3.016	2.276	-	2.276
2.1.10 Receivables from Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.11 Payables for Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.12 Other Irrevocable Commitments		4.704.090	-	4.704.090	1.304.223	-	1.304.223
2.2 Revocable Commitments		-	-	-	-	-	-
2.2.1 Revocable Loan Granting Commitments		-	-	-	-	-	-
2.2.2 Other Revocable Commitments		-	-	-	-	-	-
III. DERIVATIVE FINANCIAL INSTRUMENTS		-	34.311.876	34.311.876	50.012	14.889.074	14.939.086
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		-	34.311.876	34.311.876	50.012	14.889.074	14.939.086
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		-	34.311.876	34.311.876	-	14.844.412	14.844.412
3.3 Other		-	-	-	-	-	-
B. CUSTODY AND PLEDGES RECEIVED (IV+V+VI)		679.228.337	104.411.567	783.639.904	300.753.601	61.244.711	361.998.312
IV. ITEMS HELD IN CUSTODY		23.751.806	37.182.601	60.934.407	15.313.288	25.398.103	40.711.391
4.1 Customer Fund and Portfolio Balances		-	-	-	-	-	-
4.2 Investment Securities Held in Custody		7.390.622	83.830	7.474.452	2.998.906	19.107	3.018.013
4.3 Checks Received for Collection		11.856.916	287.485	12.144.401	8.050.832	165.195	8.216.027
4.4 Commercial Notes Received for Collection		1.256.323	680.911	1.937.234	1.022.775	518.334	1.541.109
4.5 Other Assets Received for Collection		-	-	-	-	-	-
4.6 Assets Received for Public Offering		-	-	-	-	-	-
4.7 Other Items Under Custody		3.247.945	6.354.921	9.602.866	3.240.775	6.942.970	10.183.745
4.8 Custodians		-	29.775.454	29.775.454	-	17.752.497	17.752.497
V. PLEDGES RECEIVED		655.476.531	67.228.966	722.705.497	285.440.313	35.846.608	321.286.921
5.1 Marketable Securities		3.309.773	55.598	3.365.371	2.210.399	63.993	2.274.392
5.2 Guarantee Notes		17.268.447	193.715	17.462.162	10.971.967	214.321	11.186.288
5.3 Commodity		48.164.224	18.733.253	66.897.477	28.617.839	10.953.703	39.571.542
5.4 Warranty		-	-	-	-	-	-
5.5 Properties		556.374.346	39.397.310	595.771.656	200.678.424	20.355.321	221.033.745
5.6 Other Pledged Items		30.359.741	8.849.090	39.208.831	42.961.684	4.259.270	47.220.954
5.7 Pledged Items-Depository		-	-	-	-	-	-
VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES		-	-	-	-	-	-
TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)		762.282.211	192.230.374	954.512.585	345.310.328	117.410.885	462.721.213

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

ZİRAAT KATILIM BANKASI A.Ş.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE PERIOD ENDED 31 DECEMBER 2024

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

ZİRAAT KATILIM BANKASI A.Ş. CONSOLIDATED STATEMENT OF PROFIT OR LOSS				
INCOME / EXPENSE ITEMS	Note (V-IV)	Current Period	Prior Period	
		01 January - 31 December 2024	01 January - 31 December 2023	
I. PROFIT SHARE INCOME	(1)	90.037.546	43.986.005	
1.1 Profit Share on Loans		55.813.390	26.168.052	
1.2 Profit Share on Reserve Deposits		5.706.836	-	
1.3 Profit Share on Banks		2.600.972	493.733	
1.4 Profit Share on Money Market Placements		4.027	-	
1.5 Profit Share on Marketable Securities Portfolio		10.151.589	7.576.685	
1.5.1 Financial Assets Measured at Fair Value Through Profit/Loss		151.811	71.248	
1.5.2 Financial Assets Measured at Fair Value Through Other Comprehensive Income		6.445.164	5.659.038	
1.5.3 Financial Assets Measured at Amortised Cost		3.554.614	1.846.399	
1.6 Financial Lease Income		15.056.965	9.670.682	
1.7 Other Profit Share Income		703.767	76.853	
II. PROFIT SHARE EXPENSE	(2)	85.900.884	38.557.020	
2.1 Expense on Profit Sharing Accounts		72.771.839	34.928.340	
2.2 Profit Share Expense on Funds Borrowed		3.100.382	1.504.669	
2.3 Profit Share Expense on Money Market Borrowings		2.974.884	552.424	
2.4 Expense on Securities Issued		6.697.355	1.442.455	
2.5 Lease Profit Share Expense		332.396	108.626	
2.6 Other Profit Share Expenses		24.028	20.506	
III. NET PROFIT SHARE INCOME (I - II)		4.136.662	5.428.985	
IV. NET FEES AND COMMISSIONS INCOME/EXPENSE		2.923.878	2.931.888	
4.1 Fees and Commissions Received		4.437.845	3.701.617	
4.1.1 Non-cash Loans		844.437	503.059	
4.1.2 Other		3.593.408	3.198.558	
4.2 Fees and commissions paid		1.513.967	769.729	
4.2.1 Non-cash Loans		-	-	
4.2.2 Other		1.513.967	769.729	
V. DIVIDEND INCOME	(3)	1.428	714	
VI. NET TRADING INCOME	(4)	3.317.201	2.158.546	
6.1 Capital Market Transaction Gains / Losses		345.718	(16.693)	
6.2 Gains/ Losses From Derivative Financial Instruments		1.535.912	703.477	
6.3 Foreign Exchange Gains / Losses		1.435.571	1.471.762	
VII. OTHER OPERATING INCOME	(5)	4.993.908	2.113.854	
VIII. TOTAL OPERATING PROFIT (III+IV+V+VI+VII)		15.373.077	12.633.987	
IX. EXPECTED CREDIT LOSSES (-)	(6)	2.892.814	3.136.003	
X. OTHER PROVISIONS (-)	(6)	130.523	182.212	
XI. PERSONNEL EXPENSES (-)		4.257.726	2.086.880	
XII. OTHER OPERATING EXPENSES (-)	(7)	3.851.226	2.811.685	
XIII. NET OPERATING PROFIT/LOSS (VIII-IX-X-XI-XII)		4.240.788	4.417.207	
XIV. INCOME RESULTED FROM MERGERS		-	-	
XV. INCOME/LOSS FROM EQUITY METHOD APPLIED SUBSIDIARIES		-	-	
XVI. GAIN/LOSS ON NET MONETARY POSITION		-	-	
XVII. PROFIT/LOSS BEFORE TAX FROM CONTINUED OPERATIONS (XII+...+XV)	(8)	4.240.788	4.417.207	
XVIII. TAX PROVISION FOR CONTINUED OPERATIONS (±)	(9)	(787.966)	(412.710)	
18.1 Current Tax Provision		-	(724.534)	
18.2 Expense Effect of Deferred Tax (+)		(1.464.652)	(915.460)	
18.3 Income Effect of Deferred Tax (-)		676.686	1.227.284	
XIX. NETOPERATING PROFIT/LOSS AFTER TAXES(XVI±XVII)	(10)	3.452.822	4.004.497	
XX. INCOME FROM DISCONTINUED OPERATIONS		-	-	
20.1 Income from Assets Held for Sale		-	-	
20.2 Profit from Sales of Associates, Subsidiaries and Joint Ventures		-	-	
20.3 Income from Other Discontinued Operations		-	-	
XXI. EXPENSES FROM DISCONTINUED OPERATIONS (-)		-	-	
21.1 Expenses on Assets Held for Sale		-	-	
21.2 Loss from Sales of Associates, Subsidiaries and Joint Ventures		-	-	
21.3 Expenses from Other Discontinued Operations		-	-	
XXII. PROFIT/LOSS BEFORE TAXES ON DISCONTINUED OPERATIONS (XIX-XX)		-	-	
XXIII. PROVISION FOR TAXES OF DISCONTINUED OPERATIONS (±)		-	-	
23.1 Current Tax Charge		-	-	
23.2 Expense Effect of Deferred Tax (+)		-	-	
23.3 Income Effect of Deferred Tax (-)		-	-	
XXIV. NET PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XXI±XXII)		-	-	
XXV. NET PROFIT/LOSS (XVIII+XXIII)	(11)	3.452.822	4.004.497	
Earnings per share income/loss (Full TRY)		0,3336	0,6351	

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

ZİRAAT KATILIM BANKASI A.Ş.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 DECEMBER 2024

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

ZİRAAT KATILIM BANKASI A.Ş CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME			
		Current Period 1 January-31 December 2024	Prior Period 1 January-31 December 2023
I.	CURRENT PERIOD PROFIT/LOSS	3.452.822	4.004.497
II.	OTHER COMPREHENSIVE INCOME	(913.331)	(3.251.395)
2.1	Other Income/Expense Items not to be Reclassified to Profit or Loss	(6.918)	(35.462)
2.1.1	Tangible Assets Revaluation Increase/Decrease	-	-
2.1.2	Intangible Assets Revaluation Increase/Decrease	-	-
2.1.3	Defined Benefit Plans' Actuarial Gains/Losses	(9.971)	(43.611)
2.1.4	Other Income/Expense Items not to be Recycled to Profit or Loss	752	(1.915)
2.1.5	Tax Related Other Comprehensive Income Items Not Reclassified Through Profit or Loss	2.301	10.064
2.2	Other Income/Expense Items to be Recycled to Profit or Loss	(906.413)	(3.215.933)
2.2.1	Foreign Currency Translation Differences	-	-
2.2.2	Income/Expenses from Valuation and/or Reclassification of Financial Assets Measured at FVOCI	(1.294.875)	(4.594.190)
2.2.3	Gains/losses from Cash Flow Hedges	-	-
2.2.4	Gains/Losses on Hedges of Net Investments in Foreign Operations	-	-
2.2.5	Other Income/Expense Items to be Recycled to Profit or Loss	-	-
2.2.6	Tax Related Other Comprehensive Income Items Reclassified Through Profit or Loss	388.462	1.378.257
III.	TOTAL COMPREHENSIVE INCOME (I+II)	2.539.491	753.102

ZİRAAT KATILIM BANKASI A.Ş.

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE PERIOD ENDED 31 DECEMBER 2024

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

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY	Paid-in Capital	Share Premium	Share Cancellation Profits	Other Capital Reserves	Accumulated Other Comprehensive Income or Expense Not Reclassified through Profit or Loss						Prior Period Profit or (Loss)	Current Period Profit or Loss	Total Equity Excluding Minority Shares	Minority Shares
					1	2	3	4	5	6				
I. 31 December 2023	2.650.000	-	-	261.513	-	(94.566)	289	-	2.422.877	-	3.840.272	-	11.378.445	11.378.445
II. Adjustments in Accordance with T.A.S. 8	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1. Effects of Corrections	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2. Effects of Corrections on Accounting Policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Adjusted Beginning Balance (I+II)	2.650.000	-	-	261.513	-	(94.566)	289	-	2.422.877	-	3.840.272	-	11.378.445	11.378.445
IV. Total Comprehensive Income	-	-	-	-	-	(33.547)	(1.915)	-	(3.215.933)	-	-	4.004.497	753.102	753.102
V. Capital Increase by Cash	7.700.000	-	-	-	-	-	-	-	-	-	-	-	7.700.000	7.700.000
VI. Capital Increase by Internal Sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Capital Increase by Internal Sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Capital Increase by Internal Sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Subordinated Debt Instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Increase/Decrease by Other Changes (*)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. Profit Distribution	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.1 Dividends Paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2 Transfers to Reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.3 Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Period End Balance (III+IV,....,X+XI)	10.350.000	-	-	261.513	-	(127.913)	(1.626)	-	(793.056)	-	6.138.132	4.004.497	19.831.547	19.831.547
I. 31 December 2024	10.350.000	-	-	261.513	-	(127.913)	(1.626)	-	(793.056)	-	6.138.132	-	19.831.547	19.831.547
II. Adjustments in Accordance with T.A.S. 8	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1. Effect of Correction of Errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2. Effect of Changes in Accounting Policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Adjusted Beginning Balance (I+II)	10.350.000	-	-	261.513	-	(127.913)	(1.626)	-	(793.056)	-	6.138.132	-	19.831.547	19.831.547
IV. Total Comprehensive Income	-	-	-	-	-	(7.696)	752	-	(906.413)	-	-	3.452.822	2.539.491	2.539.491
V. Capital Increase by Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Capital Increase by Internal Sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Capital Increase by Internal Sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Capital Increase by Internal Sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Subordinated Debt Instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Increase/Decrease by other Changes	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. Profit Distribution	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.1 Dividends Paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2 Transfers to Reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.3 Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Period end Balance (III+IV,....,X+XI)	10.350.000	-	-	261.513	-	(135.583)	(874)	-	(1.699.469)	-	10.142.629	3.452.822	22.371.038	22.371.038

1. Increases and decreases in Tangible and Intangible Assets Revaluation Reserve,
2. Accumulated Gains / Losses on Remeasurements of Defined Benefit Plans,
3. Other Other Comprehensive Income of Associates and Joint Ventures Accounted for Using Equity Method that will not be Reclassified Through Profit or Loss),
4. Exchange Differences on Translation,
5. Accumulated gains (losses) due to revaluation and/or reclassification of financial assets at fair value through other comprehensive income,
6. 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.

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

ZİRAAT KATILIM BANKASI A.Ş.

CONSOLIDATED STATEMENT OF CASH FLOWS AS OF 31 DECEMBER 2024

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

ZİRAAT KATILIM BANKASI A.Ş. CONSOLIDATED STATEMENT OF CASH FLOWS			
	Note (VI)	Current Period 1 January -31 December 2024	Prior Period 1 January -31 December 2023
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1 Operating profit before changes in operating assets and liabilities)		(1.505.433)	6.061.687
1.1.1 Profit Share Income Received		78.386.723	37.366.067
1.1.2 Profit Share Expense Paid		(79.573.666)	(33.085.831)
1.1.3 Dividend Received		1.428	714
1.1.4 Fees and Commissions Received		4.594.637	4.101.817
1.1.5 Other Income		1.984.323	1.802.999
1.1.6 Collections from Previously Written-off Loans		1.647.291	652.283
1.1.7 Payments to Personnel and Service Suppliers		(4.257.726)	(2.086.880)
1.1.8 Taxes Paid		(724.573)	(4.539.129)
1.1.9 Others		(3.563.870)	1.849.647
1.2 Changes in Operating Assets and Liabilities		9.728.888	5.924.534
1.2.1 Net (Increase) / Decrease in Financial Assets at Fair Value Through Profit or Loss		(5.622.860)	(1.675.070)
1.2.2 Net (Increase) / Decrease in Due From Banks And Other Financial Institutions		(7.115.530)	(16.286.538)
1.2.3 Net (Increase) / Decrease in Loans		(49.645.609)	(77.399.439)
1.2.4 Net (Increase) / Decrease in Other Assets		(5.734.918)	(32.528.795)
1.2.5 Net Increase / (Decrease) in Bank Funds		(1.431.780)	(209.618)
1.2.6 Net Increase / (Decrease) in Other Funds		50.285.399	121.076.205
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		11.374.963	9.714.138
1.2.9 Net Increase / (Decrease) in Payables		-	-
1.2.10 Net Increase / (Decrease) in Other Liabilities		17.619.223	3.233.651
I. Net Cash Provided from Banking Operations		8.223.455	11.986.221
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net Cash Provided from Investing Activities		(6.760.116)	(17.909.410)
2.1 Cash Paid For Purchase Jointly Controlled Operations, Associates And Subsidiaries		(45.000)	(22.500)
2.2 Cash Obtained from Sale of Jointly Controlled Operations, Associates and Subsidiaries		-	-
2.3 Purchases of Tangible Assets		(1.947.168)	(1.765.053)
2.4 Disposals of Tangible Assets		18.963	5.005
2.5 Purchase of Financial Assets at Fair Value Through Other Comprehensive Income		(13.411.727)	(6.375.563)
2.6 Sale of Financial Assets at Fair Value Through Other Comprehensive Income		6.000.479	4.892.704
2.7 Purchase of Financial Assets Measured at Amortized Cost		(794.079)	(14.644.003)
2.8 Sale of Financial Assets Measured at Amortized Cost		3.418.416	-
2.9 Other		-	-
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net Cash Provided from Financing Activities		38.457.087	25.081.200
3.1 Cash Obtained from Funds Borrowed And Securities Issued		45.225.890	33.490.432
3.2 Cash Used For Repayment of Funds Borrowed And Securities Issued		(6.459.343)	(15.944.949)
3.3 Issued Equity Instruments		-	7.666.453
3.4 Dividends Paid		-	-
3.5 Payments for Finance Leases		(309.460)	(130.736)
3.6 Other		-	-
IV. Effect Of Change In Foreign Exchange Rate On Cash And Cash Equivalents	(1)	761.962	1.250.021
V. Net Increase/ (Decrease) In Cash And Cash Equivalents (I+II+III+IV)	(1)	40.682.388	20.408.032
VI. Cash And Cash Equivalents At The Beginning Of The Period	(1)	41.562.423	21.154.391
VII. Cash And Cash Equivalents At The End Of The Period	(1)	82.244.811	41.562.423

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

ZİRAAT KATILIM BANKASI A.Ş.

CONSOLIDATED STATEMENT OF PROFIT DISTRIBUTION AS OF 31 DECEMBER 2024

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

ZİRAAT KATILIM BANKASI A.Ş. CONSOLIDATED PROFIT DISTRIBUTION TABLE		
	Current Period ^(*) (31 December 2024)	Prior Period (31 December 2023)
I. DISTRIBUTION OF PERIOD PROFIT		
1.1 Period Profit	4.240.788	4.417.207
1.2 Taxes Payable and Legal Obligations (-)	787.966	412.710
1.2.1 Corporate Tax (Income Tax)	-	724.534
1.2.2 Income Tax Deduction	-	-
1.2.3 Other Taxes and Legal Obligations	787.966	(311.824)
A. NET PROFIT (1.1-1.2)	3.452.822	4.004.497
1.3 Previous Periods Loss (-)	-	-
1.4 First Order Legal Reserve (-)	-	-
1.5 Legal Funds Required to Leave and Save at the Bank (-)	-	-
B. DISTRIBUTABLE NET PROFIT [(A- (1.3 + 1.4 + 1.5)]	3.452.822	4.004.497
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	-	3.804.272
1.13 Other Reserves	-	-
1.14 Special Funds	-	-
II. DISTRIBUTION OF RESERVES		
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 (-)	-	-
III. EARNINGS PER SHARE		
3.1 Shareholders	0,3336	0,6351
3.2 Shareholders (%)	33,36	63,51
3.3 To Privileged Stock Owners	-	-
3.4 To Owners of Privileged Shares (%)	-	-
IV. DIVIDEND PER SHARE		
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 2024 Ordinary General Assembly meeting has not been held yet.

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

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

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

SECTION THREE

EXPLANATIONS ON ACCOUNTING POLICIES

I. EXPLANATIONS ON BASIS OF PRESENTATION

Ziraat Katılım Bankası A.Ş. (“Bank” or “Parent Bank”) and its subsidiaries subject to consolidation (Together referred to as the “Group”), 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 content of the publicly announced consolidated financial statements and their explanations and footnotes, with the “Communiqué on the Financial Statements to Be Announced to Public by Banks” and the Announcements and Disclosures Related to These Communiqués published in the Official Gazette No. 28337 dated 28 June 2012. It has been prepared in accordance with. The Bank maintains its accounting records in Turkish currency in accordance with the Banking Law, Turkish Commercial Code and Turkish tax legislation.

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

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

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

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

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

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

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

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

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

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

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

III. EXPLANATIONS ON CONSOLIDATED SUBSIDIARIES

Consolidation principles applied:

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

1. Consolidation principles for subsidiaries:

Subsidiaries (including special purpose entity) are all entities, in which the Parent Bank has power to control the financial and operating policies for the benefit of the Parent Bank, either (a) through the power to exercise more than 50% of the voting rights relating to shares in the companies owned directly and indirectly by itself; or (b) although not having the power to exercise more than 50% of the using rights, otherwise having the power to exercise control over the financial and operating policies.

Control is evident when the Parent Bank owns, either directly or indirectly, the majority of the share capital of the company or owns the privileged shares or owns the right of controlling the operations of the company in accordance with the agreements made with other shareholders or owns the right of appointment or the designation of the majority of the board of directors of the company.

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

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

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

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

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

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

III. EXPLANATIONS ON CONSOLIDATED SUBSIDIARIES (Continued)

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

31 December 2024				
Title	Address (City / Country)	Main Activities	Group’s Share Percentage (%)	Direct and Indirect Partnership Rates (%)
Ziraat Katılım Varlık Kiralama A.Ş.	Istanbul/Türkiye	Issuance of Lease Certificate	100	100
ZKB Varlık Kiralama A.Ş.	Istanbul/Türkiye	Issuance of Lease Certificate	100	100

Ziraat Katılım Varlık Kiralama A.Ş was established and registered to the trade registry in 22 January 2016 with the permission taken from “Banking Regulation and Supervision Agency” and “Capital Markets Board of Türkiye”. Ziraat Katılım Varlık Kiralama A.Ş has been founded to operate lease certificate according to rulings of Capital Markets Board of Türkiye which was dated 7 June 2013 and numbered 28760 serial: 3 no: 61.1 published in Official Gazette. ZKB Varlık Kiralama Anonim Şirketi was established on 19 July 2017 with TRY 50 capital amount paid by the Main Shareholder Bank. It began to operate after the registration on 8 September 2017.

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

2. Consolidation principles of associates and joint ventures:

As of 31 December 2024, the subsidiary of the Parent Bank is Katılım Finans Kefalet A.Ş.

IV. EXPLANATIONS ON FORWARD AND OPTION CONTRACTS AND DERIVATIVE INSTRUMENTS

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

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

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

V. EXPLANATIONS ON PROFIT SHARE INCOME AND EXPENSE

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

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

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

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

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

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

VI. EXPLANATIONS ON FEES AND COMMISSION INCOME AND EXPENSES

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

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

VII. EXPLANATIONS ON FINANCIAL ASSETS

Financial assets are recognized or derecognized according to TFRS 9 Financial Instruments Part Three Recognition and Derecognition. Financial assets are measured at fair value at initial recognition in the financial statements. During the initial recognition of financial assets other than “Financial Assets at Fair Value Through Profit or Loss”, transaction costs are added to fair value or deducted from fair value. They are included in the balance sheet of Bank if the Bank is a legal party to these instruments.

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

Classification and Measurement under TFRS 9

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

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

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

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

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

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

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

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

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

VII. EXPLANATIONS ON FINANCIAL ASSETS (Continued)

b. Financial assets at fair value through other comprehensive income

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

Financial assets at fair value through other comprehensive income are recognized by adding transaction cost to acquisition cost reflecting the fair value of the financial asset. After the recognition, financial assets at fair value through other comprehensive income are remeasured at fair value. Profit share income calculated with internal rate of return method arising from financial assets at fair value through other comprehensive income and dividend income from equity securities are recorded to income statement. “Unrealized gains and losses” arising from the difference between the amortized cost and the fair value of financial assets at fair value through other comprehensive income are not reflected in the income statement of the period until the acquisition of the asset, sale of the asset, the disposal of the asset, and impairment of the asset and they are accounted under the “Accumulated other comprehensive income or expense to be reclassified through profit or loss” under shareholders’ equity.

Equity investments

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

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

c. Financial assets measured at amortized cost:

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

Financial assets measured at amortized cost are initially recognized at acquisition cost including the transaction costs which reflect the fair value of those instruments and subsequently recognized at amortized cost by using internal rate of return method. Profit share income obtained from financial assets measured at amortized cost is accounted in P&L.

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

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

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

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

VII. EXPLANATIONS ON FINANCIAL ASSETS (Continued)

Loans

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

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

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

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

VIII. EXPLANATIONS ON IMPAIRMENT OF FINANCIAL ASSETS

Explanations on Expected Loss Provisions

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

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

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

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

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

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

VIII. EXPLANATIONS ON IMPAIRMENT OF FINANCIAL ASSETS (Continued)

Impairment

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

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

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

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

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

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

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

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

Significant increase in credit risk (Stage 2)

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

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

Default (Stage 3)

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

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

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

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

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

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

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

VIII. EXPLANATIONS ON IMPAIRMENT OF FINANCIAL ASSETS (Continued)

Impairment (Continued)

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

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

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

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

Probability of Default

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

Default Amount

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

Loss Given Default

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

Future Expectations

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

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

The Methodology of Behavioral Maturity Calculation

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

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

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

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

VIII. EXPLANATIONS ON IMPAIRMENT OF FINANCIAL ASSETS (Continued)

Write-off Policy

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

IX. EXPLANATIONS ON OFFSETTING OF FINANCIAL ASSETS AND LIABILITIES

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

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

As of the balance sheet date, there are no securities lending transactions. Central Bank of the Republic of Türkiye (“CBRT”) made some changes on orders for open market transactions (“OMT”) and prepared an additional frame contract for participation banks in order to present rent certificates to open market operations of CBRT in accordance with the principles of participation banks. According to this agreement, a new type of transaction was formed which enables participation banks to resell or repurchase rent certificates on their portfolio to CBRT when they are in need of funding or in attempt to evaluate the excess liquidity. The Bank performs purchase tenders which are held by CBRT of which maturities are weekly; in return for rent certificates that are reported as assets in balance sheet in order to raise funds. As of 31 December 2024, there are no securities lending transactions (31 December 2023: None).Securities sold under agreements for repurchase agreements (“Repos”) are classified as “Fair Value Through Profit or Loss”, “Fair Value Through Other Comprehensive Income” and “Financial Asset Measured at Amortized Cost” in the portfolio of the bank, according to the purposes of the Bank, and they are subject to valuation according to the portfolio which are belong. Funds obtained in return for the commitment contract are recognized in the "Money Market Borrowings" account and participation share rediscounts for the period are calculated according to the internal rate of return method.

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

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

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

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

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

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

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

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

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

As of 31 December 2024, the Bank's non-current assets held for sale are TRY 1.651.596 (31 December 2023: TRY 427.299).

XII. EXPLANATIONS ON GOODWILL AND OTHER INTANGIBLE ASSETS

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

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

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

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

XIII. EXPLANATIONS ON TANGIBLE ASSETS

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

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

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

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

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XIII. EXPLANATIONS ON TANGIBLE ASSETS (Continued)

Applied depreciation rates are as follows;
Vehicles and Fixtures: 2% - 25%
Operational Lease Improvement Costs (Leasehold Improvements): Leasing Period - 5 years

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

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

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

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

XIV. EXPLANATIONS ON LEASING TRANSACTIONS

Operational Leasing Transactions

Transactions as a lessee

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

Right of use;

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

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

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.

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

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

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XIV. EXPLANATIONS ON LEASING TRANSACTIONS (Continued)

Lease Liabilities:

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

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

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

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

XV. EXPLANATIONS ON PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

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

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

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

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.

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

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

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XVI. EXPLANATIONS ON OBLIGATIONS RELATED TO EMPLOYEE RIGHTS

a. Employment termination and vacation benefits

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

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

The Group benefits from independent actuaries on determination of obligation and makes assumptions on discount rate, employee turnover rate, and future raise in salaries. As of 31 December 2024, the Bank’s employee termination benefit is TRY 286.680 (31 December 2023: TRY 202.704).

Communiqué on “Turkish Accounting Standard (“TAS 19”) about Benefits for Employee (No:9)” published in Official Gazette by Public Oversight Accounting and Auditing Standards Authority (“POA”) on 12 March 2013 numbered 28585, was entered into force for the account periods starting after 31 December 2012 on accounting treatment of actuarial profit and loss resulting from changes in actuarial assumptions or differences between actual and actuarial assumptions. Actuarial loss amounting to TRY 135.583 was classified under shareholders’ equity in the financials (31 December 2023: TRY 127.913 loss).

Unused vacation liability is calculated based on number of unused vacation days which is calculated by subtracting used vacation days of all personnel from legally deserved vacation days. As of 31 December 2024 unused vacation liability of the Bank is TRY 94.500 (31 December 2023: TRY 44.385).

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

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

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

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

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

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

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

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

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

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

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 reassurance companies, boards of trade, chambers of industry and stock markets or the participants of funds established for their constitute union personnel and the ones that were endowed salary or income and their beneficiaries within the scope of transient 20th article of Law No.506. As from the transfer date, the participants are considered as insured within the scope of clause (a), first paragraph and 4th article of this Law.

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

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

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

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

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

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 2024 which is prepared in accordance with the new law and the rate determined as 9,80%, concluded no technical deficit arises in the above-mentioned fund. Since the Bank has no legal right to hold the present value of any economic benefits available in the form of refunds from Pension Fund or reductions in future contributions to Pension Fund, no asset is recognized in the Bank’s financial statements.

XVII. EXPLANATIONS ON TAXATION

a. Current tax

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

However;

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

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

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

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

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

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

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

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XVII. EXPLANATIONS ON TAXATION (Continued)

a. Current tax (Continued)

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

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

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

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

Moreover, according to 5.1.f. article of Corporation Tax Law; corporations which have been fallen to legal proceedings because of owe to the bank or Savings Deposit Insurance Funds, and their warranters’ real estates, participation stocks, founding bonds, redeemed shares, options to call of mortgagors’ revenues that used for against debts or transferring to SDIF, 50% of the profits arising from the sale of the said assets obtained by the banks in this way, and 75% of the profits arising from the sale of others are exempted from corporation tax. However, based on the authority granted by Article 5/2 of the KVK, amended by Law No. 7491, it was determined as 50% by the Presidential Decree No. 9160, published in the Official Gazette No. 32735, dated 27.11.2024.

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

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

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

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XVII. EXPLANATIONS ON TAXATION (Continued)

a. Current tax (Continued)

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

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

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

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

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

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

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XVII. EXPLANATIONS ON TAXATION (Continued)

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 consolidated financial statements.

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

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

According to the provisional Article 33 of the Tax Procedure Law, the tax effects arising from the inflation adjustment of corporate tax are included in the calculation of deferred tax as of 31 December 2024, in the financial statements dated 31 December 2024.

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

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

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XVIII. EXPLANATIONS ON ADDITIONAL DISCLOSURES ON BORROWINGS

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

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

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

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

XIX. EXPLANATIONS ON SHARE CERTIFICATES ISSUED

There are no issued shares by the Parent Bank as of balance sheet date (31 December 2023: None).

XX. EXPLANATIONS ON ACCEPTANCES

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

XXI. EXPLANATIONS ON GOVERNMENT INCENTIVES

There are no government incentives utilized by the Group as of the balance sheet date (31 December 2023: None).

XXII. EXPLANATION ON CASH AND CASH EQUIVALENTS

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

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

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

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

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XXIII. EXPLANATION ON SEGMENT REPORTING

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

XXIV. EXPLANATIONS ON OTHER MATTERS

None.

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

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

SECTION FOUR

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

I. EXPLANATIONS ON THE CONSOLIDATED SHAREHOLDERS' EQUITY

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

- In accordance with the Decision of the Banking Regulation and Supervision Agency dated 12 December 2023 and numbered 10747, the Central Bank's foreign exchange buying rate of 26 June 2023 was used while calculating the valued amounts in foreign currency in calculating the amount subject to credit risk.
- As of 1 January 2024, in case the net valuation differences of the securities held by banks in the portfolio of “Securities at Fair Value Reflected in Other Comprehensive Income” within the framework of the regulation dated 12 December 2023, and numbered 10747 are negative, these differences are allowed not to be taken into account in the equity amount.

The current period equity amount calculated as of 31 December 2024, taking into account the latest regulations, is TRY 42.843.530 (31 December 2023: TRY 24.251.951), and the capital adequacy standard ratio is 20,41% (31 December 2023: 15,12%). The Bank's capital adequacy standard ratio is above the minimum ratio determined by the relevant legislation.

Information Related To The Components of Shareholders’ Equity:

	Current Period 31 December 2024	Prior Period 31 December 2023
COMMON EQUITY TIER 1 CAPITAL		
Paid-in capital following all debts in terms of claim in liquidation of the Bank	10.350.000	10.350.000
Share issue premiums	-	-
Reserves	10.142.629	6.138.132
Gains recognized in equity as per TAS	412.468	597.284
Profit	3.452.822	4.004.497
Current Period Profit	3.452.822	4.004.497
Prior Period Profit	-	-
Shares acquired free of charge from subsidiaries, affiliates and jointly controlled partnerships and cannot be recognized within profit for the period	-	-
Common Equity Tier 1 Capital Before Deductions	24.357.919	21.089.913
Deductions from Common Equity Tier 1 Capital		
Common Equity as per the 1st clause of Provisional Article 9 of the Regulation on the Equity of Banks	-	-
Portion of the current and prior periods’ losses which cannot be covered through reserves and losses reflected in equity in accordance with TAS	-	1.839.277
Improvement costs for operating leasing	1.367.288	922.211
Goodwill (net of related tax liability)	-	-
Other intangibles other than mortgage-servicing rights (net of related tax liability)	1.362.609	692.634
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 CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

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

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

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

	Current Period 31 December 2024	Prior Period 31 December 2023
Excess amount arising from the net long positions of investments in common equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital	-	-
Excess amount arising from mortgage servicing rights	-	-
Excess amount arising from deferred tax assets based on temporary differences	-	-
Other items to be defined by the BRSA	-	-
Deductions to be made from common equity due to insufficient Additional Tier I Capital or Tier II Capital	-	-
Total Deductions From Common Equity Tier 1 Capital	2.729.897	3.454.122
Total Common Equity Tier 1 Capital	21.628.022	17.635.791
ADDITIONAL TIER 1 CAPITAL		
Preferred Stock not Included in Common Equity and the Related Share Premiums	-	-
Debt instruments and premiums approved by BRSA	5.267.788	3.681.925
Debt instruments and premiums approved by BRSA(Temporary Article 4)	-	-
Additional Tier I Capital before Deductions	-	-
Deductions from Additional Tier I Capital	-	-
Direct and indirect investments of the Bank in its own Additional Tier I Capital	-	-
Investments of Bank to Banks that invest in Bank’s additional equity and components of equity issued by financial institutions with compatible with Article 7.	-	-
Total of Net Long Positions of the Investments in Equity Items of Consolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital	-	-
Exceeding the 10% Threshold of above Tier I Capital	-	-
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital of Consolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital	-	-
Other items to be defined by the BRSA	-	-
Transition from the Core Capital to Continue to deduce Components	-	-
Goodwill and other intangible assets and related deferred tax liabilities which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks’ Own Funds (-)	-	-
Net deferred tax asset/liability which is not deducted from Common Equity Tier 1 capital for the purposes of the sub-paragraph of the Provisional Article 2 of the Regulation on Banks’ Own Funds (-)	-	-
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-	-
Total Deductions From Additional Tier I Capital	-	-
Total Additional Tier I Capital	5.267.788	3.681.925
Total Tier I Capital (Tier I Capital=Common Equity+Additional Tier I Capital)	26.895.810	21.317.716
TIER II CAPITAL		
Debt instruments and share issue premiums deemed suitable by the BRSA	15.176.901	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)	787.295	1.656.901
Tier II Capital Before Deductions	15.964.196	2.956.901
Deductions From Tier II Capital	-	-
Direct and indirect investments of the Bank on its own Tier II Capital (-)	-	-
Investments of Bank to Banks that invest on Bank’s Tier 2 and components of equity issued by financial institutions with the conditions declared in Article 8.	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-	-
Portion of the total of net long positions of investments made in Additional Tier I Capital item of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-	-
Other items to be defined by the BRSA (-)	-	-
Total Deductions from Tier II Capital	-	-
Total Tier II Capital	15.964.196	2.956.901
Total Capital (The sum of Tier I Capital and Tier II Capital)	42.860.006	24.274.617

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

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

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

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

	Current Period 31 December 2024	Prior Period 31 December 2023
Total of Original Capital and Supplementary Capital (Total Capital)	42.860.006	24.274.617
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	16.476	22.666
In transition from Total Core Capital and Supplementary Capital (the capital) to Continue to Download Components		
The Sum of net long positions of investments (the portion which exceeds the 10% of Banks Common Equity) in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks’ Own Funds	-	-
The Sum of net long positions of investments in the Additional Tier 1 capital and Tier 2 capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks’ Own Funds	-	-
The Sum of net long positions of investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity, mortgage servicing rights, deferred tax assets arising from temporary differences which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks’ Own Funds	-	-
TOTAL CAPITAL		
Total Capital (The sum of Tier I Capital and Tier II Capital)	42.843.530	24.251.951
Total risk weighted amounts	209.885.672	160.450.268
Capital Adequacy Ratios		
Core Capital Adequacy Ratio (%)	10,31	10,99
Tier I Capital Adequacy Ratio (%)	12,82	13,29
Capital Adequacy Ratio (%)	20,41	15,12
BUFFERS		
Total additional Common Equity Tier 1 Capital requirement ratio (a+b+c)	2,50	2,50
a) Capital conservation buffer requirement (%)	2,50	2,50
b)Bank specific counter-cyclical buffer requirement (%)	0,00	0,00
c)Systemic significant bank buffer ratio (%)	0,00	0,00
The ratio of Additional Common Equity Tier 1 capital which will be calculated by the first paragraph of the Article 4 of Regulation on Capital Conservation and Countercyclical Capital buffers to Risk Weighted Assets (%)	5,80	6,49
Amounts below the Excess Limits as per the Deduction Principles		
Portion of the total of net long positions of investments in equity items of Consolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	-	-
Portion of the total of investments in equity items of consolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	-	-
Amount arising from mortgage-servicing rights	-	-
Amount arising from deferred tax assets based on temporary differences	-	-
Limits related to provisions considered in Tier II calculation		
General provisions for standard based receivables (before tenthousandtwentyfive limitation)	787.295	1.656.901
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	787.295	1.656.901
Excess amount of total provision amount to credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	-
Excess amount of total provision amount to 0,6% of risk weighted receivables of credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	-
Debt instruments subjected to Article 4 (to be implemented between 1 January 2018 and 1 January 2022)		
Upper limit for Additional Tier I Capital subjected to temporary Article 4	-	-
Amounts Excess the Limits of Additional Tier I Capital subjected to temporary Article 4	-	-
Upper limit for Additional Tier II Capital subjected to temporary Article 4	-	-
Amounts Excess the Limits of Additional Tier II Capital subjected to temporary Article 4	-	-

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

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

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

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

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

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

(*) Profit share for participation banks.

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

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

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

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

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

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

(*) Profit share for participation banks.

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

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

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

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

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

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

(*) Profit share for participation banks.

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

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

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

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

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

Issuer	TWF Market Stability and Equilibrium Sub-Fund
Unique identifier (CUSIP, ISIN etc.)	-
Governing Law(s) of the instrument	Implementing Regulation on Equities of Banks in the Official Gazette dated 5 September 2013
Regulatory treatment	
From 1/1/2015, 10% reduction by being subject to the application	No
Eligible at unconsolidated / consolidated	Unconsolidated/Consolidated
Instrument type (types to be specified by each jurisdiction)	Additional capital
Amount recognized in regulatory capital (As of the latest reporting date -Million TRY)	1.268
Par value of instrument (Million TRY)	2.062
Accounting classification	Liabilities/Subordinated Loan
Original date of issuance	9 March 2022
Perpetual or dated	Undated
Original maturity date	9 March 2022
Issuer call subject to prior supervisory approval	Yes
Optional call date, contingent call dates and redemption amount (**)	Option date 5 years, (Subject to BRSA permission).
Subsequent call dates, if applicable	-
Coupons/dividends (*)	
Fixed or floating dividend/coupon	None
Coupon rate and any related index	None
Existence of a dividend stopper	-
Fully discretionary, partially discretionary or mandatory	-
Existence of step up or other incentive to redeem	None
Noncumulative or cumulative	-
Convertible or non-convertible	
If convertible, conversion trigger (s)	-
If convertible, fully or partially	-
If convertible, conversion rate	-
If convertible, mandatory or optional conversion	-
If convertible, specify instrument type convertible into	-
If convertible, specify issuer of instrument it converts into	-
Write-down feature	
If write-down, write-down trigger(s)	In case the Core Capital adequacy ratio or consolidated Core Capital adequacy ratio falls below 5,125 percent
If write-down, full or partial	Yes
If write-down, permanent or temporary	Temporary
If temporary write-down, description of write-up mechanism	It is possible to increase the value after temporary reduction.
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	i. After payments within the scope of priority liabilities, ii. Equal among themselves and with all other equal-level Liabilities without order of preference, and iii. Before all payments within the scope of low-level liabilities.
In compliance with article number 7 and 8 of “Own fund regulation”	In Compliance with Article number 7
Details of incompliances with article number 7 and 8 of “Own fund regulation”	In Compliance with Article number 7

(*) Profit share for participation banks.
(**) The repayment option was not exercised.

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

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

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

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

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

Issuer	T.C. Ziraat Bankası A.Ş.
Unique identifier (CUSIP, ISIN etc.)	-
Governing Law(s) of the instrument	Implementing Regulation on Equities of Banks in the Official Gazette dated 5 September 2013
Regulatory treatment	
From 1/1/2015, 10% reduction by being subject to the application	No
Eligible at unconsolidated / consolidated	Unconsolidated/Consolidated
Instrument type (types to be specified by each jurisdiction)	Additional capital
Amount recognized in regulatory capital (As of the latest reporting date -Million TRY)	3.484
Par value of instrument (Million TRY)	3.484
Accounting classification	Liabilities/Subordinated Loan
Original date of issuance	5 April 2024
Perpetual or dated	Undated
Original maturity date	5 April 2024
Issuer call subject to prior supervisory approval	Yes
Optional call date, contingent call dates and redemption amount	Option date 10 years, (Subject to BRSA permission.)
Subsequent call dates, if applicable	-
Coupons/dividends (*)	
Fixed or floating dividend/coupon	None
Coupon rate and any related index	None
Existence of a dividend stopper	-
Fully discretionary, partially discretionary or mandatory	-
Existence of step up or other incentive to redeem	None
Noncumulative or cumulative	-
Convertible or non-convertible	
If convertible, conversion trigger (s)	-
If convertible, fully or partially	-
If convertible, conversion rate	-
If convertible, mandatory or optional conversion	-
If convertible, specify instrument type convertible into	-
If convertible, specify issuer of instrument it converts into	-
Write-down feature	
If write-down, write-down trigger(s)	In case the Core Capital adequacy ratio or consolidated Core Capital adequacy ratio falls below 5,125 percent
If write-down, full or partial	Yes
If write-down, permanent or temporary	Temporary
If temporary write-down, description of write-up mechanism	It is possible to increase the value after temporary reduction.
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	It gives the owner the right to be credited before the borrowing instruments to be included in the additional capital calculation, after the depositors and all other creditors.
In compliance with article number 7 and 8 of “Own fund regulation”	In Compliance with Article number 8
Details of incompliances with article number 7 and 8 of “Own fund regulation”	-

(*) Profit share for participation banks.

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

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

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

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

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

Issuer	Ziraat Katılım MTN
Unique identifier (CUSIP, ISIN etc.)	XS2954917873
Governing Law(s) of the instrument	Implementing Regulation on Equities of Banks in the Official Gazette dated 5 September 2013
Regulatory treatment	
From 1/1/2015, 10% reduction by being subject to the application	No
Eligible at unconsolidated / consolidated	Unconsolidated/Consolidated
Instrument type (types to be specified by each jurisdiction)	Issuance of Foreign Sukuk with Contributory Capital Qualities and Capital-Like Characteristics
Amount recognized in regulatory capital (As of the latest reporting date -Million TRY)	10.453
Par value of instrument (Million TRY)	10.453
Accounting classification	Liabilities/Subordinated Loan
Original date of issuance	17 December 2024
Perpetual or dated	Dated
Original maturity date	10 (ten) years
Issuer call subject to prior supervisory approval	Yes
Optional call date, contingent call dates and redemption amount	Option date 5 years, (no conditional refund)
Subsequent call dates, if applicable	-
Coupons/dividends (*)	
Fixed or floating dividend/coupon	Fixed
Coupon rate and any related index	8.25%
Existence of a dividend stopper	-
Fully discretionary, partially discretionary or mandatory	-
Existence of step up or other incentive to redeem	-
Noncumulative or cumulative	-
Convertible or non-convertible	
If convertible, conversion trigger (s)	-
If convertible, fully or partially	-
If convertible, conversion rate	-
If convertible, mandatory or optional conversion	-
If convertible, specify instrument type convertible into	-
If convertible, specify issuer of instrument it converts into	-
Write-down feature	
If write-down, write-down trigger(s)	-
If write-down, full or partial	-
If write-down, permanent or temporary	-
If temporary write-down, description of write-up mechanism	-
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	It grants the holder the right to receive the receivable before the debt instruments to be included in the calculation of additional Tier II capital, and after depositors and all other creditors.
In compliance with article number 7 and 8 of “Own fund regulation”	In Compliance with Article number 8
Details of incompliances with article number 7 and 8 of “Own fund regulation”	-

(*) Profit share for participation banks.

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

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

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

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

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

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

(*) Profit share for participation banks.

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

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

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

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

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

	Current Period 31 December 2024	Prior Period 31 December 2023
Equity value of balance sheet	22.371.038	19.831.547
Cost of development of operating lease	(1.367.288)	(922.211)
Goodwill and other intangible assets and related deferred tax liability	(1.362.609)	(692.634)
Debt instruments and premiums approved by BRSA	15.176.901	1.300.000
Tier II Capital (Provisions)	787.295	1.656.901
Debt instruments and premiums approved by BRSA - subordinated loans	5.267.788	3.681.925
Other values deducted from equity	(16.476)	(22.666)
Other	1.986.881	(580.911)
Amount taken into consideration in the calculation of legal equity	42.843.530	24.251.951

II. EXPLANATIONS ON CREDIT RISK

1. Information 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.

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

(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)

1. Information on Credit Risk (Continued)

The Parent 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 Parent 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”.

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 36,23% and 47,31% respectively (31 December 2023: 39,17% and 50,05%).

The percentage of top 100 and top 200 non-cash loans in the total non-cash loan portfolio is 39,70% and 50,96% respectively (31 December 2023: 46,46% and 56,75%).

The percentage of top 100 and top 200 cash and non-cash loans in the total cash and non-cash loan portfolio is 31,50% and 41,17% respectively (31 December 2023: 35,43% and 45,75%).

TFRS 9 expected loss provisions for the loans for the Stage 1 and Stage 2 are amounted TRY 2.173.287 (31 December 2023: TRY 2.156.649)

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

(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)

2. The Profile of Important Risks of Important Regions

Current Period 31.12.2024	Conditional and unconditional receivables from central governments or central banks	Conditional and unconditional receivables from regional governments	Conditional and unconditional receivables from local commercial enterprises	Conditional and unconditional receivables from banks and multilateral development organisations	Conditional and unconditional receivables from banks and brokerage houses	Conditional and unconditional receivables secured by retail mortgages	Conditional and unconditional receivables secured by mortgages	Past due receivables	Receivables defined in high risk category by BRSB by mortgages	Securities collateralised by BRSB by mortgages	Securitisation positions	Short-term receivables from banks, brokerage houses and corporates	Investments similar to collective investment funds	Stock Investment	Other receivables	Total
Domestic	132.725.749	31.310	6.032.737	12.082.432	152.426.784	27.599.507	32.224.003	880.122	980.014	-	-	-	36.380	-	7.768.926	372.335.964
European Union Countries	-	-	-	-	140.630	33.804	12.814	-	-	-	-	-	-	-	-	1.464.317
OECD Countries (*)	-	-	-	-	1.901	1.134	-	-	-	-	-	-	-	-	-	5.554.158
Off-shore Banking Regions	-	-	-	-	5.351.123	-	-	-	-	-	-	-	-	-	-	-
USA, Canada	-	-	-	-	838.702	16.606	1.200	-	-	-	-	-	-	-	-	856.508
Other Countries	-	-	-	-	1.865.036	4.937	1.501	-	-	-	-	-	-	-	-	1.871.474
Subsidiaries, Associates and Joint Ventures	-	-	-	-	154.792	27.256	5.232	7	1.030.900	-	-	-	-	-	-	1.339.829
Unallocated Assets/Liabilities (**)	-	-	-	-	-	-	-	-	-	-	-	-	-	120.413	-	120.413
Total	132.725.749	31.310	6.032.737	-	20.728.452	153.559.659	32.244.750	880.129	2.010.914	-	-	-	36.380	120.413	7.768.926	383.742.663

Prior Period 31.12.2023	Conditional and unconditional receivables from central governments or central banks	Conditional and unconditional receivables from regional governments	Conditional and unconditional receivables from local commercial enterprises	Conditional and unconditional receivables from banks and multilateral development organisations	Conditional and unconditional receivables from banks and brokerage houses	Conditional and unconditional receivables secured by retail mortgages	Conditional and unconditional receivables secured by mortgages	Past due receivables	Receivables defined in high risk category by BRSB by mortgages	Securities collateralised by BRSB by mortgages	Securitisation positions	Short-term receivables from banks, brokerage houses and corporates	Investments similar to collective investment funds	Stock Investment	Other receivables	Total
Domestic	78.969.632	2.731.331	2.731.331	6.152.897	120.640.779	25.069.109	16.790.198	191.059	6.681.193	-	-	-	-	-	4.023.998	261.250.196
European Union Countries	-	-	-	-	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	-	-	-	-	-	-	-	-	-	-	349.864
Other Countries	-	-	-	-	412.217	3.828	36.662	-	377.291	-	-	-	-	-	-	1.626.441
Subsidiaries, Associates and Joint Ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unallocated Assets/Liabilities (**)	-	-	-	-	-	-	-	-	-	-	-	-	-	22.500	-	22.500
Total	78.969.632	2.731.331	2.731.331	-	13.018.796	121.599.391	16.837.764	191.060	7.058.581	-	-	-	-	-	4.046.998	269.551.540

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 CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

(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)

3. Risk Profile by Sectors or Counterparties

Risk Classes																		
	Conditional and unconditional receivables from central governments	Conditional and unconditional receivables from administrative bodies and non-financial enterprises	Conditional and unconditional receivables from banks	Conditional and unconditional receivables from non-financial organisations	Conditional and unconditional receivables from banks and brokerages	Conditional and unconditional receivables secured by mortgages	Past due receivables	Receivables defined in high risk category by BRSB	Securities collateralised by mortgages	Securitisation positions	Short-term receivables from banks, brokerages and corporates	Investments similar to collective investment funds	Equity Investments	Other receivables	TRV	FC	Total	
Current Period 31.12.2024	132,725,749	31,310	6,032,737	12,082,432	152,426,784	27,599,507	32,224,003	880,122	980,014	-	-	-	-	-	4,023,998	261,250,196	-	261,250,196
Domestic	78,969,632	2,731,331	2,731,331	6,152,897	120,640,779	25,069,109	16,790,198	191,059	6,681,193	-	-	-	-	-	4,023,998	261,250,196	-	261,250,196
European Union Countries	-	-	-	-	162,169	25,604	10,545	1	97	-	-	-	-	-	-	6,255,772	-	6,255,772
OECD Countries (*)	-	-	-	-	46,407	1	359	-	-	-	-	-	-	-	-	46,767	-	46,767
Off-shore Banking Regions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
USA, Canada	-	-	-	-	349,829	-	-	-	-	-	-	-	-	-	-	349,864	-	349,864
Other Countries	-	-	-	-	412,217	3,828	36,662	-	377,291	-	-	-	-	-	-	1,626,441	-	1,626,441
Subsidiaries, Associates and Joint Ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unallocated Assets/Liabilities (**) (1)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	22,500	-	22,500
Total	132,725,749	31,310	6,032,737	12,082,432	152,426,784	27,599,507	32,224,003	880,122	980,014	-	-	-	-	-	4,023,998	261,250,196	-	261,250,196

Domestic	78,969,632	2,731,331	2,731,331	6,152,897	120,640,779	25,069,109	16,790,198	191,059	6,681,193	-	-	-	-	-	4,023,998	261,250,196	-	261,250,196
European Union Countries	-	-	-	-	162,169	25,604	10,545	1	97	-	-	-	-	-	-	6,255,772	-	6,255,772
OECD Countries (*)	-	-	-	-	46,407	1	359	-	-	-	-	-	-	-	-	46,767	-	46,767
Off-shore Banking Regions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
USA, Canada	-	-	-	-	349,829	-	-	-	-	-	-	-	-	-	-	349,864	-	349,864
Other Countries	-	-	-	-	412,217	3,828	36,662	-	377,291	-	-	-	-	-	-	1,626,441	-	1,626,441
Subsidiaries, Associates and Joint Ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unallocated Assets/Liabilities (**) (2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	22,500	-	22,500
Total	78,969,632	2,731,331	2,731,331	6,152,897	120,640,779	25,069,109	16,790,198	191,060	7,058,581	-	-	-	-	-	4,046,998	269,551,540	-	269,551,540

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

(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)

3. Risk Profile by Sectors or Counterparties (Continued)

Prior Period 31.12.2023 Sectors/Counter Parties	Risk Classes																Total
	Conditional and unconditional receivables from governments or central banks	Conditional and unconditional receivables from regional governments	Conditional and unconditional administrative commercial enterprises	Conditional and unconditional receivables from development banks	Conditional and unconditional receivables from international organisations	Conditional and unconditional receivables from brokerage houses	Conditional and unconditional receivables from corporate receivables	Conditional and unconditional receivables from retail receivables	Securities collateralised by mortgages	Securitisation positions	Short-term receivables from banks, brokerage houses and corporates	Investments similar to investment funds	Equity Investments	Other receivables	TRY	FC	
Agriculture	-	-	-	-	-	1,544.430	808.482	6,514.592	281	41,674	-	-	-	-	2,767.385	282.074	3,029.459
Farming and Stockbreeding	-	-	-	-	-	1,492.859	678.478	6,204.465	280	28,327	-	-	-	-	2,562.722	257.687	2,820.409
Forestry	-	-	-	-	-	46.508	1,107.794	9.448	1	162.741	-	-	-	-	162.741	4.010	166.751
Fishing	-	-	-	-	-	5.063	19,210	4,679	1	13,347	-	-	-	-	41,922	377	42,299
Manufacturing	-	-	-	-	-	61,444.806	7,755.180	3,668.637	88,302	1,972,678	-	-	-	-	40,714,754	35,108,427	75,823,181
Mining and Quarrying	-	-	-	-	-	2,842.771	161,862	1,624,493	35	79,417	-	-	-	-	1,996,417	12,510,311	3,246,624
Food Processing	-	-	-	-	-	54,158.456	7,446,007	3,653,577	78,497	1,692,134	-	-	-	-	36,557,562	31,249,867	67,807,229
Electric, Gas and Water	-	-	-	-	-	4,483.599	147,311	52,867	9,720	156,127	-	-	-	-	2,160,975	2,608,349	4,769,324
Construction	-	-	-	-	-	18,694.807	3,771,292	3,893,511	35,102	1,687,262	-	-	-	-	20,224,547	7,857,438	27,281,985
Services	-	-	-	-	-	39,013.228	9,849,740	3,941,789	65,523	2,888,869	-	-	-	-	100,119,776	50,197,165	150,316,941
Wholesale and Retail Trade	-	-	-	-	-	26,432.292	7,460,335	2,547,480	51,354	1,856,208	-	-	-	-	31,248,938	6,979,478	38,248,416
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	-	-	-	-	-	1,808.308	651,787	302,808	9,615	54,278	-	-	-	-	2,101,320	2,197,644	4,298,964
Financial Institutions	-	-	-	-	-	1,193.321	21,467	179	-	377,291	-	-	-	-	55,159,014	39,201,869	94,360,883
Retail Finance and Leasing Services	-	-	-	-	-	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	-	-	-	-	-	319.227	51,449	88,089	2	504	-	-	-	-	442,866	16,500	459,366
Health and Social Services	-	-	-	-	-	1,259.112	249,835	79,265	38	45,602	-	-	-	-	1,450,840	219,846	1,670,686
Other	-	-	-	-	-	962.120	2,913,883	3,499,235	1,852	513,107	-	-	-	-	9,680,049	3,419,925	13,099,974
Total	-	-	-	-	-	121,599.391	25,098,577	16,837,764	191,860	7,058,581	-	-	-	-	173,586,511	90,945,607	264,532,118

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

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

(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)

4. 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	88.524.406	47.590	2.981.441	761.228	40.411.083
Conditional and unconditional exposures to regional governments or local authorities	8	-	-	-	31.301
Conditional and unconditional receivables from administrative units and non-commercial enterprises	1.991.950	2.459.377	418.568	753.883	408.960
Conditional and unconditional exposures to multilateral development banks	-	-	-	-	-
Conditional and unconditional exposures to international organisations	-	-	-	-	-
Conditional and unconditional exposures to banks and brokerage houses	20.476.560	141.258	-	8.393	102.241
Conditional and unconditional exposures to corporates	9.492.942	20.356.979	21.091.500	31.289.393	71.328.845
Conditional and unconditional retail exposures	2.936.876	2.809.331	3.706.906	6.813.803	11.416.329
Conditional and unconditional exposures secured by real estate property	1.072.725	2.510.005	3.709.134	6.933.067	18.019.820
Past due receivables	-	-	-	-	-
Receivables defined in high risk category by BRSA	81.986	63.760	61.411	203.476	1.600.281
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	4.949.497	-	-	-	2.819.429
Grand Total	129,526,950	28,388,300	31,968,960	46,763,243	146,138,289

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	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	-	-	-	-	121.599.391
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	4,046.498	-	-	-	-
Grand Total	56,212,166	62,788	16,238	329,880	212,930,466

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

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(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)

4. Analysis of maturity-bearing exposures according to remaining maturities (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;

- Receivables from Central Governments or Central Banks
- Receivables from Regional Governments or Local Governments
- Receivables from Administrative Units and Non-Commercial Enterprises
- 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.

5. Exposures by risk weights:

Current Period														
	Risk Weights	0%	10%	20%	25%	35%	50%	75%	100%	150%	200%	250%	Other Risk Weights	Deductions from Equity
1	Exposures before Credit Risk Mitigation	134.169.543	-	28.368.698	-	-	15.011.112	41.366.616	162.601.311	1.785.292	-	-	440.091	2.729.897
2	Exposures after Credit Risk Mitigation	134.883.038	-	29.579.555	-	6.662.250	37.229.062	26.316.158	139.424.616	1.593.635	-	-	440.091	2.729.897

Prepared with the numbers after conversion rate to credit.

Prior Period														
	Risk Weights	0%	10%	20%	25%	35%	50%	75%	100%	150%	200%	250%	Other Risk Weights	Deductions from Equity
1	Exposures before Credit Risk Mitigation	88.321.481	-	12.771.948	-	7.613.818	10.557.702	24.908.802	127.075.061	867.077	5.795.622	-	395.882	1.614.845
2	Exposures after Credit Risk Mitigation	110.199.465	-	13.961.064	-	7.613.818	10.599.733	19.433.473	109.441.260	867.077	5.795.622	-	395.882	1.614.845

Prepared with the numbers after conversion rate to credit.

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(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)

6. 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.

Current Period 31.12.2024	Loans		Provisions
	Impaired (TFRS 9)		
	Significant Increase in Credit Risk (Stage 2)	Non-performing loans (Stage 3)	
Agriculture	203.828	103.403	57.226
Farming and Stockbreeding	148.638	71.694	42.462
Forestry	48.782	30.943	13.870
Fishery	6.408	766	894
Manufacturing	6.855.684	1.597.250	1.447.868
Mining and Quarrying	278.333	21.886	39.431
Production	6.433.410	1.556.506	1.374.210
Electricity, Gas and Water	143.941	18.858	34.227
Construction	2.267.854	503.108	784.885
Services	2.576.969	661.950	600.606
Wholesale and Retail Trade	1.520.373	477.918	382.761
Accommodation and Dining	126.965	6.533	30.154
Transportation and Telecom.	93.528	90.878	64.391
Financial Institutions	79.807	412	8.656
Real Estate and Rental Services	722.423	54.360	98.897
Professional Services	25.551	3.469	3.381
Educational Services	3.722	16.682	4.714
Health and Social Services	4.600	11.698	7.652
Other	262.753	29.244	28.941
Total	12.167.088	2.894.955	2.919.526

Prior Period 31.12.2023	Loans		Provisions
	Impaired (TFRS 9)		
	Significant Increase in Credit Risk (Stage 2)	Non-performing loans (Stage 3)	
Agriculture	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
Manufacturing	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
Construction	1.366.726	570.208	705.600
Services	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
Other	160.116	6.682	30.492
Total	4.912.959	1.940.950	2.538.897

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(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)

7. Information about Value Adjustment and Change in Provisions:

Current Period (*) 31.12.2024		Opening Balance	Provision for Period	Provision Reversals	Other Adjustments	Closing Balance
1	Stage 3 Provisions	1.682.006	734.379	(792.908)	-	1.623.477
2	Stage 1 and 2 Provisions	2.156.649	1.536.946	(1.520.308)	-	2.173.287

Prior Period (*) 31.12.2023		Opening Balance	Provision for Period	Provision Reversals	Other Adjustments	Closing Balance
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

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

Information on credit quality by financial asset class:

	Current Period 31.12.2024			Prior Period 31.12.2023		
	Not Overdue and Not Impaired	Overdue and Not Impaired	Total	Not Overdue and Not Impaired	Overdue and Not Impaired	Total
Financial Assests						
Banks	20.675.299	-	20.675.299	13.029.805	-	13.029.805
Financial Assets at Fair Value Through Profit / Loss	9.483.947	-	9.483.947	3.812.067	-	3.812.067
Loans Given:	306.598.435	12.167.088	318.765.523	256.755.432	4.912.960	261.668.392
Corporate / Entrepreneurial Loans	295.415.161	11.904.359	307.319.520	243.756.361	4.757.337	248.513.698
Personal Loans	11.183.274	262.729	11.446.003	12.999.071	155.623	13.154.694
Specialized Loans	-	-	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	26.052.537	-	26.052.537	16.686.343	-	16.686.343
Financial Assets Measured at Amortised Cost	19.413.517	-	19.413.517	21.830.293	-	21.830.293

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 31 December 2024, 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 31.12.2024			
Country	Banking accounts RWA	Trading accounts RWA	Total
South Sudan	1.376.093	-	1.376.093
Marshall Island	813.779	-	813.779
Liberia	117.472	-	117.472
Holland	100.112	-	100.112
Germany	16.658	-	16.658
Saint Kitts and Nevis	15.362	-	15.362
Somalia	9.684	-	9.684
Austria	7.562	-	7.562
Russia	5.950	-	5.950
England	2.149	-	2.149
Other	15.930	-	15.930

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(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 (Continued)

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

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

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

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

None.

- c) Foreign currency risk policy:

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

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

	USD	EUR	AUD	DKK	SEK	CHF	CAD	NOK	GBP	SAR	100 JPY
31.12.2024	34,8423	36,1564	21,4896	4,8241	3,1423	38,4313	23,9874	3,0534	43,6565	9,2029	22,0060
30.12.2024	34,8192	36,2342	21,5551	4,8339	3,1382	38,4280	23,9201	3,0484	43,7174	9,1963	21,9460
27.12.2024	34,7102	36,1884	21,4486	4,8280	3,1343	38,4369	23,8570	3,0362	43,6299	9,1724	21,7770
26.12.2024	34,6009	35,9894	21,4193	4,8001	3,1060	38,3444	23,7847	3,0280	43,2718	9,1435	21,6910
25.12.2024	34,7318	36,0474	21,5134	4,8038	3,0752	38,4258	23,8702	3,0032	43,4080	9,1781	21,8400
24.12.2024	34,7445	36,1488	21,5628	4,8209	3,1167	38,5249	23,9189	3,0418	43,6466	9,1839	21,8710

- 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
34,4889	36,1199	21,7188	4,8184	3,1221	38,6056	23,9592	3,0555	43,5894	9,1103	22,1853

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

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

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

IV. EXPLANATIONS ON THE CONSOLIDATED CURRENCY RISK (Continued)

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

	EUR	USD	Other FC ^(***)	Total
Current Period				
Assets				
Cash (Cash in vault, effectives, money in transit, cheques purchased) and balances with Central Bank of the Republic of Türkiye	11.894.103	18.419.040	7.312.812	37.625.955
Banks	1.825.315	3.318.677	11.426.375	16.570.367
Financial assets at fair value through profit and loss	181.054	174.495	9.128.398	9.483.947
Money market placements	-	-	-	-
Financial assets at fair value through other comprehensive income	-	2.637.721	-	2.637.721
Loans ^(*)	75.859.095	73.556.747	1.472	149.417.314
Partnership Investments	-	-	-	-
Financial assets measured at amortized cost	1.454.538	-	-	1.454.538
Derivative financial assets for hedging purposes	-	-	-	-
Tangible fixed assets	-	45.931	1.720	47.651
Intangible assets	-	-	-	-
Other assets ^(*****)	86.299	258.436	187.089	531.824
Total assets	91.300.404	98.411.047	28.057.866	217.769.317
Liabilities				
Current account and funds collected from Banks via participation accounts	22.850	70.083	-	92.933
Current and profit sharing accounts FC	62.688.700	59.976.505	27.456.790	150.121.995
Money market borrowings	-	-	-	-
Funds provided from other financial institutions	8.399.594	13.190.926	-	21.590.520
Marketable securities issued ^(*****)	-	29.291.898	-	29.291.898
Miscellaneous debts	165.878	82.932	2.804	251.614
Derivative financial liabilities for hedging purposes	-	-	-	-
Other liabilities ^(*****)	2.173.172	14.360.582	37.240	16.570.994
Total liabilities	73.450.194	116.972.926	27.496.834	217.919.954
Net balance sheet position	17.850.210	(18.561.879)	561.032	(150.637)
Net off-balance sheet position ^(**)	(16.993.508)	17.318.368	-	324.860
Financial derivative assets	-	17.318.368	-	17.318.368
Financial derivative liabilities	16.993.508	-	-	16.993.508
Non-cash loans	22.388.859	25.829.966	1.942.445	50.161.270
Prior Period				
Total assets	64.602.191	79.233.786	16.826.852	160.662.829
Total liabilities	58.954.632	84.482.297	16.564.551	160.001.480
Net balance sheet position	5.647.559	(5.248.511)	262.301	661.349
Net off-balance sheet position	(5.533.670)	5.358.368	-	(175.302)
Financial derivative assets	976.530	6.380.356	-	7.356.886
Financial derivative liabilities	6.510.200	1.021.988	-	7.532.188
Non-cash loans	17.170.349	21.151.158	1.665.621	39.987.128

(*) Foreign currency indexed loans amounting to TRY 41.007 (31 December 2023: TRY 108.158) which are displayed as TRY in the consolidated financial statements, are shown with the relevant foreign currency code. Includes receivables from lease transactions.

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

(***) 89% of the currencies in the other FC column of the assets section consists of Gold, 2% of GBP, 2% of CHF and the remaining 7% of other currencies. In the FC column of the liabilities section, 90% of the currencies are Gold, 2% of GBP, 6% of CHF and the remaining 4% are other currencies.

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

(*****) Prepaid expenses amounting to TRY 44.078 within other assets are not included in the table.

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

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

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

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

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

According to the standard method of credit risk, equity investments in banking accounts are TRY 52.913 all of which are 100% risk weighted (31 December 2023: TRY 52.913).

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

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

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

1) Liquidity Risk

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

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

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

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

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

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

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

1) Liquidity Risk (Continued)

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

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

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

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

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

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

2) Liquidity Coverage Ratio

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

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

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

Managing liquidity risk effectively can be possible with preventing the concentrated liquidity asset and liability items. Participation fund, which is the main sourcing for the Bank, is provided from many different customers.

The lowest and highest Liquidity Coverage Ratios for the last three months period of 2024 are listed in the table below.

Current Period	Highest	Date	Lowest	Date
TRY+FC	197,46	21.12.2024	137,58	20.11.2024
FC	414,79	10.10.2024	212,91	11.11.2024

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

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

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

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 days basis time slots.

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

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

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

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

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

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

2) Liquidity Coverage Ratio (Continued)

Prior Period 31 December 2023	Consideration Ratio Not Applied Total Value (*)		Consideration Ratio Applied Total Value (*)	
	TRY+FC	FC	TRY+FC	FC
HIGH QUALITY LIQUID ASSETS				
High quality liquid assets	-	-	70.703.465	42.033.221
CASH OUTFLOWS				
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
TOTAL CASH OUTFLOWS	-	-	98.023.253	42.286.449
CASH INFLOWS				
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
TOTAL CASH INFLOWS	59.362.327	33.806.703	44.846.289	28.757.898
	Upper Limit Applied Values			
TOTAL HIGH QUALITY LIQUID ASSET STOCK	-	-	70.703.465	42.033.221
TOTAL NET CASH OUTFLOWS	-	-	53.176.965	13.528.552
LIQUIDITY COVERAGE RATIO (%)	-	-	133	311

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

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

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

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

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

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

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

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

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

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

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

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

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

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

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

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

	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and over	Undistributed (**)	Total
Prior Period 31 December 2023								
Assets								
Cash (Cash in Vault, Effectives, Money in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Türkiye	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 Available-for-Sale	-	15.438	366.969	2.702.707	12.031.106	1.517.210	52.913	16.686.343
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	-	-	-	-	-	-	7.899.902	7.899.902
Total Assets(*)	41.553.975	59.225.229	39.484.282	91.901.965	120.887.779	22.393.381	8.211.759	383.658.370
Liabilities								
Funds Collected from Banks Via Current and Participation Accounts	3.553.912	-	2.555.514	-	-	-	-	6.109.426
Current and Participation Accounts	55.898.728	165.885.221	41.458.742	34.178.918	841.239	-	-	298.262.848
Funds Provided from Other Financial Instruments	-	6.213.298	2.864.025	1.421.923	3.189.942	1.221.825	-	14.911.013
Money Market Borrowings	-	10.964.133	-	-	-	-	-	10.964.133
Issued Marketable Securities	-	534.942	3.926.239	-	14.918.648	-	-	19.379.829
Miscellaneous Debts	-	-	-	-	-	-	1.906.544	1.906.544
Other Liabilities(***)	-	-	-	-	-	1.341.987	30.782.590	32.124.577
Total Liabilities	59.452.640	183.597.594	50.804.520	35.600.841	18.949.829	2.563.812	32.689.134	383.658.370
Liquidity Gap	(17.898.665)	(124.372.365)	(11.320.238)	56.301.124	101.937.950	19.829.569	(24.477.375)	-
Net Off-Balance Sheet Position	-	(796)	(129.591)	5.097	-	-	-	(125.290)
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
Non-Cash Loans	16.599.290	6.620.773	6.937.164	25.513.580	15.004.322	7.655.404	-	78.330.533

(*) The expected loss provisions for financial assets and other assets are reflected in the related items.
(**) Assets which are required for banking operations and could not be converted into cash in short-term, such as; property and equipment associates, subsidiaries and entities under common control, office supply inventory, prepaid expenses and net under follow-up loans as well as securities representing a share in capital; and other liabilities such as provisions which are not considered as payables and equity are classified as undistributed.
(***) The total of subordinated debt instruments is shown in this column.
(****) Includes receivables from lease transactions.

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

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

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

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

4) Net Stable Funding Ratio Template

At the end of the current period, the consolidated NSFR and the elements constituting NSFR are shown in the table below, and the three-month simple arithmetic average NSFR is 138,43% (Third quarter of 2024 131.72). The average NSFR for the last three months of the current period was 133,10% (Third quarter of 2024: 131,14%).

Current Period	a	b	c	d	e
	Unweighted amount by residual maturity				Weighted Amount
	Undated/No Maturity (*)	Up to 6 months	6 Months to 1 yetar	1 year and more than 1 year	
Available Stable Funding					
1 Capital Instruments	39.897.302	-	-	-	39.897.302
2 Regulatory capital	39.897.302	-	-	-	39.897.302
3 Other capital instruments	-	-	-	-	-
4 Deposits (from retail and small business customers)	36.249.842	32.660.523	69.233.538	-	125.022.921
5 Stable Deposits (from retail and small business customers)	3.237.559	-	10.630.599	-	13.174.750
6 Less Stable Deposits (from retail and small business customers)	33.012.283	32.660.523	58.602.939	-	111.848.171
7 Wholesale funding	75.847.683	242.385.649	23.995.702	-	143.464.816
8 Operational deposits	-	96.323.047	-	-	-
9 Other wholesale funding	75.847.683	146.062.602	23.995.702	-	143.464.816
10 Liabilities with matching interdependent assets					
11 Other liabilities	12.584.393	351.277	-	-	-
12 Net Derivatives Liabilities				351.277	
13 All other liabilities and equity not included in the above categories	12.584.393	-	-	-	-
14 Total Available Stable Funding					308.385.039
Required Stable Funding					
15 High Quality Liquid Assets (HQLA)					2.693.918
16 Deposits held at other financial institutions for operational purposes	-	-	-	21.740.336	21.740.336
17 Performing loan and securities	-	174.536.748	68.829.719	99.159.529	191.214.068
18 Performing loans to financial institutions secured by Level 1 HQLA	-	-	478.012	-	239.006
19 Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	35.083.198	-	-	5.262.480
20 Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs	-	139.453.550	68.351.707	91.524.992	180.519.684
21 35% or Lower Risk Weight	-	139.453.550	68.351.707	91.524.992	180.519.684
22 Residential Mortgage Secured Loans	-	-	-	6.482.290	4.213.488
23 35% or Lower Risk Weight	-	-	-	6.482.290	4.213.488
24 Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	-	-	-	1.152.247	979.410
25 Assets with matching interdependent liabilities					
26 Other Assets	705.434	-	-	-	599.619
27 Physical traded commodities (including gold)	705.434				599.619
28 Initial Margin of Derivative Contracts or Default Funds Provided to a Central Counterparty					
29 Net Derivative Assets				-	-
30 Derivatives Liabilites Before Deducting Variation Margin Posted				-	-
31 All other assets not included in the above categories	-	-	-	-	-
32 Off Balance Sheet Liabilities		34.260.826	29.869.443	38.996.933	6.528.350
33 Total Required Stable Funding					222.776.291
34 Net Stable Funding Ratio (%)					138.43

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

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

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

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

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

4) Net Stable Funding Ratio Template (Continued)

Prior Period		a	b	c	d	e
		Unweighted amount by residual maturity				Weighted Amount
		Undated/No Maturity (*)	Up to 6 months	6 Months to 1 yetar	1 year and more than 1 year	
Available Stable Funding						
1	Capital Instruments	22.974.617	-	-	1.300.000	24.274.617
2	Regulatory capital	22.974.617	-	-	1.300.000	24.274.617
3	Other capital instruments	-	-	-	-	-
4	Deposits (from retail and small business customers)	28.408.853	76.444.445	14.174.327	-	107.139.030
5	Stable Deposits (from retail and small business customers)	1.200	209.863	72.293	-	269.189
6	Less Stable Deposits (from retail and small business customers)	28.407.653	76.234.582	14.102.034	-	106.869.841
7	Wholesale funding	53.581.068	171.199.312	8.443.273	-	94.727.246
8	Operational deposits	-	70.074.221	-	-	-
9	Other wholesale funding	53.581.068	101.125.091	8.443.273	-	94.727.246
10	Liabilities with matching interdependent assets					
11	Other liabilities	11.620.682	-	-	-	-
12	Net Derivatives Liabilities		-			
13	All other liabilities and equity not included in the above categories	11.620.682	-	-	-	-
14	Total Available Stable Funding					226.140.893
Required Stable Funding						
15	High Quality Liquid Assets (HQLA)					2.105.192
16	Deposits held at other financial institutions for operational purposes	-	-	-	18.604.072	18.604.072
17	Performing loan and securities	-	146.920.282	47.529.229	72.904.414	148.528.552
18	Performing loans to financial institutions secured by Level 1 HQLA	-	-	122.879	-	61.439
19	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	23.905.413	-	-	3.585.812
20	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs	-	123.014.869	47.406.350	65.060.570	139.759.280
21	35% or Lower Risk Weight	-	123.014.869	47.406.350	65.060.570	139.759.280
22	Residential Mortgage Secured Loans	-	-	-	7.726.235	5.022.053
23	35% or Lower Risk Weight	-	-	-	7.726.235	5.022.053
24	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	-	-	-	117.609	99.968
25	Assets with matching interdependent liabilities					
26	Other Assets	114.485	126.855	-	-	224.167
27	Physical traded commodities (including gold)	114.485				97.312
28	Initial Margin of Derivative Contracts or Default Funds Provided to a Central Counterparty					
29	Net Derivative Assets				126.855	126.855
30	Derivatives Liabilites Before Deducting Variation Margin Posted				-	-
31	All other assets not included in the above categories	-	-	-	-	-
32	Off Balance Sheet Liabilities		21.029.097	18.737.933	25.939.901	4.199.250
33	Total Required Stable Funding					173.661.233
34	Net Stable Funding Ratio (%)					130.22

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

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

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

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

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

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

5) 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	2.122.132	-	-	-	-	2.122.132
Other special current account and participation accounts	257.517.831	71.629.687	25.511.109	871.944	-	355.530.571
Funds borrowed from other financial institutions	7.778.118	5.524.183	25.190.399	450.404	1.207.259	40.150.363
Funds borrowed from Interbank money market	26.163.921	-	-	-	-	26.163.921
Total	293.582.002	77.153.870	50.701.508	1.322.348	1.207.259	423.966.987
Prior Period						
Banks special current account and participation accounts	3.553.912	2.555.514	-	-	-	6.109.426
Other special current account and participation accounts	221.783.949	41.458.742	34.178.918	841.239	-	298.262.848
Funds borrowed from other financial institutions	6.213.298	2.864.025	1.421.923	3.189.942	1.221.825	14.911.013
Funds borrowed from Interbank money market	10.964.133	-	-	-	-	10.964.133
Total	242.515.292	46.878.281	35.600.841	4.031.181	1.221.825	330.247.420

VII. EXPLANATIONS ON CONSOLIDATED LEVERAGE RATIO

As of 31 December 2024, the leverage ratio of the Bank calculated from quarterly average amounts is 3,67% (31 December 2023: 4,40%). The relevant rate is above the minimum rate specified in accordance with the "Regulation on the Measurement and Evaluation of the Leverage Level of Banks". The reason for the change between the leverage ratio in the current period and the previous period is that the average total risk amount increase rate is higher than the increase rate in the average Tier 1 capital. The regulation stipulates the minimum leverage ratio as 3%.

The leverage ratio public disclosure template is as follows:

	Current Period (*) 31 December 2024	Prior Period (*) 31 December 2023
Balance sheet assets		
Balance sheet assets (Except for derivative financial instruments and credit derivatives, including warranties)	475.599.163	365.393.064
(Assets deducted from main capital)	(5.720.340)	(2.841.169)
Total risk amount of the balance sheet assets	469.878.823	362.551.895
Derivative financial instruments and credit derivatives		
Replacement cost of derivative financial instruments and credit derivatives	58.007	20.393
Potential credit risk amount of derivative financial instruments and credit derivatives	95.599	85.902
Total risk amount of derivative financial instruments and credit derivative	153.606	106.295
Security or secured financing transactions		
Risk amount of security or secured financing transactions (Except balance sheet)	1.818.006	12.274.793
Risk amount due to intermediated transactions	-	-
Total risk amount of security or secured financing transactions	1.818.006	12.274.793
Off-balance sheet transactions		
Gross nominal amount of off-balance sheet transactions	133.122.216	83.884.553
(Adjustment amount resulting from multiplying by credit conversion rates)	-	-
Risk amount of the off-balance sheet transactions	133.122.216	83.884.553
Equity and total risk		
Main capital	22.195.185	20.156.171
Total risk amount	605.279.862	458.860.054
Leverage ratio		
Leverage ratio %	3,67	4,40

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

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

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

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

VIII. EXPLANATIONS ON SECURITIZATION POSITIONS

None.

IX. EXPLANATIONS ON RISK MANAGEMENT

Notes and explanations in this section have been prepared in accordance with the “Communiqué O Disclosures About Risk Management to be Announced To Public By Banks” that have been publishe in Official Gazette no. 29511 on 23 October 2015 and became effective as of 31 March 2016. Due t usage of standard approach for the calculation of capital adequacy by the Bank, tables that need to b 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 performanc significantly. These risks include the risk of credit risk, market risk, operational risk, liquidity risk and prof share ratio arising from banking accounts. Risk management strategy is based on the mission and vision c bank and is aimed to respond to customers’ financial needs in the most appropriate way and to support the financial success. In this context, business practices and our working model support prudent ris management practices.

Internal bank risk appetite has been established and is periodically shared with top management in order t follow the specified risks. In addition, detailed risk management reports, including stress tests and scenari 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 portfoli 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 followe up within the monthly period which is the legal submission period. The liquidity coverage ratio of the ban is monitored daily by the risk management and is shared with the top management of the bank and the treasur unit.

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

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

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

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

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

IX. EXPLANATIONS ON RISK MANAGEMENT (Continued)

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

Overview of Risk-Weighted Amounts

		Risk Weighted Amount		Minimum Capital Requirement
		Current Period 31 December 2024	Prior Period 31 December 2023	Current Period 31 December 2024
1	Credit risk (excluding counterparty credit risk)	187.927.172	149.569.755	15.034.174
2	Standardized approach	187.927.172	149.569.755	15.034.174
3	Internal rating-based approach	-	-	-
4	Counterparty credit risk	2.773.090	107.754	221.847
5	Standardized approach for counterparty credit risk	2.773.090	107.754	221.847
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	36.380	-	2.910
10	Investments made in collective investment companies - 1250% weighted risk approach	-	-	-
11	Settlement risk	-	-	-
12	Securitization positions in banking accounts	-	-	-
13	IRB ratings-based approach	-	-	-
14	IRB Supervisory Formula pproach	-	-	-
15	SA/simplified supervisory formula approach	-	-	-
16	Market risk	5.595.063	2.348.348	447.605
17	Standardized approach	5.595.063	2.348.348	447.605
18	Internal model approaches	-	-	-
19	Operational risk	13.553.966	8.424.411	1.084.317
20	Basic Indicator approach	13.553.966	8.424.411	1.084.317
21	Standard approach	-	-	-
22	Advanced measurement approach	-	-	-
23	The amount of the discount threshold under the equity (subject to a 250% risk weight)	-	-	-
24	Floor adjustment	-	-	-
25	Total (1+4+7+8+9+10+11+12+16+19+23+24)	209.885.671	160.450.268	16.790.853

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

(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 31.12.2024	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
Assets					
Cash and Balances at Central Bank	103.428.525	103.428.525	-	37.626.323	-
Derivative Financial Assets	274.091	-	274.091	-	-
Financial Assets Measured At Fair Value To Profit Or Loss	9.483.947	-	-	9.483.947	-
Banks	20.675.299	20.675.299	-	16.570.441	-
Receivables From Money Markets	-	-	-	-	-
Financial Assets Measured At Fair Value To Other Comprehensive Income	26.052.537	26.052.537	19.208.440	2.637.279	-
Loans and Receivable	264.549.620	264.549.620	-	130.193.334	-
Factoring Receivable	-	-	-	-	-
Financial Assets Measured At Amortised Cost	19.413.517	19.413.517	8.308.859	1.454.538	-
Investments in Associates (Net)	67.500	67.500	-	-	-
Investments in Subsidiaries (Net)	-	-	-	-	-
Jointly Controlled Partnerships (Joint Ventures) (Net)	-	-	-	-	-
Receivables form Leasing Transactions	53.314.093	53.314.093	-	19.182.631	-
Derivative Financial Assets for Hedging Purposes	-	-	-	239.416	-
Tangible Assets (Net)	3.564.560	3.564.560	-	47.651	1.367.288
Intangible Assets (Net)	1.362.609	-	-	-	1.362.609
Investment Properties (Net)	-	-	-	-	-
Tax Asset	2.078.602	2.078.602	-	-	-
Non-Currents Assets Or Disposal Groups "Held For Sale" And "From Discontinued Operations (Net)	1.651.596	1.651.596	-	-	-
Other Assets	4.241.832	4.241.832	-	336.486	-
Total Assests	510.158.328	499.037.681	27.791.390	217.772.046	2.729.897
Liabilities					
Deposits	357.652.703	-	-	150.214.928	-
Derivative Financial Liabilities	-	-	-	-	-
Funds Borrowed	40.150.363	-	-	33.236.742	-
Money Markets	26.163.921	-	26.163.921	-	-
Securities Issued (Net)	32.444.280	-	-	17.645.676	-
Funds	-	-	-	-	-
Other Liabilities	6.259.108	-	-	315.420	-
Factoring Liabilities	-	-	-	-	-
Leasing Liabilities	1.658.566	-	-	-	-
Derivative Financial Liabilities for Hedging Purposes	-	-	-	-	-
Provisions	1.670.197	-	-	1.010.285	-
Tax Liability	943.057	-	-	238	-
Non-Currents Liabilities Or Disposal Groups "Held For Sale" And "From Discontinued Operations (Net)	-	-	-	-	-
Subordinated Debt Instruments	20.845.095	-	-	15.496.665	-
Equity	22.371.038	-	-	(13.541)	-
Total Liabilities	510.158.328	-	26.163.921	217.906.413	-

(*) It represents the Bank’s consolidated financial statements.

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

(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)

Piror 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
Assets					
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	16.686.343	16.686.343	8.241.127	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)	-	-	-	-	-
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	2.110.007	2.110.006	-	342.464	-
Total Assests	383.658.370	379.149.940	8.747.832	160.588.143	1.614.845
Liabilities					
Deposits	304.372.274	-	-	119.331.448	-
Derivative Financial Liabilities	153.095	-	-	153.095	-
Funds Borrowed	14.911.013	-	-	7.882.757	-
Money Markets	10.964.133	-	10.964.133	10.528.455	-
Securities Issued (Net)	19.379.829	-	-	14.918.648	-
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)	-
Total Liabilities	383.658.370	-	10.964.133	159.969.722	-

(*) It represents the Bank’s consolidated financial statements

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

(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

Current Period 31.12.2024	Total	Subject to credit risk framework	Securitization position	Subject to counter party credit risk framework	Subject to the market risk framework
Asset carrying value amount under scope of regulatory consolidation	510.158.328	499.037.681	-	27.791.389	217.416.499
Liabilities carrying value amount under regulatory scope of consolidation	26.163.921	-	-	26.163.921	217.906.413
Total net amount under regulatory scope of consolidation	483.994.407	499.037.681	-	1.627.468	(489.914)
Differences in valuations	170.872.680	70.295.908	-	34.311.876	-
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	-	-	-	-	-
Amount of risk	654.867.087	569.333.589	-	35.939.344	(489.914)

Prior Period 31.12.2023	Total	Subject to credit risk framework	Securitization position	Subject to counter party credit risk framework	Subject to the market risk framework
Asset carrying value amount under scope of regulatory consolidation	383.658.370	379.149.940	-	8.747.832	160.588.143
Liabilities carrying value amount under regulatory scope of consolidation	10.964.134	-	-	10.964.134	159.969.722
Total net amount under regulatory scope of consolidation	372.694.236	379.149.940	-	(2.216.302)	618.421
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	-	-	-	-	-
Amount of risk	473.417.135	426.904.596	-	14.521.605	618.421

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 CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

(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 31.12.2024	Defaulted	Non-defaulted	Allowances/Amortisat ion and impairments	Net values
1	Loans (*)	2.894.955	318.765.524	3.796.765	317.863.714
2	Debt securities	-	55.418.415	468.414	54.950.001
3	Off-balance sheet explosures	-	136.599.920	39.114	136.560.806
4	Total	2.894.955	510.783.859	4.304.293	509.374.521

(*) Financial lease amounting to TRY 53.312.093 is included in the table.

	Prior Period 31.12.2023	Defaulted	Non-defaulted	Allowances/Amortisat ion and impairments	Net values
1	Loans (*)	1.940.950	261.668.393	3.838.655	259.770.688
2	Debt securities	-	42.735.057	406.354	42.328.703
3	Off-balance sheet explosures	-	83.984.992	23.035	83.961.957
4	Total	1.940.950	388.388.442	4.268.044	386.061.348

(*) Financial lease amounting to TRY 52.645.704 is included in the table.

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

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

Prior 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

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 CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

(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 (IFRS 9)		
Current Period 31.12.2024	Significant Increase in Credit Risk (Stage 2)	Significant Increase in Credit Risk (Stage 2)	Significant Increase in Credit Risk (Stage 2)
Domestic	12.163.134	2.894.955	3.786.830
European Union Countries	3.954	-	823
USA, Canada	-	-	-
OECD Countries	-	-	-
Off-Shore Banking Regions	-	-	-
Other Countries	-	-	9.112
Total	12.167.088	2.894.955	3.796.765

	Credits		
	Impaired (IFRS 9)		
Prior 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
Total	4.912.959	1.940.950	3.838.655

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

(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)

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. (Continued)

Current Period 31.12.2024	Loans	Non Performing Loans	Expected Loss Provisions	Total
Agriculture	12.423.473	103.403	78.281	12.448.595
Farming and Stockbreeding	8.479.962	71.694	58.442	8.493.214
Forestry	3.577.471	30.943	18.502	3.589.912
Fishing	366.040	766	1.337	365.469
Manufacturing	187.912.657	1.597.250	2.067.311	187.442.596
Mining and Quarrying	14.055.838	21.886	62.715	14.015.009
Production	170.695.849	1.556.506	1.963.439	170.288.916
Electric, Gas and Water	3.160.970	18.858	41.157	3.138.671
Construction	46.708.436	503.108	899.393	46.312.151
Services	56.400.219	661.950	705.099	56.357.070
Wholesale and Retail Trade	24.969.171	477.918	435.220	25.011.869
Hotel Food and Beverage Services	2.642.609	6.533	36.868	2.612.274
Transportation and Telecommunication	4.132.840	90.878	74.236	4.149.482
Financial Institutions	10.125.223	412	16.965	10.108.670
Real Estate and Leasing Services	10.867.630	54.360	117.199	10.804.791
Self Employment Services	758.041	3.469	5.615	755.895
Education Services	880.875	16.682	6.342	891.215
Health and Social Services	2.023.830	11.698	12.654	2.022.874
Other	15.320.738	29.244	46.681	15.303.301
Total	318.765.523	2.894.955	3.796.765	317.863.713

Prior Period 31.12.2023	Loans	Non Performing Loans	Expected Loss Provisions	Total
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
Total	261.668.392	1.940.950	3.838.655	259.770.687

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

(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 2024	Up to 1 Month	1-2 Month	2-3 Month	3+ Month	Total
Loans and Receivables (*)					
Corporate /Entrepreneurial Loans	2.268.172	2.176.553	2.502.093	1.074.470	8.021.288
Consumer Loans	188.171	40.274	28.255	1.920	258.620
Total	2.456.343	2.216.827	2.530.348	1.076.390	8.279.908

(*) The Bank's loan amounting to TRY 1.490.235, which is under close monitoring, has no delay.

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
Total	692.930	496.471	827.756	141.447	2.158.604

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

Breakdown of restructured receivables by allocation of provision

The Parent Bank's total restructured loans amounting to TRY 4.578.362 consist of performing loans amounting to TRY 4.524.579 and non-performing loans amounting to TRY 53.783. Stage 1 and Stage 2 expected loss provision for restructured loans amounting to TRY 547.374 and Stage 3 expected loss provision for restructured loans from non-performing receivables amounting to TRY 8.347. (31 December 2023: The Bank's total restructured loans amounting to TRY 3.212.990 consist of performing loans amounting to TRY 3.199.230 and restructured non-performing loans amounting to TRY 13.760. The total amount of Stage 1 and Stage 2 expected loss provision for restructured loans amounting to TRY 483.196 and Stage 3 expected loss provision for restructured loans from non-performing receivables amounting to TRY 348).

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 Parent 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 Parent Bank under market risk are not subject to collateralization.

Transactions carried out by the Parent 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 secured 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 CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(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 31.12.2024	Unsecured receivables: Amount assessed pursuant to TAS	Receivables secured by guarantee	Collateralized portions of collateralized receivables	Receivables protected by financial guarantees	Collateralized portions of receivables protected by financial guarantees	Receivables protected by credit derivatives	Collateralized portions of receivables protected by credit derivatives
Loans *	260.448.635	21.709.768	8.466.894	3.788.476	1.948.672	-	-
Debt Securities *	44.461.325	-	-	-	-	-	-
Total	304.909.960	21.709.768	8.466.894	3.788.476	1.948.672	-	-
Of which defaulted *	2.865.746	3.771	1.472	-	-	-	-

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

Prior 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 *	37.537.705	-	-	-	-	-	-
Total	229.009.456	31.155.501	20.725.537	1.800.576	1.398.348	-	-
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.

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 Parent 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.

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(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)

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

	Current Period 31.12.2024	Exposures before CCF and CRM		Exposures post-CCF and CRM		Risk weighted amount and risk weighted amount density	
		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	Risk weightnted amount	Risk weighted amount density
	Risk Classes						
1	Exposures to sovereigns and their central banks	132.725.650	200	133.438.985	259	-	0%
2	Exposures to regional and local governments	10.570	41.465	-	67	33	50%
3	Exposures to administrative bodies and non-commercial entities	3.732.008	1.224.544	3.728.947	797.275	4.526.223	100%
4	Exposures to multilateral development banks	-	-	-	-	-	0%
5	Exposures to international organizations	-	-	-	-	-	0%
6	Exposures to banks and brokerage houses	20.218.929	2.884.889	21.454.266	67.317	4.344.472	20%
7	Exposures to corporates	102.986.647	87.973.797	95.549.281	49.827.481	132.142.319	91%
8	Retail exposures	18.336.561	20.365.955	17.335.385	7.670.667	18.754.539	75%
9	Exposures secured by residential property	6.388.561	581.461	6.379.943	276.317	2.329.691	35%
10	Exposures secured by commercial property	21.954.699	6.668.947	21.954.699	3.622.059	14.151.911	55%
11	Past-due items	740.111	147.426	738.639	59.674	1.352.530	169%
12	Exposures in high-risk categories	1.813.880	410.912	1.808.992	178.900	3.879.909	195%
13	Exposures in the form of bonds secured by mortgages	-	-	-	-	-	0%
14	Short term exposures to banks, brokerage houses and corporates	-	-	-	-	-	0%
15	Exposures in the form of collective investment undertakings	36.380	-	36.380	-	36.380	100%
16	Other exposures	7.768.926	-	7.768.926	-	6.325.132	81%
17	Equity share investments	120.413	-	120.413	-	120.413	100%
18	Total	316.833.335	120.299.596	310.314.856	62.500.016	187.963.552	50%

	Prior Period 31.12.2023	Exposures before CCF and CRM		Exposures post-CCF and CRM		Risk weighted amount and risk weighted amount density	
		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	Risk weightnted amount	Risk weighted amount density
	Risk Classes						
1	Exposures to sovereigns and their central banks	78.969.632	-	80.367.980	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	91.836.079	52.333.643	91.120.538	29.763.312	103.851.431	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	6.524.603	-	4.046.498	-	3.266.296	81%
17	Equity share investments	-	-	-	-	-	0%
18	Total	233.375.687	68.903.179	230.897.585	38.653.955	149.569.754	55%

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

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

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

(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 (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	80.368.139	-	-	-	-	-	-	-	-	-	80.368.139
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	-	983.844	-	810.199	-	103.249.563	-	-	-	120.883.850
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 propertyr	-	-	-	-	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	-	-	-	-	-	3.266.298	-	-	-	4.046.498
Total	101.627.816	-	13.900.076	7.613.818	10.478.490	19.433.473	109.439.286	867.077	5.795.622	395.882	269.551.540

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

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

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

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 FC and TRY liquidity risk is limited by the transactions performed.

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

Within the scope of the footnotes and related explanations prepared in accordance with the “Communiqué on Public Disclosure by the Banks” published in the Official Gazette dated 23 October 2015 and numbered 29511 by the BRSA and entered into force as of 31 March 2016, it is given annually and quarterly. The following required tables are not presented as of 31 December 2024 as the standard approach is used in the calculation of the Bank's credit risk.

Qualitative information regarding IRB to be disclosed to the public

IRB - Credit risk amounts based on IRB and Portfolio and PoD (Probability of Default) range

IRB - Effect of credit derivatives used as CRM (Credit Risk Mitigation) technique on RWA (Risk Weighted Amounts)

Statement of changes in RWA under IRB approach

IRB - Retrospective testing of default probabilities in each risk class

IRB (Specialized loans and stock investments subject to basic risk weight approach)

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(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

a) Qualitative explanations on counter party credit risk

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

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

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

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

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

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

(*) Effective expected positive exposure

	Prior Period 31.12.2023	Replacement cost	Potential future exposure	EEPE (Effective Expected Positive Exposure) ^(*)	Alpha used for computing regulatory EAD	Exposure at default post CRM	Risk Weighted Amount
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	Total						74.794

(*) Effective expected positive exposure

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

(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)

c) Capital requirement for loan valuation adjustment

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

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

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

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

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

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

(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 (*)
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	-	-	-	-	-	-	-	-	-
Total (*)	8.571.649	-	60.987	121.242	-	1.976	-	-	8.755.854

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

e) Risk classes and counter party credit risk explanation

None

f) Collateral used for counterparty credit risk

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

Prior Period 31.12.2023	Collateral for derivative transactions				Other transaction collaterals	
	Collaterals provided		Collaterals received		Collaterals provided	Collaterals received
	Separated	Unseparated	Separated	Unseparated		
Cash-domestic currency	-	-	-	-	-	-
Cash-foreign currency	-	-	-	-	-	-
Domestic sovereign debts	-	-	-	-	-	-
Other sovereign debts	-	-	-	-	-	-
Government agency debts	-	-	-	-	-	-
Corporate Debts	-	-	-	-	-	-
Equity Securiitiyes	-	-	-	-	-	-
Other collateral	-	-	-	-	-	8.692.891
Total	-	-	-	-	-	8.692.891

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

(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

	Current Period 31.12.2024	Exposure at default (post- CRM)	RWA
1	Exposure to Qualified Central Counterparties (QCCPs)	704	14
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	-	-
3	(i) OTC Derivatives	-	-
4	(ii) Exchange-traded Derivatives	-	-
5	(iii) Securities financing transactions	-	-
6	(iv) Netting sets where cross-product netting has been approved	-	-
7	Segregated initial margin	-	-
8	Non-segregated initial margin	-	-
9	Pre-funded default fund contributions	704	14
10	Unfunded default fund contributions	-	-
11	Exposures to non-QCCPs (total)	-	-
12	Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which)	-	-
13	(i) OTC Derivatives	-	-
14	(ii) Exchange-traded Derivatives	-	-
15	(iii) Securities financing transactions	-	-
16	(iv) Netting sets where cross-product netting has been approved	-	-
17	Segregated initial margin	-	-
18	Non-segregated initial margin	-	-
19	Pre-funded default fund contributions	-	-
20	Unfunded default fund contributions	-	-

	Prior Period 31.12.2023	Exposure at default (post- CRM)	RWA
1	Exposure to Qualified Central Counterparties (QCCPs)	498	10
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	Exposures to non-QCCPs (total)	-	-
12	Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which)	-	-
13	(i) OTC Derivatives	-	-
14	(ii) Exchange-traded Derivatives	-	-
15	(iii) Securities financing transactions	-	-
16	(iv) Netting sets where cross-product netting has been approved	-	-
17	Segregated initial margin	-	-
18	Non-segregated initial margin	-	-
19	Pre-funded default fund contributions	-	-
20	Unfunded default fund contributions	-	-

4. Explanations on Securitization Disclosure

The Bank does not have any securitization positions as of 31 December 2024. (31 December 2023:None).

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

(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)

5. Explanations on Market Risk

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

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

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

In this context, as a minimum;

- Follow-up of the Parent Bank's accounts and positions subject to market risk and market developments affecting the value of these accounts and positions on a minimum daily basis,
- Amount calculations based on market risk to which the Bank is exposed within the framework of trading accounts,
- Analysis of the effects of up and down 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.

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

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

Within the framework of these principles, at least the following 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.

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

(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)

5. Explanations on Market Risk (Continued)

b) Standard Approach

		Current Period 31.12.2024	Prior Period 31.12.2023
		Risk Weighted Amount	Risk Weighted Amount
Outright products			
1	Profit share rate risk (general and specific)	309.875	4.025
2	Equity risk (general and specific)	-	-
3	Foreign exchange risk	4.805.802	2.019.969
4	Commodity risk	479.386	324.355
Options			
5	Simplified approach	-	-
6	Delta-plus method	-	-
7	Scenario approach	-	-
8	Securitisation	-	-
9	Total	5.595.063	2.348.349

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 2024, as the standard approach is used in the Bank's market risk calculation:

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

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

6. Explanations on the Operational Risk

In the Parent Bank, Amount subject to Operational Risk is calculated with Basic Indicator Approach based on yearly. The parameter which determines the amount subject to operational risk in Basic Indicator Approach is gross revenue. Yearly gross revenue is calculated by adding net 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.

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

Prior Period 31.12.2023	31.12.2020	31.12.2021	31.12.2022	Total/Number of Positive GI years	Ratio (%)	Total
Gross Income	2.333.366	1.924.105	9.221.584	4.493.019	15	673.953
Amount Subject to Operational Risk (Total*12,5)	-	-	-	-	-	8.424.410

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

(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 CONSOLIDATED OPERATING SEGMENTS

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

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

Table for Segment Reporting:

Current Period 1 January – 31 December 2024	Private Banking	Corporate/ Entrepreneuria l Banking	Treasury/ Investment Banking	Other/ Undistributed	Total
OPERATING INCOME/EXPENSES					
Profit Shares Income	1.746.550	69.123.805	18.459.396	707.795	90.037.546
Profit Shares Expense	(22.323.150)	(49.533.947)	(13.687.363)	(356.424)	(85.900.884)
Net Profit Shares Income/Expense	(20.576.600)	19.589.858	4.772.033	351.371	4.136.662
Net Fees and Commission Income/Expense	628.509	844.437	-	1.450.932	2.923.878
Fees and Commission Received	628.509	844.437	-	2.964.899	4.437.845
Fees and Commission Provided	-	-	-	(1.513.967)	(1.513.967)
Dividend Income	-	-	1.428	-	1.428
Trading Profit/Loss (Net)	-	-	3.317.201	-	3.317.201
Other Operating Income	-	4.940.394	-	53.514	4.993.908
Expected Loss Provisions Expenses	(103.936)	(2.687.976)	-	(100.902)	(2.892.814)
Other Expense	-	(175.458)	-	(8.064.017)	(8.239.475)
Net Operating Profit/Loss	(20.052.023)	22.511.250	8.090.663	(6.309.102)	4.240.788
Tax Provision	-	-	-	(787.966)	(787.966)
Net Profit/Loss	(20.052.023)	22.511.250	8.090.663	(7.097.068)	3.452.822
SEGMENT ASSETS (*)					
Financial Assets at FV Through P/L	-	-	9.483.947	-	9.483.947
Banks	-	-	20.675.299	-	20.675.299
Financial Assets Measured at Fair Value Through Other Comprehensive Income	-	-	26.052.537	-	26.052.537
Loans (**)	11.542.516	298.522.354	7.798.843	-	317.863.713
Financial Assets Measured at Amortised Cost	-	-	19.413.517	-	19.413.517
Derivative Financial Assets	-	-	274.091	-	274.091
Associates, Subsidiaries and Joint Ventures	-	-	67.500	-	67.500
Other Assets (*)	-	-	-	116.327.724	116.327.724
TOTAL SEGMENT ASSETS	11.542.516	298.522.354	83.765.734	116.327.724	510.158.328
SEGMENT LIABILITIES					
Funds Collected	139.381.349	218.271.354	-	-	357.652.703
Derivative Financial Liabilities	-	-	-	-	-
Funds Borrowed	-	-	28.504.141	-	28.504.141
Money Market Funds	-	-	26.163.921	-	26.163.921
Securities Issued (Net)	-	-	44.090.502	-	44.090.502
Provisions	-	-	-	1.670.197	1.670.197
Other Liabilities	-	-	-	29.705.826	29.705.826
Shareholders' Equity	-	-	-	22.371.038	22.371.038
TOTAL SEGMENT LIABILITIES	139.381.349	218.271.354	98.758.564	53.747.061	510.158.328

(*) Includes expected loss provisions.

(**) Includes lease receivables.

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

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

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

XII. EXPLANATIONS ON CONSOLIDATED OPERATING SEGMENTS (Continued)

Table for Segment Reporting (Continued):

Prior Period 1 January - 31 December 2023	Private Banking	Corporate/ Entrepreneurial Banking	Treasury/ Investment Banking	Other/ Undistributed	Total
OPERATING INCOME/EXPENSES					
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
Fees and Commision Received	320.793	503.059	-	2.877.765	3.701.617
Fees and Commission Provided	-	-	-	(769.729)	(769.729)
Divident Income	-	-	714	-	714
Trading Profit/Loss (Net)	-	-	2.158.546	-	2.158.546
Other Operating Income	-	2.090.763	-	23.091	2.113.854
Expected Loss Provisions Expenses	(127.882)	(2.489.927)	-	(518.194)	(3.136.003)
Other Expense	-	(129.126)	-	(4.951.651)	(5.080.777)
Net Operating Profit/Loss	(8.113.325)	9.718.393	6.203.135	(3.390.996)	4.417.207
Tax Provision	-	-	-	(412.710)	(412.710)
Net Profit/Loss	(8.113.325)	9.718.393	6.203.135	(3.803.706)	4.004.497
SEGMENT ASSETS (*)					
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	-	-	16.686.343	-	16.686.343
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
Associates, Subsidiaries and Joint Ventures	-	-	22.500	-	22.500
Other Assets	-	-	-	68.502.947	68.502.947
TOTAL SEGMENT ASSETS	12.277.999	239.059.396	63.818.028	68.502.947	383.658.370
SEGMENT LIABILITIES					
Funds Collected	120.857.108	183.515.166	-	-	304.372.274
Derivative Financial Liabilities	-	-	153.095	-	153.095
Funds Borrowed	-	-	14.911.013	-	14.911.013
Money Market Funds	-	-	10.964.133	-	10.964.133
Securities Issued (Net)	-	-	19.379.829	-	19.379.829
Provisions	-	-	-	2.932.298	2.932.298
Other Liabilities	-	-	-	11.114.181	11.114.181
Shareholders' Equity	-	-	-	19.831.547	19.831.547
TOTAL SEGMENT LIABILITIES	120.857.108	183.515.166	45.408.070	33.878.026	383.658.370

(*) Includes expected loss provisions.
(**) Includes lease receivables.

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(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 31.12.2024	Book Value	Fair Value
Financial Assets	387.801.832	399.114.640
Due from Interbank Money Market	-	-
Banks	20.675.299	20.611.186
Financial Assets Measured at Fair Value Through Other Comprehensive Income	26.052.537	26.052.537
Financial Assets Measured at Amortised Cost	19.413.517	16.789.690
Loans	321.660.479	335.661.227
Financial Liabilities	431.588.135	431.588.135
Bank Deposits	2.122.132	2.122.132
Other Deposits	355.530.571	355.530.571
Funds Borrowed from Other Financial Institutions	28.504.141	28.504.141
Issued Marketable Securities	44.090.502	44.090.502
Miscellaneous Payables	1.340.789	1.340.789

Prior Period 31.12.2023	Book Value	Fair Value
Financial Assets	315.155.784	307.458.370
Due from Interbank Money Market	-	-
Banks	13.029.805	13.029.805
Financial Assets Measured at Fair Value Through Other Comprehensive Income	16.686.343	16.686.343
Financial Assets Measured at Amortised Cost	21.830.294	13.246.397
Loans	263.609.342	264.495.825
Financial Liabilities	340.569.660	339.697.685
Bank Deposits	6.109.325	6.109.325
Other Deposits	298.262.949	298.262.949
Funds Borrowed from Other Financial Institutions	14.911.013	14.039.038
Issued Marketable Securities	19.379.829	19.379.829
Miscellaneous Payables	1.906.544	1.906.544

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 CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

(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)

Current Period 31.12.2024	Level 1	Level 2	Level 3 (*)	Total
Financial Assets at Fair Value Through Profit or (Loss)	-	9.483.947	-	9.483.947
Government Debt Securities	-	9.128.399	-	9.128.399
Marketable Securities	-	-	-	-
Other Marketable Securities	-	355.548	-	355.548
Financial Assets at Fair Value Through Other Comprehensive Income	23.361.903	2.637.721	52.913	26.052.537
Marketable Securities	-	-	52.913	52.913
Government Debt Securities	23.325.523	2.637.721	-	25.963.244
Other Marketable Securities	36.380	-	-	36.380
Derivative Financial Assets	34.675	239.416	-	274.091
Total Assets	23.396.578	12.361.084	52.913	35.810.575
Derivative Financial Liabilities	-	-	-	-
Total Liabilities	-	-	-	-

Prior Period 31.12.2023	Level 1	Level 2	Level 3	Total
Financial Assets at Fair Value Through Profit or (Loss)	-	3.815.795	-	3.815.795
Government Debt Securities	-	3.812.067	-	3.812.067
Marketable Securities	-	3.728	-	3.728
Other Marketable Securities	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	13.016.888	3.616.542	52.913	16.686.343
Marketable Securities	-	-	52.913	52.913
Government Debt Securities	13.001.450	3.616.542	-	16.617.992
Other Marketable Securities	15.438	-	-	15.438
Derivative Financial Assets	2.990	738	-	3.728
Total Assets	13.019.878	7.433.075	52.913	20.505.866
Derivative Financial Liabilities	-	153.095	-	153.095
Total Liabilities	-	153.095	-	153.095

(*) Securities amounting to TRY 52.913 under the 'financial assets measured at fair value through other comprehensive income' category have been reflected in the financial statements at their acquisition cost, as they are not traded in an active market. These securities have not been presented in these financial statements.

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 CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

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

SECTION FIVE

EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS

I. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED ASSETS

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

	Current Period 31 December 2024		Prior Period 31 December 2023	
	TRY	FC	TRY	FC
Cash	301.270	1.095.606	170.718	871.290
Central Bank of the Republic of Türkiye	65.501.747	35.825.283	24.036.052	35.447.767
Other	-	705.434	-	114.484
Total	65.803.017	37.626.323	24.206.770	36.433.541

1.a.1) Information on Required Reserves:

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

Banks are required to maintain reserves with Central Bank of the Republic of Türkiye for their TRY and FC liabilities that are specified in the aforementioned Communiqué. Establishment of required reserves begins on Friday, two weeks after the liability calculation date, and lasts for 14 days. Required reserves can be kept in Turkish Lira, USD, EUR and standard gold in accordance with the “Communiqué on Required Reserves” at the Central Bank of the Republic of Türkiye. Required reserve ratios vary according to the maturity structure of the liabilities and are applied between 3% and 17% for Turkish Lira deposits and other liabilities, for foreign currency deposits and other liabilities, it is applied in the range of 4% - 30%, and for accounts with exchange rate/price protection support, it is applied in the range of 22% - 33%.

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

	Current Period 31 December 2024		Prior Period 31 December 2023	
	TRY	FC	TRY	FC
Unrestricted Demand Deposit	29.112.700	35.825.283	24.036.052	35.447.767
Unrestricted Time Deposit	36.389.047	-	-	-
Restricted Time Deposit	-	-	-	-
Total (*)	65.501.747	35.825.283	24.036.052	35.447.767

(*) 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 CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

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

EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

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

2. Information on banks and other financial institutions:

	Current Period 31 December 2024		Prior Period 31 December 2023	
	TRY	FC	TRY	FC
Banks				
Domestic Banks	4.104.858	2.091.469	114.562	1.726.491
Foreign Banks	-	14.478.972	-	11.188.752
Foreign Head Office and Branches	-	-	-	-
Total	4.104.858	16.570.441	114.562	12.915.243

Information on Foreign Bank Accounts

	Unrestricted Amount		Restricted Amount	
	Current Period 31.12.2024	Prior Period 31.12.2023	Current Period 31.12.2024	Prior Period 31.12.2023
European Union Countries	10.634.625	9.866.979	-	-
USA, Canada	2.516.431	550.441	-	-
OECD Countries*	342.836	35.959	-	-
Off-Shore Banking Regions	-	-	-	-
Other Countries	985.080	735.373	-	-
Total	14.478.972	11.188.752	-	-

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

3. Financial assets at fair value through profit or loss

	Current Period 31 December 2024	Prior Period 31 December 2023
Financial Assets at Fair Value Through Profit / Loss	9.428.068	3.790.194
Other Dividends and Income Rediscounts	55.879	21.873
Provision for Impairment (-)	-	-
Total	9.483.947	3.812.067

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 2024	Prior Period 31 December 2023
Assets Subject to Repurchase Agreements	19.208.447	8.362.369
Assets Blocked/Given as Collateral	2.379.300	1.479.501
Total (*)	21.587.747	9.841.870

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

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

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

EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

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

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

	Current Period 31 December 2024		Prior Period 31 December 2023	
	TRY	FC	TRY	FC
Debt Securities	26.468.037		17.039.784	
Quoted in Stock Exchange	26.468.037		17.039.784	
Not Quoted in Stock Exchange	-		-	
Share Certificates	52.913		52.913	
Quoted in Stock Exchange	-		-	
Not Quoted in Stock Exchange (*)	52.913		52.913	
Provision for Impairment (-)**	468.413		406.354	
Total	26.052.537		16.686.343	

(*) The mentioned amounts consist of payments to İhracatı Geliştirme A.Ş. in the amount of TRY 41.101 to the Credit Guarantee Fund in the amount of TRY 7.659 and to JCR Eurasia Rating Inc. in the amount of TRY 4.153 with the non-traded line highlighted (31 December 2023: TRY 41.101 İhracatı Geliştirme A.Ş., TRY 7.659 Credit Guarantee Fund, and TRY 4.153 JCR Eurasia Rating Inc.).

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

5. Information on derivative financial assets

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

	Current Period 31 December 2024		Prior Period 31 December 2023	
	TRY	FC	TRY	FC
Forward Transactions	-	-	847	-
Swap Transactions	-	238.236	-	199
Futures Transactions	-	-	-	-
Options	-	-	-	-
Other	34.675	1.180	2.143	539
Total	34.675	239.416	2.990	738

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 2024		Prior Period 31 December 2023	
	Cash	Non-Cash	Cash	Non-Cash
Direct Loans Granted to Shareholders	3.310.391	-	6.184.984	-
Corporate Shareholders	3.310.391	-	6.184.984	-
Real Person Shareholders	-	-	-	-
Indirect Loans Granted to Shareholders	-	-	-	-
Loans Granted to Employees	185.399	-	192.704	-
Total (*)	3.495.790	-	6.377.688	-

(*) Includes rediscount amounts.

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

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

EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

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

6. Information related to loans (Continued)

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

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

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

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

Prior Period 31 December 2023				
	Standard Loans and Other Receivables	Loans Under Close Monitoring		
		Not Under the Scope of Restructuring or Rescheduling	Restructured or Rescheduled	
			Loans with revised contract terms	Refinancing
Cash Loans				
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	-	-	-	-
Total	204.622.474	1.302.075	1.232.299	1.865.840

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

Other Investment Loans	10.785.355
Installment Commercial Loans	1.762.733
Profit and loss sharing investments	173.167
Receivables from Financing of Trade on Credit Terms	-
Other Loans	70.765
Total	12.792.020

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

(**) The related balance consists of funds provided through profit and loss sharing investments as of 31 December 2024. The profit and loss sharing investment projects is carried out in accordance with the profit and loss sharing investment agreement signed between the parties, after the relevant cost accounts are finalized and net profit is calculated, either at the project completion or at the end of phases/parts. Profit and loss sharing investments have been classified as financial assets with fair value changes recognized in profit or loss. For the year 2024, the net valuation gain of TRY 510.676, based on the bank's project-specific risk and independent valuation reports related to the project, has been reflected in the profit or loss statement. The total accumulated value increase on profit and loss sharing investments is TRY 510.676.

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

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

EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

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

6. Information related to loans (Continued)

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

	Current Period 31 December 2024		Prior Period 31 December 2023	
	Standard Loans	Loans Under Close Monitoring	Standard Loans	Loans Under Close Monitoring
Expected Credit Loss of Stage 1 and Stage 2				
12 Month Expected Credit Losses	877.239	-	1.299.758	-
Significant Inrease in Credit Risk	-	1.296.049	-	856.891

	Current Period 31 December 2024		Prior Period 31 December 2023	
	Standard Loans and Other Receivables	Loans Under close monitoring and Other Receivables	Standard Loans and Other Receivables	Loans Under close monitoring and Other Receivables
Number of Extensions				
1 or 2 Times Extended	1.501.182	3.032.480	257.418	2.910.873
3 - 4 or 5 Times Extended	-	-	-	-
Over 5 Times Extended	-	-	-	-
Total	1.501.182	3.032.480	257.418	2.910.873

	Current Period 31 December 2024		Prior Period 31 December 2023	
	Standard Loans and Other Receivables	Loans Under close monitoring and Other Receivables	Standard Loans and Other Receivables	Loans Under close monitoring and Other Receivables
Extension Periods				
0 - 6 Months	316.118	1.370.672	-	974.563
6 Months - 12 Months	6.350	265.330	4.539	157.645
1 - 2 Years	659.942	1.119.643	229.594	1.123.898
2 - 5 Years	34.545	197.616	23.285	22.491
5 Years and Over	484.227	79.219	-	632.276
Total	1.501.182	3.032.480	257.418	2.910.873

c. Loans according to maturity structure

Current Period 31.12.2024			
	Standard Loans and Other Receivables	Loans under Close Monitoring	
		Loans Not Subject to Restructuring	Refinancing
Cash Loans			
Short-term Loans	113.649.103	912.287	571.615
Medium and Long-term Loans	142.032.184	119.411	1.637.500
Total	255.681.287	1.031.698	2.209.115

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

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

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

EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

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

6. Information related to loans (Continued)

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

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

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

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

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

EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

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

6. Information related to loans (Continued)

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

Prior Period 31 December 2023	Short-Term	Medium and Long-Term	Total
Consumer Loans – TRY	62.737	11.556.368	11.619.105
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	-	-	-
Consumer Loans-FC Indexed	-	-	-
Housing Loans	-	-	-
Vehicle Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Consumer Loans-FC	-	-	-
Housing Loans	-	-	-
Vehicle Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Retail Credit Cards-TRY	463.842	1.984	465.826
With Installment	160.566	1.500	162.066
Without Installment	303.276	484	303.760
Retail Credit Cards-FC	-	-	-
With Installment	-	-	-
Without Installment	-	-	-
Personnel Loans-TRY	21.534	155.825	177.359
Housing Loans	-	18.093	18.093
Vehicle Loans	-	4.170	4.170
Consumer Loans	21.534	133.562	155.096
Other	-	-	-
Personnel Loans-FC Indexed	-	-	-
Housing Loans	-	-	-
Vehicle Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Personnel Loans-FC	-	-	-
Housing Loans	-	-	-
Vehicle Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Personnel Credit Cards-TRY	15.345	-	15.345
With Installment	6.214	-	6.214
Without Installment	9.131	-	9.131
Personnel Credit Cards-FC	-	-	-
With Installment	-	-	-
Without Installment	-	-	-
Overdraft Account-TRY (Real Person)	-	-	-
Overdraft Account-FC (Real Person)	-	-	-
Total (*)	563.458	11.714.177	12.277.635

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

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

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

EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

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

6. Information related to loans (Continued)

d) Information on installment commercial loans and corporate credit cards

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

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

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

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

EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

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

6. Information related to loans (Continued)

f) Loans according to types of borrower:

	Current Period 31 December 2024	Prior Period 31 December 2023
Public	5.987.710	9.274.657
Private	259.463.720	199.748.031
Total(*)	265.451.430	209.022.688

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

g) Breakdown of domestic and international loans

	Current Period 31 December 2024	Prior Period 31 December 2023
Domestic Loans	262.346.995	206.980.128
Foreign Loans	3.104.435	2.042.560
Total(*)	265.451.430	209.022.688

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

h) Loans granted to subsidiaries and participations

As of 31 December 2024, the Bank has no loans granted to subsidiaries and participations (31 December 2023: None).

i) Expected Loss Provisions for Loans (Third Stage)

	Current Period 31 December 2024	Prior Period 31 December 2023
Loans and receivables with limited collectability	120.017	38.715
Loans and receivables with doubtful collectability	345.520	27.959
Uncollectible loans and other receivables	1.157.940	1.615.332
Total	1.623.477	1.682.006

j) Information on lease receivables

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

	Current Period 31 December 2024		Prior Period 31 December 2023	
	Gross	Net	Gross	Net
Less than 1 year	373.680	315.902	224.845	214.022
1-5 year	59.345.625	44.212.935	59.978.540	41.201.771
More than 5 years	10.773.338	8.785.256	13.243.798	11.229.911
Total	70.492.643	53.314.093	73.447.183	52.645.704

j.2) Information on net investments in financial leasing

	Current Period 31 December 2024	Prior Period 31 December 2023
Gross Financial Lease Receivable	70.492.643	73.447.183
Unearned Financial Income from Financial Lease (-)	(17.178.550)	(20.801.479)
Canceled Rental Amounts	-	-
Total	53.314.093	52.645.704

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

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

EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

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

6. Information related to loans (Continued)

k) Information on non-performing receivables (net)

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

As of 31 December 2024, the Group has loans and other receivables included in non-performing receivables which are restructured or rescheduled amount TRY 67.997 (31 December 2023: TRY 130.382).

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

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

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

	Group III: Loans and other receivables with limited collectability	Group IV: Loans and other receivables with doubtful collectability	Group V: Uncollectible loans and other receivables
Prior Period 31 December 2023			
Ending balance of prior period	23.334	178.305	1.674.102
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
Write offs (-)	-	-	-
Corporate and commercial loans	-	-	-
Retail loans	-	-	-
Credit cards	-	-	-
Other	-	-	-
Ending balance of the current period	136.753	68.734	1.735.463
Expected Loss Provision (Stage 3) (-)	38.715	27.959	1.615.332
Net balance on balance sheet	98.038	40.775	120.131

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

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

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

EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

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

6. Information related to loans (Continued)

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

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

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

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

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

	Group III: Loans and other receivables with limited collectability	Group IV: Loans and other receivables with doubtful collectability	Group V: Uncollectible loans and other receivables
Current Period (Net)	352.347	671.005	248.126
Loans to Real Persons and Legal Entities (Gross)	472.364	1.016.525	1.406.066
Specific Provisions (-)	120.017	345.520	1.157.940
Loans to Real Persons and Legal Entities (Net)	352.347	671.005	248.126
Banks (Gross)	-	-	-
Specific Provisions (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	-
Specific Provisions (-)	-	-	-
Other Loans and Receivables (Net)	-	-	-
Prior Period (Net)	98.038	40.775	120.131
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)	-	-	-

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

	Group III: Loans with limited collectability	Group IV: Loans with doubtful collectability	Group V: Uncollectible loans
Current Period (Net)	57.947	122.740	56.818
Profit Share Accrual and Valuation Differences			
Provision	76.668	189.658	322.352
Provision Amount (-)	18.721	66.918	265.534
Prior Period (Net)	7.303	3.556	19.379
Profit Share Accrual and Valuation Differences			
Provision	9.946	6.208	255.061
Provision Amount (-)	2.643	2.652	235.682

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

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

EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

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

6. Information related to loans (Continued)

Provision changes according to TFRS 9

	Current Period 31.12.2024			
	1.Stage	2. Stage	3.Stage	Total
Balance at the Beginning of the Period	1.299.758	856.891	1.682.006	3.838.655
Addition	473.408	1.137.079	660.839	2.271.326
Disposals(-)	(902.044)	(626.581)	(784.591)	(2.313.216)
Sold (-)	-	-	-	-
Deleted From Actual (-)	-	-	-	-
Transfer to Stage 1	40.056	(40.056)	-	-
Transfer to Stage 2	(29.637)	37.954	(8.317)	-
Transfer to Stage 3	(4.302)	(69.238)	73.540	-
Balance at the Closing of the Period	877.239	1.296.049	1.623.477	3.796.765

	Prior Period 31.12.2023			
	1.Stage	2. Stage	3.Stage	Total
Balance at the Beginning of the Period	683.003	438.587	1.595.446	2.717.036
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	-
Balance at the Closing of the Period	1.299.758	856.891	1.682.006	3.838.655

Cash loan changes according to TFRS 9

	Current Period 31.12.2024			
	1.Stage	2. Stage	3.Stage	Total
Balance at the Beginning of the Period	256.755.433	4.912.959	1.940.950	263.609.342
Addition	149.644.431	4.217.235	345.935	154.207.601
Disposals(-)	(94.732.893)	(551.558)	(872.012)	(96.156.463)
Sold (-)	-	-	-	-
Deleted From Actual (-)	-	-	-	-
Transfer to Stage 1	1.688.048	(1.688.048)	-	-
Transfer to Stage 2	(5.655.432)	5.741.526	(86.094)	-
Transfer to Stage 3	(1.085.570)	(480.610)	1.566.180	-
Balance at the Closing of the Period	306.614.017	12.151.505	2.894.957	321.660.479

(*) Includes TRY 50.917.148 in the first stage and TRY 2.396.945 in the second stage.

	Prior Period 31.12.2023			
	1.Stage	2. Stage	3.Stage	Total
Balance at the Beginning of the Period	143.092.370	2.607.193	1.875.741	147.575.304
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	-
Balance at the Closing of the Period	256.755.433	4.912.959	1.940.950	263.609.342

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

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

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

EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

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

6. Information related to loans (Continued)

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

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

n) Explanations on write-off policy

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

7. Financial assets at amortized cost

a) Information on government debt securities measured at amortized cost

	Current Period 31 December 2024	Prior Period 31 December 2023
Debt Securities	19.413.517	21.830.293
Quoted in Stock Exchange	-	-
Not Quoted in Stock Exchange	19.413.517	21.830.293
Impairment Provision (-)	-	-
Total (*)	19.413.517	21.830.293

(*) The amount of TRY 4.353.190 has been collateralized due to repurchase agreement transactions

b) Information on financial assets valued at amortized cost

None (31 December 2023: None).

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

As of 31 December 2024, government debt securities measured at amortized cost of the Group is TRY 19.413.517 (31 December 2023: TRY 21.830.293).

	Current Period 31 December 2024	Prior Period 31 December 2023
Balances at Beginning of Period	21.830.293	5.323.943
Foreign Currency Differences on Monetary Assets	207.561	1.862.347
Purchases during the Period (*)	794.079	14.644.003
Disposals through Sales/Redemptions	(3.418.416)	-
Impairment Provision (-)	-	-
Balances at End of Period	19.413.517	21.830.293

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

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

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

EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

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

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

As of 31 December 2024, the Bank's assets held for sale amounted to TRY 1.651.596 (31 December 2023: TRY 427.229).

	Current Period 31 December 2024	Prior Period 31 December 2023
Beginning Balance (Net)	427.229	274.644
Changes During the Period (Net)	1.224.367	152.585
Amount of Depreciation	-	-
Provision for Impairment	-	-
Period End Balance (Net) (*)	1.651.596	427.229

(*) The Group has right of reversion on TRY 502.495 (31 December 2023: TRY 197.860) and right of preemption on TRY 540.852 (31 December 2023: None) of assets held for sale.

As of 31 December 2024, the Group has no discontinued operations (31 December 2023: None).

9. Equity Investments

a) Information about in associates (Net)

a.1) Information on unconsolidated subsidiaries:

The Bank became a shareholder of Katılım Finans Kefalet A.Ş., which was established with the aim of creating a guarantee system in accordance with the principles and principles of Participation Banking, with a participation fee of TRY 67.500. (31 December 2023: 22.500) The total capital of the company is TRY 600.000 and the Bank's total participation amount is TRY 90.000, which corresponds to 15%. The remaining TRY 22.500 will be paid within 1 year. There is a member of the board of directors in the company to represent the Bank's shares.

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

	Current Period 31 December 2024	Prior Period 31 December 2023
Balance at the beginning of the year	22.500	-
Movements during the year		
Purchases	45.000	-
Bonus Share	-	22.500
Dividends from current year income	-	-
Transfers to available for sale financial assets (-)	-	-
Sales	-	-
Reveluation increase	-	-
Impairment provision (-)	-	-
Balance at the end of the year	67.500	22.500
Capital commitments	22.500	90.000
Share percentage at the end of the year (%)	15%	15%

a.2) Information on consolidated subsidiaries

As of the balance sheet date, the Bank does not have any consolidated subsidiaries (31 December 2023: None).

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

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

EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

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

9. Equity Investments (Continied)

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

b.1) Information on unconsolidated subsidiaries

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

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

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

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

	Total Assets	Shareholders Equity	Total Fixed Assets	Dividend or profit share income	Income from marketable securities	Current Period Income/Loss	Prior period Income/ Loss(**)	Fair Value	Needed Shareholders Equity
1 ^(*)	37.616.303	1.866	-	6.702.305	-	1.330	469	-	-
2 ^(*)	1.276.535	3.145	-	3.992	-	2.722	357	-	-

(*) Within the framework of BRSA regulations, the financial statement information of subsidiaries Ziraat Katılım Varlık Kiralama A.Ş., ZKB Varlık Kiralama AŞ. are taken from the financial statements dated 31 December 2024, which are not subjected to inflation accounting and independently audited.

	Current Period 31 December 2024	Prior Period 31 December 2023
Balance at the beginning of the year	938	515
Movements during the year	4.073	423
Additions	-	-
Bonus Share Certificates	-	-
Shares of Current Year Profits	4.052	423
Transfers to available for sale financial assets	-	-
Sales	-	-
Revaluation increase	21	-
Revaluation/Impairment (-)	-	-
Balance at the end of the year	5.011	938
Capital commitments	-	-
Share percentage at the end of the year (%)	%100	%100

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

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

EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

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

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

	Current Period 31.12.2024	Prior Period 31.12.2023
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 2023: None).

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

None (31 December 2023: None).

10. Explanations on property and equipment

	Immovable	Right of Use of Immovable	Movable	Right of Use of Movable	Operationa l Leasing Developme nt Costs	Other Tangibles	Total
Prior Period End:							
Cost	-	805.383	671.298	175.266	1.094.452	-	2.746.399
Accumulated Depreciation (-)	-	204.013	154.653	49.793	172.241	-	580.700
Impairment Allowance (-)							
Net Book Value	-	601.370	516.645	125.473	922.211	-	2.165.699
Current Period End:							
Net Book Value at the Beginning of the Period	-	601.370	516.645	125.473	922.211	-	2.165.699
Additions During The Period	-	875.123	338.791	133.345	800.346	-	2.147.605
Disposals (-)	-	-	10.512	-	1.362	-	11.874
Change in Impairment Provision(-)	-	-	-	-	-	-	-
Depreciation Expense (Net Change) (-)	-	172.072	157.499	53.392	353.907	-	736.870
Transfers (-)	-	-	-	-	-	-	-
Foreign Exchange Differences on Non-Operating Income (-)	-	-	-	-	-	-	-
Closing Net Book Value	-	1.304.421	687.425	205.426	1.367.288	-	3.564.560
Ending Cost	-	1.680.505	999.577	308.611	1.893.436	-	4.882.129
Ending Accumulated Depreciation (-)	-	376.084	312.152	103.185	526.148	-	1.317.569
Impairment Provision (-)	-						
Closing Net Book Value	-	1.304.421	687.425	205.426	1.367.288	-	3.564.560

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.

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

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

EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

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

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.

	Current Period 31 December 2024			Prior Period 31 December 2023		
	Book Value	Accumulated Depreciation	Net Value	Book Value	Accumulated Depreciation	Net Value
Leasehold Improvements	-	-	-	-	-	-
Establishment Costs	-	-	-	-	-	-
Goodwill	-	-	-	-	-	-
Intangible Assets	1.618.583	255.974	1.362.609	825.160	132.526	692.634
Total	1.618.583	255.974	1.362.609	825.160	132.526	692.634

Statement of Movements Between the Beginning and End of the Period

	Current Period 31.12.2024	Prior Period 31.12.2023
	Intangible Assets	Intangible Assets
Prior Period End:		
Cost	825.160	426.161
Accumulated Depreciation (-)	132.526	83.707
Impairment Allowance (-)		
Net Book Value	692.634	342.454
Current Period End:		
Beginning of Period Net Book Value	692.634	342.454
Additions During the Period	793.423	398.999
Assets Derecognized and Sold (-)	-	-
Depreciation Expense (Net Change) (-)	123.448	48.819
Impairment Allowance (-)	-	-
Closing Net Book Value	1.362.609	692.634
Period End Cost	1.618.583	825.160
Period End Accumulated Depreciation (-)	255.974	132.526
Impairment Allowance (-)	-	-
Closing Net Book Value	1.362.609	692.634

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

11. Information on the investment properties:

As of 31 December 2024, the Bank has no investment property (31 December 2023: None).

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

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

EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

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

12. Information on deferred tax asset:

The Bank's deferred tax asset of TRY 5.452.332 (31 December 2023: TRY 4.387.183) and the deferred tax liability of TRY 3.373.730 (31 December 2023: TRY 1.909.078) are offset, resulting in a deferred tax asset of TRY 2.078.602 in the financial statements (31 December 2023: TRY 2.478.105. deferred tax asset).

	Current Period 31 December 2024	Prior Period 31 December 2023
Deferred Tax Asset	5.452.332	4.387.183
Deffered Tax Liability	3.373.730	1.909.078
Net Deffered Tax Asset	2.078.602	2.478.105
Net Deffered Tax Income	(787.966)	311.824

	Current Period 31 December 2024	Prior Period 31 December 2023
Severance Pay	136.558	96.331
Short – Term Employee Benefits	366.440	333.118
Valuation of Financial Assets	182.930	787.122
Other (*)	1.392.674	1.261.534
Net Deferred Tax Asset	2.078.602	2.478.105

(*) As of 31 December 2024, the Bank has recognized a deferred tax asset of 65.267 TRY (31 December 2023: None) due to the likelihood of benefiting from the tax-deductible losses arising from temporary differences of 217.555 TRY (31 December 2023: None) through the generation of taxable profits in the future. The expiration date for these tax losses is 2029.

13. Information on other assets:

As of 31 December 2024 and 31 December 2023, the Bank's other assets do not exceed 10% of the balance sheet total, excluding off-balance sheet commitments.

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

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

EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

II. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED LIABILITIES

1. a) Information on funds collected

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

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

(*) As of 31 December 2024, it includes amounts of TRY 16.370.016 for CBRT Exchange Rate Hedged Participation Account, TRY 42.613 for Treasury Exchange Rate Hedged Participation Account and TRY 6.080.813 for Yuvam Account.

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

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

EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

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

1. a) Information on funds collected (Continued)

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

Prior Period 31 December 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 profit sharing accounts	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	14.460.808	-	-	-	-	-	-	-	14.460.808
Public sector	458.769	-	-	-	-	-	-	-	458.769
Commercial sector	9.887.567	-	-	-	-	-	-	-	9.887.567
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 Türkiye	-	-	-	-	-	-	-	-	-
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 Türkiye	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 Türkiye	-	-	-	-	-	-	-	-	-
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 Türkiye	-	-	-	-	-	-	-	-	-
Residents Abroad	-	-	-	-	-	-	-	-	-
XI. Participation accounts special funds – FC	-	-	-	-	-	-	-	-	-
Residents in Türkiye	-	-	-	-	-	-	-	-	-
Residents Abroad	-	-	-	-	-	-	-	-	-
Total (I+II+.....+IX+X+XI)(*)	59.452.640	41.303.629	151.958.256	9.795.977	2.240.966	521.325	39.099.481	-	304.372.274

(*) As of 31 December 2023, it includes amounts of TRY 32.845.870 for CBRT Exchange Rate Hedged Participation Account, TRY 21.340.933 for Treasury Exchange Rate Hedged Participation Account and TRY 3.640.392 for Yuvam Account.

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

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

EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

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

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

a.2) Exceeding Amounts of Insurance Limit:

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

	Under the guarantee of saving deposit insurance Current Period 31 December 2024	Exceeding the limit of saving deposit Prior Period 31 December 2023	Under the guarantee of saving deposit insurance Current Period 31 December 2024	Exceeding the limit of saving deposit Prior Period 31 December 2023
Real persons current and profit sharing accounts that are not subject to commercial activities	30.478.881	21.915.098	104.186.506	93.404.253
TRY accounts	13.482.653	10.549.941	59.374.715	50.387.918
FC accounts	16.996.228	11.365.157	44.811.791	43.016.335
Foreign branches’ deposits under foreign authorities’ insurance	-	-	-	-
Off-shore banking regions’ under foreign authorities’ insurance	-	-	-	-

According to the Regulation on Amendments to the Regulation on Deposits and Participation Funds Subject to Insurance and the Premiums to be Collected by the Savings Deposit Insurance Fund, published in the Official Gazette No. 31936 dated 27 August 2022, all deposits and participation funds, except those held by official institutions, credit institutions, and financial institutions, are now covered under insurance. In line with this change, 4.915.719 TRY (31 December 2023: 3.239.462 TRY) of commercial deposits, which are covered by insurance, have not been included in the table. The portion of these deposits exceeding the insurance limit is 201.068.973 TRY (31 December 2023: 156.727.806 TRY).

ii. Amounts which are not within the scope of insurance

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

	Current Period 31 December 2024	Prior Period 31 December 2023
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	7.511	2.258
Profit sharing account and other accounts within the scope of the property holdings derived from crime defined in article 282 of Turkish Criminal Law No:5237 dated 26 September 2004	-	-
Profit sharing accounts in participation banks which are established in Türkiye in order to engage in off-shore banking activities solely	-	-

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

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

EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

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

2. Information on funds borrowed

a) Information on the type of borrowing

	Current Period 31 December 2024		Prior Period 31 December 2023	
	TRY	FC	TRY	FC
Syndicated Loans	3.035.754	2.893.597	4.711.292	1.255.451
Wakala Loans	-	2.120.705	-	-
Funds from Issued Lease Certificates (Sukuk)	-	-	-	-
Other	3.877.867	16.576.218	2.316.964	6.627.306
Total	6.913.621	21.590.520	7.028.256	7.882.757

The details of other loans are provided below.

	Current Period 31 December 2024		Prior Period 31 December 2023	
	TRY	FC	TRY	FC
Loans from Domestic Banks	3.877.866	712.051	2.316.964	1.077.366
Loans from Foreign Banks	-	15.864.167	-	5.549.941
Loan from Foreign Institutions	-	-	-	-
Total	3.877.866	16.576.218	2.316.964	6.627.307

b) Information on banks and other financial institutions

	Current Period 31 December 2024		Prior Period 31 December 2023	
	TRY	FC	TRY	FC
Borrowings from the CBRT	1.191.078	-	1.206.486	-
From Domestic Banks and Institutions	5.722.543	3.605.648	5.821.770	2.332.816
From Foreign Banks, Institutions and Funds	-	17.984.872	-	5.549.941
Total	6.913.621	21.590.520	7.028.256	7.882.757

c) Information on maturity structure of borrowings

	Current Period 31 December 2024		Prior Period 31 December 2023	
	TRY	FC	TRY	FC
Short-term	5.390.976	3.859.783	5.693.681	1.256.521
Medium and Long-term	1.522.645	17.730.737	1.334.575	6.626.236
Total	6.913.621	21.590.520	7.028.256	7.882.757

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

69,42% of The Bank’s liabilities consists of current and share profit account
(31 December 2023: 79,31%).

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

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

EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

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

3. Information on funds provided by money market transactions

	Current Period 31 December 2024		Prior Period 31 December 2023	
	TRY	FC	TRY	FC
Domestic	26.163.921	-	435.678	10.528.455
Financial Institutions	26.163.921	-	435.678	10.528.455
Abroad	-	-	-	-
Financial Institutions	-	-	-	-
Total	26.163.921	-	435.678	10.528.455

4. Information on securities issued

	Current Period 31 December 2024		Prior Period 31 December 2023	
	TRY	FC	TRY	FC
Bond	-	-	-	-
Asset Backed Securities	14.798.604	29.291.898	4.461.181	14.918.648
Bill	-	-	-	-
Total	14.798.604	29.291.898	4.461.181	14.918.648

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

None (31 December 2023: None).

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

	Current Period 31 December 2024		Prior Period 31 December 2023	
	TRY	FC	TRY	FC
Forward transactions	-	-	-	-
Swap transactions	-	-	-	153.095
Futures transaction	-	-	-	-
Options transaction	-	-	-	-
Other	-	-	-	-
Total	-	-	-	153.095

7. Information on financial lease obligations

	Current Period 31 December 2024		Prior Period 31 December 2023	
	Gross	Net	Gross	Net
Less than 1 year	19.461	18.415	17.264	16.604
Between 1-5 years	216.049	165.952	152.835	118.660
More than 5 years	2.866.344	1.474.199	1.210.600	650.595
Total	3.101.854	1.658.566	1.380.699	785.859

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

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

EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

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

8. Information on provisions

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

As of 31 December 2024, there is no provision for depreciation of foreign currency indexed loans and financial lease receivables (31 December 2023: None).

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

The expected The expected credit loss for non-compensated and non-cash loans is TRY 39.114 (31 December 2023: TRY 23.032).

c) Information on other provisions

c.1) Information on free provisions for possible risks

Free provision amounting to TRY 500.000 thousand which was provided by the Group management in prior periods outside of the requirements of BRSA Accounting and Financial Reporting Legislation, is reversed in the current period (31 December 2023: 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 Group management which is not within the requirements of BRSA Accounting and Financial Reporting Legislation).

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

As of 31 December 2024, TRY 503.944 of other provisions is related to provisions for non-cash loans (31 December 2023: TRY 534.833), TRY 737.003 of other provisions (31 December 2023: TRY 1.548.811) was allocated from profits to be distributed to participation accounts, TRY 9.439 (31 December 2023: TRY 4.248) was made from provisions for foreign currency purchases and sales, the portion amounting to TRY 2.861 (31 December 2023: TRY 2.180) consists of the provision for promotional practices regarding credit cards and banking services.

c.3) Information on litigations provisions

A provision of TRY 29.620 has been made in the financial statements for the lawsuits that are likely to be concluded against the Group but are not yet finalized (31 December 2023: TRY 89.976).

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

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

EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

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

8. Information on provisions (Continued)

d) Information on provisions for employee benefits

d.1) Employment termination benefits and unused vacation rights

The Bank accounts for its obligations related to severance pay and leave rights in accordance with Turkish Accounting Standard 19, 'Accounting for Benefits Provided to Employees.' It has calculated the future obligations arising from severance and notice pay at their net present value and reflected them in the financial statements. As of 31 December 2024, an amount of TRY 94.500 for leave provision (as of 31 December 2023: TRY 44.385) and TRY 286.680 for severance pay are recorded in the Employee Benefits Provision account in the financial statements (as of 31 December 2023: TRY 202.704).

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 2024	Prior Period 31 December 2023
Discount Rate (%)	26.67%	24.60%
Inflation (%)	23.49%	22.16%
Real Discount Rate (%)	2.58%	2.00%

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

	Current Period 31 December 2024	Prior Period 31 December 2023
Balance at the 1 January	202.704	125.764
Paid during the period	104.264	46.941
Severance Pay	(27.958)	(3.549)
Actuarial loss/(gain)	7.670	33.548
Balance at the end of the period	286.680	202.704

d.2) Retirement Benefits

Based on the results of the actuarial report, which is calculated with the actuarial ratio 9,80% as determined in the Law numbered 5754, published on the Official Gazette dated 8 May 2008 and numbered 26870, as of 31 December 2023, no technical deficit has been reported.

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

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

	Current Period	Prior Period
Opening - Beginning of Period Assets	20.411.236	9.609.837
Actual Return on Fund Assets	11.663.060	7.737.805
Employer Contributions	5.457.963	2.969.551
Employee Contributions	3.972.240	2.145.456
Paid Benefits –	(3.975.154)	(2.051.413)
Total Assets at Period End	37.529.345	20.411.236

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

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

EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

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

8. Information on provisions (Continued)

According to related Actuary Report, the Fund’s surplus is TRY 75.572.898 as of 31 December 2024 (31 December 2023: TRY 42.138.296).

	Current Period	Prior Period
Funds Assets	37.529.345	20.411.236
Actual and Technical Surplus Amount	75.572.898	42.138.296

The key actuarial assumptions used are as follows:

	Current Period	Prior Period
Discount Rate		
Retirement Benefits to be Transferred to the Social Security Institution (SGK)	9.80%	9.80%
Health Benefits to be Transferred to the Social Security Institution (SGK)	9.80%	9.80%

Both pre-retirement and post-retirement expected mortality rates are represented using the CSO 1980 Female/Male mortality table

The distribution of the fund assets is as follows::

	Current Period	Prior Period
Bank placements	2.405.748	3.753.005
Property and equipment	7.260.000	4.800.000
Marketable securities	21.290.395	11.260.039
Other	6.573.202	598.192
Total	37.529.345	20.411.236

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

The Bank has provisions amounting to TRY 164 in the current period, based on the additional bonus to be paid to the personnel (31 December 2023: TRY 164).

9. Explanations on tax liability

a) Explanations on current tax liability

As of 31 December 2024, the Bank does not have any remaining corporate tax liability after deducting the provisional taxes paid during the period from the tax provisions.

(As of 31 December 2023, the remaining corporate tax liability after deducting the provisional taxes paid during the period was TRY 536.382).

b) Information on taxes payable

	Current Period 31 December 2024	Prior Period 31 December 2023
Corporate Tax Payable	-	536.382
Taxation on Income From Securities	512.575	142.164
Property Tax	3.759	1.818
Banking Insurance Transactions Tax (BITT)	270.583	102.122
Foreign Exchange Transactions Tax	9.107	3.662
Value Added Tax Payable	65.804	48.906
Other	71.659	27.199
Total	933.487	862.253

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

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

EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

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

9. Explanations on tax liability (Continued)

c) Information on premiums:

	Current Period 31 December 2024	Prior Period 31 December 2023
Social Security Premiums – Employee	907	529
Social Security Premiums – Employer	1.317	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	2.454	1.153
Unemployment Insurance – Employer	4.892	2.299
Other	-	-
Total	9.570	4.715

10. Information on deferred tax liabilities

The Bank has no deferred tax liabilities as of the balance sheet date (31 December 2023: None).

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

The Bank has no liabilities for assets held for sale and discontinued operations (31 December 2023: None).

12. Explanations on subordinated debts

	Current Period 31 December 2024		Prior Period 31 December 2023	
	TRY	FC	TRY	FC
From Domestic Banks	5.348.430	-	1.341.987	-
From Other Domestic Institutions	-	15.496.665	-	4.451.686
From Foreign Banks	-	-	-	-
From Other Institutions Abroad	-	-	-	-
Total	5.348.430	15.496.665	1.341.987	4.451.686

	Current Period 31 December 2024		Prior Period 31 December 2023	
	TRY	FC	TRY	FC
Debt Instruments to be Included in the Additional Capital Calculation:	-	15.496.665	-	4.451.686
Subordinated Loans (*)	-	15.496.665	-	4.451.686
Equity-like Debt Instruments	-	-	-	-
Debt Instruments to be Included in Contribution Capital Calculation:	5.348.430	-	1.341.987	-
Subordinated Loans	5.348.430	-	1.341.987	-
Equity-like Debt Instruments	-	-	-	-
Total	5.348.430	15.496.665	1.341.987	4.451.686

(*) The Parent Bank obtained a subordinated loan within the scope of additional Tier 1 capital from the TWF Market Stability and Equilibrium Sub-Fund amounting to EUR 57.039 thousand on 9 March 2022, with the approval of the BRSA dated 9 March 2022, on a perpetual and non-dividend basis. The Parent Bank calculated the fair value of the mentioned loan amount using the prices of similar financial instruments at the date it was recognized in the financial statements in accordance with TFRS 9 and TFRS 13 standards. The Parent Bank obtained a subordinated loan qualifying as contribution capital from TC Ziraat Bankası A.Ş. amounting to USD 100.000 thousand with the approval of the BRSA dated 5 April 2024; and an additional Tier 1 capital subordinated loan amounting to TRY 4.000.000 on a perpetual and non-dividend basis on 30 December 2024. The Bank obtained a subordinated loan qualifying as contribution capital from Ziraat Katılım MTN Limited amounting to USD 300.000 thousand on 17 December 2024. The loan amounting to EUR 100.000 thousand obtained from the TWF Market Stability and Equilibrium Sub-Fund on 24 April 2019, was closed on 30 December 2024.

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

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

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

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

EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

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

14. Information on shareholders’ equity

a) Presentation on paid-in capital

	Current Period 31 December 2024	Prior Period 31 December 2023
Common stock	10.350.000	10.350.000
Preferred stock	-	-

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

None.

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

None.

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

None.

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

None (31 December 2023: None).

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

The Bank has no uncertainty related to profitability and liquidity according to the prior period’s indicators (31 December 2023: None).

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

As of 31 December 2024, the Bank has no preferred shares (31 December 2023: None).

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

	Current Period 31 December 2024		Prior Period 31 December 2023	
	TRY	FC	TRY	FC
From Subsidiaries, Associates and Entities under Common Control	-	-	-	-
Revaluation Difference	-	-	-	-
Foreign Exchange Difference	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	(1.685.928)	(13.541)	(761.298)	(31.758)
Revaluation Difference	(2.644.711)	(13.541)	(1.331.619)	(31.758)
Deferred Tax Effect	958.783	-	570.321	-
Foreign Exchange Difference	-	-	-	-
Total	(1.685.928)	(13.541)	(761.298)	(31.758)

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

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

EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

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

14. Information on shareholders’ equity (Continued)

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 6 June 2024, it was decided to distribute the profit for 2023 as follows:

Profit distribution table for 2023:

Profit for the year 2023	4.004.497
A - 1st Tier general legal reserves (TTK 519 / A) 5%	200.225
B - First dividend to shareholders	-
C - Extraordinary reserves	3.804.272
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

	Current Period 31 December 2024	Prior Period 31 December 2023
Forward Asset Value Trading Commitments	5.993.801	1.798.821
Guaranteed Loan Allocation Commitments	-	-
Payment Commitments for Cheques	3.122.449	1.708.702
Tax and Fund Liabilities from Export Commitments	627.241	296.293
Commitments for Credit Card Expenditure Limits	5.664.778	2.342.967
Other Irrevocable Commitments	4.704.090	1.304.223
Commitment to Implementation of Promotions for Credit Card and Banking Services	3.016	2.276
Total	20.115.375	7.453.282

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 503.944 (31 December 2021: TRY 534.833).

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

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

EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

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

The amount of provision for Stage 3 possible losses arising from the off-balance sheet items is TRY 503.944 (31 December 2023: TRY 534.833).

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

	Current Period 31 December 2024	Prior Period 31 December 2023
Guarantee Letters	105.574.323	69.092.049
Bank Acceptances	249.113	414.759
Letter of Credits	10.507.996	7.928.282
Other Contingencies	113.998	895.443
Total	116.445.430	78.330.533

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

	Current Period 31 December 2024	Prior Period 31 December 2023
Letters of Temporary Guarantees	7.794.155	2.285.988
Letters of Certain Guarantees	59.092.207	41.486.780
Letters of Advance Guarantees	12.017.864	8.893.988
Letters of Guarantees given to Customs Offices	1.856.757	794.150
Other Letters of Guarantees	24.813.340	15.631.143
Total	105.574.323	69.092.049

b.3) Total non-cash loans

	Current Period 31 December 2024	Prior Period 31 December 2023
Non-Cash Loans for Providing Cash Loans	24.807.484	15.625.859
With Original Maturity of One Year or Less	1.688.049	1.572.826
With Original Maturity of More than One Year	23.119.435	14.053.033
Other Non-Cash Loans	91.637.946	62.704.674
Total	116.445.430	78.330.533

c) Information on sectoral risk concentrations of non-cash loans

	Current Period 31.12.2024				Prior Period 31.12.2023			
	TRY	(%)	FC	(%)	TRY	(%)	FC	(%)
Agricultural	734.972	1	64.048	-	376.582	1	24.037	-
Farming and Raising								
Livestock	627.832	1	3.796	-	293.577	1	24.037	-
Forestry	89.069	-	8.549	-	70.970	-	-	-
Fishing	18.071	-	51.703	-	12.035	-	-	-
Manufacturing	18.501.523	28	31.920.170	64	11.422.927	30	25.075.793	63
Mining and Quarrying	280.750	-	893.173	2	178.717	-	528.968	1
Production	16.365.801	25	30.854.420	62	9.984.970	26	24.209.408	61
Electric, Gas and Water	1.854.972	3	172.577	0	1.259.240	3	337.417	1
Construction	29.820.994	45	10.255.622	20	16.449.392	43	7.076.223	18
Services	17.170.601	26	7.825.543	16	10.089.266	26	7.420.871	18
Wholesale and Retail Trade	11.400.714	17	4.199.516	8	7.079.837	18	3.146.391	8
Hotel, Food and Beverage Services	675.772	1	1.066.800	2	313.751	1	280.074	-
Transportation and Telecommunication	1.259.658	2	566.054	1	743.429	2	1.590.958	4
Financial Institutions	167.604	-	338.075	1	122.219	-	1.172.953	3
Real Estate and Leasing Services	2.913.038	4	1.518.241	4	1.394.445	4	1.081.553	3
Self-employment Services	501.440	1	118.794	0	264.776	1	120.817	-
Education Services	75.097	-	18.063	0	46.871	-	28.125	-
Health and Social Services	177.278	-	-	-	123.938	-	-	-
Other	56.070	-	95.887	-	5.238	-	390.204	1
Total	66.284.160	100	50.161.270	100	38.343.405	100	39.987.128	100

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

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

EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

d) Information on non-cash loans classified in groups I and II:

	I. Group		II. Group	
	TRY	FC	TRY	FC
Non-cash Loans	65.585.006	48.437.562	699.154	1.723.708
Letters of Guarantee	65.469.571	37.681.890	699.154	1.723.708
Aval and Acceptance Loans	-	249.113	-	-
Letters of credit	12.992	10.495.004	-	-
Turnover	-	-	-	-
Our Guarantees for Purchase in Securities Issue	-	-	-	-
From Factoring Guarantees	-	-	-	-
Other Guarantees and Sureties	102.443	11.555	-	-

2. Explanations on derivative transactions:

	Current Period 31.12.2024	Prior Period 31.12.2023
Types of Trading Transactions		
Foreign Currency Related Derivative Transactions: (I)	34.311.876	14.939.086
Forward Foreign Exchange Transactions	-	94.674
Swap Money Exchange Transactions	34.311.876	14.844.412
Futures Money Transactions	-	-
Money Trading Options	-	-
Other Trading Derivative Transactions: (II)	-	-
A. Total Trading Derivative Transactions (I+II)	34.311.876	14.939.086
Types of Hedging Derivative Transactions		
Fair Value Hedges	-	-
Cash Flow Hedges	-	-
Foreign Currency Investment Hedges	-	-
B. Derivative Transactions for Total Hedging Purposes	-	-
Total Derivative Transactions (A + B)	34.311.876	14.939.086

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 31.12.2024	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Total
Derivatives held for trading						
Foreign exchange derivatives:	222.813	102.047	-	-	-	324.860
- Inflow	11.069.733	6.248.635	-	-	-	17.318.368
- Outflow	(10.846.920)	(6.146.588)	-	-	-	(16.993.508)
Derivatives held for hedging	-	-	-	-	-	-
Foreign exchange derivatives:	-	-	-	-	-	-
- Inflow	-	-	-	-	-	-
- Outflow	-	-	-	-	-	-
Total Inflow	11.069.733	6.248.635	-	-	-	17.318.368
Total Outflow	(10.846.920)	(6.146.588)	-	-	-	(16.993.508)

Prior Period 31.12.2023	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Total
Derivatives held for trading						
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)
Derivatives held for hedging	-	-	-	-	-	-
Foreign exchange derivatives:	-	-	-	-	-	-
- Inflow	-	-	-	-	-	-
- Outflow	-	-	-	-	-	-
Total Inflow	976.530	6.388.495	41.873	-	-	7.406.898
Total Outflow	(977.326)	(6.518.087)	(36.775)	-	-	(7.532.188)

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

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

EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

III. EXPLANATIONS AND NOTES RELATED TO THE OFF-BALANCE SHEET ACCOUNTS
(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 3.122.449 (31 December 2023: TRY 1.708.702).

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 CONSOLIDATED STATEMENT OF PROFIT OR LOSS

1. a) Information on profit share received from loans

	Current Period 31 December 2024		Prior Period 31 December 2023	
	TRY	FC	TRY	FC
Profit share on loans ^(*)	47.699.043	8.114.347	20.568.191	5.599.861
Short term loans	23.452.790	3.465.247	12.677.077	3.437.665
Medium and long term loans ^(**)	23.946.432	4.649.100	7.834.010	2.162.196
Profit share on non-performing loans	299.821	-	57.104	-
Premiums received from resource utilization support fund	-	-	-	-

(*) Includes fees and commissions income on cash loans.
(**) Includes a gain of 510.676 TRY from profit and loss sharing agreements investments

b) Information on profit share income from banks

	Current Period 31 December 2024		Prior Period 31 December 2023	
	TRY	FC	TRY	FC
Central Bank of the Republic of Türkiye	732.795	-	-	-
Domestic Banks	1.868.177	-	424.880	68.213
Foreign Banks	-	-	-	640
Head Office and Branches	-	-	-	-
Total	2.600.972	-	424.880	68.853

c) Information on profit share income from securities portfolio

	Current Period 31 December 2024		Prior Period 31 December 2023	
	TRY	FC	TRY	FC
Financial Assets at Fair Value through Profit and Loss	-	151.811	-	71.248
Financial Assets at Fair Value through Other Comprehensive Income	6.349.993	95.171	5.440.368	218.670
Investments Held-to-Maturity Financial Assets Measured by Amortized Cost	3.399.798	154.816	1.445.798	400.601
Total	9.749.791	401.798	6.886.166	690.519

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

None (31 December 2023: None).

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

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

EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

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

2. a) Information on profit share expense on borrowing

	Current Period 31 December 2024		Prior Period 31 December 2023	
	TRY	FC	TRY	FC
Banks	1.476.310	1.624.072	706.719	368.762
Central Bank of the Republic of Türkiye	233.695	-	5.325	-
Domestic Banks	1.242.615	761.245	701.394	177.704
Foreign Banks	-	862.827	-	191.058
Head Office and Branches	-	-	-	-
Other Institutions	-	-	-	429.188
Total	1.476.310	1.624.072	706.719	797.950

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

None (31 December 2023: None).

c) Information on profit share expense paid to securities issued

None (31 December 2023: None).

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

Current Period 31 December 2024	Participation Accounts					
Account Name	1 month	3 months	6 months	1 year	Over 1 year	Total
Turkish Lira						
Funds Collected from Banks via Current and Participation Accounts	4.726	534.562	375.454	-	-	914.742
Real Person's Non Commercial Participation Accounts	614.048	11.642.671	1.149.840	1.096.482	5.962.225	20.465.266
Public Sector Participation Accounts	4.877.295	1.375.694	3.816.493	150.774	26.994	10.247.250
Commercial Sector Participation Accounts	4.667.385	26.188.932	3.010.239	1.296.954	1.704.419	36.867.929
Other Institutions Participation Accounts	60.912	1.873.971	306.410	118.441	43.392	2.403.126
Total	10.224.366	41.615.830	8.658.436	2.662.651	7.737.030	70.898.313
Foreign Currency						
Funds Collected from Banks via Current and Participation Accounts	224	499	-	-	432	1.155
Real Person's Non Commercial Participation Accounts	15.247	289.779	5.368	6.274	31.417	348.085
Public Sector Participation Accounts	7	80.707	3.822	1.382	-	85.918
Commercial Sector Participation Accounts	9.183	826.459	250.533	67.320	74	1.153.569
Other Institutions Participation Accounts	100.730	168.326	910	235	111	270.312
Public Sector Participation Accounts	14.487	-	-	-	-	14.487
Total	139.878	1.365.770	260.633	75.211	32.034	1.873.526
Grand Total	10.364.244	42.981.600	8.919.069	2.737.862	7.769.064	72.771.839

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

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

EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

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

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

Prior Period 31 December 2023	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	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
Total	4.537.040	22.931.927	1.748.850	681.256	2.959.312	32.858.385
Foreign Currency						
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
Total	267.371	1.546.575	212.596	3.919	39.494	2.069.955
Grand Total	4.804.411	24.478.502	1.961.446	685.175	2.998.806	34.928.340

3. Information on dividend income:

As of 31 December 2024, the Bank has TRY 1.428 dividend income (31 December 2023: TRY 714).

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

	Current Period 31 December 2024	Prior Period 31 December 2023
Income	16.194.442	10.125.896
Foreign exchange gains	389.376	6.530
Gain on derivative financial instruments	1.710.012	790.478
Gain on capital market transactions	14.095.054	9.328.888
Losses (-)	12.877.241	7.967.350
Foreign exchange losses	43.658	23.223
Losses on derivative financial instruments	174.100	87.001
Losses on capital market transactions	12.659.483	7.857.126
Net	3.317.201	2.158.546

b. Information on Profit/Loss on Derivative Financial Operations

	Current Period 31 December 2024	Prior Period 31 December 2023
Effect of the change in exchange rates on profit/loss	1.535.912	703.477
Total	1.535.912	703.477

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

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

EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

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

5. Information on other operating income

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

	Current Period 31 December 2024	Prior Period 31 December 2023
Correction Account for Previous Years Expenses (*)	4.758.038	2.066.827
Income from the Sale of the Asset	181.717	22.665
Provision for Communication Expenses	34.777	10.614
Checkbook Fees	6.118	1.268
Other	13.258	12.480
Total	4.993.908	2.113.854

(*) Adjustment to prior year expenses consists of TRY 3.128.088 from provisions for loans (31 December 2023: TRY 1.127.776), TRY 500.000 from free provisions (31 December 2023: TRY 600.000), TRY 1.038.034 from provisions for participation accounts (31 December 2023: TRY 294.049), and TRY 2.247 from provisions for impairment of securities (31 December 2023: TRY 3)

6. Provision expenses for impairment on loans and other receivables

	Current Period 31 December 2024	Prior Period 31 December 2023
Expected Credit Loss	2.892.814	3.136.003
12 month expected credit loss (Stage 1)	862.578	1.413.476
Significant increase in credit risk (Stage 2)	1.212.501	904.072
Non-performing loans (Stage 3)	817.735	818.455
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	130.523	182.212
Total	3.023.337	3.318.215

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

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

EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

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

7. Information on other operating expenses

	Current Period 31 December 2024	Prior Period 31 December 2023
Reserve for Employee Termination Benefits	76.306	43.392
Bank Social Aid Provision Fund Deficit Provision	-	-
Impairment Expenses of Tangible Assets	-	-
Depreciation Expenses of Tangible Fixed Assets	835.024	326.634
Impairment Expenses of Intangible Assets	-	-
Goodwill Impairment Expense	-	-
Amortization Expenses of Intangible Assets	123.416	49.850
Impairment Expense of Equity Participations for which Equity Method is Applied	-	-
Impairment Expenses of Assets Held for Sale	-	-
Depreciation Expenses of Assets Held for Sale	-	-
Impairment Expenses for Non-Current Assets Held for Sale and Discontinued Operations	-	-
Other Operating Expenses	1.454.873	828.703
Leasing Expenses Related to TFRS 16 Exceptions	18.128	3.050
Maintenance Expenses	210.547	139.971
Advertisement Expenses	209.322	185.162
Other Expenses (*)	1.016.876	500.520
Loss on Sales of Assets	8.994	546
Other (**)	1.352.613	1.562.560
Total	3.851.226	2.811.685

(**) Of the balance comprising the other item, TRY 476.521 (31 December 2023 TRY 326.663) consists of SDIF premium and audit and consultancy service expenses, 723.398 TRY (31 December 2023 TRY 177.752) amount consists of taxes, fees, and funds, as well as other service expenses (31 December 2023: the amount of TRY 1.000.000 related to donations made to AFAD due to the earthquake disaster in Kahramanmaraş and surrounding provinces in February).

(*) The details of the 'Other Expenses' balance under Other Operating Expenses are as follows in the table below:

	Current Period 31 December 2024	Prior Period 31 December 2023
Cleaning Expenses	191.828	96.246
Credit Cards and Banking Services Promotional Expenses	175.458	129.126
Communication Expenses	175.058	98.389
Heating, Lighting, and Water Expenses	80.943	32.499
Shared Expenses	66.440	3.187
Donations and Charitable Contributions	62.030	8.588
Representation and Entertainment Expenses	49.322	34.795
Vehicle Expenses	37.544	20.419
Office Supplies Expenses	25.203	19.201
Computer Usage Expenses	22.476	5.625
Non-deductible Expenses	15.151	5.785
Insurance Expenses	10.516	4.616
Other	104.904	42.044
Total	1.016.876	500.520

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

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

EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

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

8. Fees for Services Received from Independent Auditor / Independent Audit Firm

In accordance with the decision of the POA dated 26 March 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 31.12.2024	Prior Period 31.12.2023
Independent audit fee for the reporting period	8.079	7.753
Fees for tax advisory services	-	-
Fee for other assurance services	8.919	437
Fees for services other than independent auditing	-	-
Total(*)	16.998	8.190

(*) 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 2024, 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 2024	Prior Period 31 December 2023
Net Profit Share Income	4.136.662	5.428.985
Net Fees and Commissions Income	2.923.878	2.931.888
Dividend Income	1.428	714
Trading Income/Expense (Net)	3.317.201	2.158.546
Other Operating Income	4.993.908	2.113.854
Expected Loss Provision (-)	2.892.814	3.136.003
Other Provision Expense (-)	130.523	182.212
Personnel Expense	4.257.726	2.086.880
Other Operating Expenses (-)	3.851.226	2.811.685
Income/(Loss) from Continuing Operations	4.240.788	4.417.207

10. Information on tax provision for continued and discontinued operations

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

As of 31 December 2024, the Bank has deferred tax income of TRY 676.686 (31 December 2023: TRY 1.227.284) and deferred tax expense of TRY 1.464.652 (31 December 2023: TRY 311.824). There is no current tax provision (31 December 2023: TRY 724.534 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 TRY 3.452.822 (31 December 2023: 4.004.397 TRY net profit).

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

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

EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

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

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 2023: None).

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

- a) Explanations on Profit Distribution:

In accordance with the profit distribution decision taken at the Bank's 2023 Ordinary General Assembly meeting held on 6 June 2024, TRY 200.225 was allocated as a general legal reserve fund at the rate of 5% from the balance sheet profit of TRY 4.004.497 for 2023, and the remaining TRY 3.804.272 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 2024 as of the date of preparation of these consolidated financial statements.

- 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.

- c) Profit Reserves:

As of the balance sheet date, profit reserves amounted to TRY 10.142.629 (31 December 2023: TRY 6.138.132), legal reserves amounted to TRY 312.264 (31 December 2023: TRY 312.264), extraordinary reserves amounted to TRY 9.584.074 (31 December 2023: TRY 5.779.801), other profit reserves amounted to TRY 46.067 (31 December 2023: TRY 46.067).

- d) Explanations on Previous Period Profit / Loss:

As of 31 December 2024, the Bank has no prior period profit or loss. (31 December 2023: None)

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

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

EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

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

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:

Of the operating loss before changes in operating assets and liabilities amounting to TRY 1.505.433(31 December 2023: TRY 6.061.687 profit), TRY 78.386.723 (31 December 2023: TRY 37.366.067 profit) mainly consists of profit share income from loans and marketable securities and financial leases and TRY 79.573.666 (31 December 2023: TRY 33.085.831 profit) mainly consists of profit share expenses on deposits and loans used. Other income mainly consists of net fee and commission income and trading profit and loss income.

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 761.962 TRY (31 December 2023: 1.250.021 TRY) as of 31 December 2024.

Cash, cash deposits, free accounts of the Central Bank of the Republic of Türkiye, 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 31.12.2024	Prior Period 31.12.2023
Cash in TRY and in Foreign Currency	2.102.309	1.156.493
Central Bank of the Republic of Türkiye and Other Banks	80.142.502	40.405.930
Money Market Operations	-	-
Total Cash and Cash Equivalents	82.244.811	41.562.423

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

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

Current Period

Risk group of the Bank	Subsidiaries, Associates and Entities Under Common Control (Joint Ventures)		Direct and indirect shareholders of the Bank		Other real or legal persons included in the risk group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and other receivables	-	-	-	-	-	-
Balance at beginning of period	-	-	6.184.984	-	-	-
Balance at end of period	-	-	3.310.391	-	-	-
Profit share and commission income	-	-	2.023	-	-	-

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

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

EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

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

- 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
Loans and other receivables	-	-	-	-	-	-
Balance at beginning of period	-	-	2.374	-	-	-
Balance at end of period	-	-	6.184.984	-	-	-
Profit share and commission income	-	-	2.703	-	-	-

- b) Current and profit sharing 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	Prior Period	Current Period	Prior Period
Current and participation accounts	1.740	-	-	-	-	-
Balance at the beginning of period	1.740	-	-	-	-	-
Balance at the end of period	4.092	1.740	-	-	-	-
Participation Accounts	-	-	-	-	-	-
Profit Share Expenses	-	-	-	-	-	-

- c) Information on loans received 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	Prior Period	Current Period	Prior Period
Funds Borrowed	19.510.499	5.200.000	112.751	284.791	-	-
Balance at the beginning of period	19.510.499	5.200.000	112.751	284.791	-	-
Balance at the end of period	35.421.127	19.510.499	75.191	112.751	-	-
Participation Accounts	-	-	-	-	-	-
Profit Share Expenses	6.697.355	1.442.455	241.723	72.040	-	-

- 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	-	-	14.844.411	5.928.040	-	-
Balance at the end of period	-	-	29.203.067	14.844.411	-	-
Total Profit / Loss	-	-	207.595	(152.895)	-	-
Hedging transactions	-	-	-	-	-	-
Balance at the beginning of period	-	-	-	-	-	-
Balance at the end of period	-	-	-	-	-	-
Total Profit / Loss	-	-	-	-	-	-

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

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

EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

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

- 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 56.793 (31 December 2023: TRY 29.269).

VIII. SIGNIFICANT EVENTS AND MATTERS ARISING SUBSEQUENT TO CONSOLIDATED
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	Country of Location	Total Assets	Legal Capital
Domestic Branch (*)	208	2.864			
Foreign Representatives	-	-		-	
Foreign Branch (**)	1	-	Sudan	1.235.018	7.325
	1	7	Somali	1.501.445	20.705
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.

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

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

SECTION SIX	
OTHER EXPLANATIONS AND NOTES	
I.	INFORMATION ON THE GROUP'S RATING THAT HAS BEEN DETERMINED BY INTERNATIONAL RATING AGENCIES
	Fitch Ratings: 3 January 2025Not
	Foreign Currency Long Term Credit RatingB+
	Foreign Currency Short Term Credit RatingB
	Local Currency Long Term Credit RatingBB-
	Local Currency Short Term Credit RatingB
	National Long Term Credit Rating RatingAA(tur)
	Supportb+
II.	OTHER EXPLANATIONS ON THE GROUP’S OPERATIONS
	None.

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

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

SECTION SEVEN	
EXPLANATIONS ON INDEPENDENT AUDIT REPORT	
I.	MATTERS TO BE EXPLAINED ON THE INDEPENDENT AUDITOR’S REPORT
	The consolidated financial statements prepared as of 31 December 2024 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 consolidated financial statements of independent auditors' report dated 14 February 2025.
II.	EXPLANATIONS AND NOTES PREPARED BY THE INDEPENDENT AUDITORS
	None.

Performance Indicators

ECONOMIC PERFORMANCE INDICATORS

FINANCIAL SCALE	Unit	2022	2023	2024
Total Assets	TL million	213,343	384,257	515,328
Funds Extended*	TL million	144,858	259,771	317,864
Funds Collected	TL million	173,139	304,372	357,653
Shareholders' Equity	TL million	11,378	19,832	22,371
Net Profit/Loss for the Period	TL million	3,840	4,004	3,453
NUMBER OF CUSTOMERS				
Total number of customers	Number	1,075,709	1,163,058	1,334,962
Number of customers using digital services	Number	400,761	483,433	827,153

SOCIAL PERFORMANCE INDICATORS

	Unit	2022		2023		2024	
		Female	Male	Female	Male	Female	Male
NUMBER OF EMPLOYEES							
Direct Employment							
Total number of employees	person	660	1,520	901	1,833	1,136	2,022
White-collar employees	person	508	1,396	726	1,704	979	1,885
Blue-collar employees	person	152	124	175	129	157	137
Employees under collective bargaining agreement	person	435	1,152	598	1,355	860	1,613
Total employees**	person	2,180		2,734		3,158	
Total female employee ratio	person	30%		33%		36%	
Average Number of Employees							
Average number of employees	person	610	1,420	832	1,722	991	1,796
Average number of white-collar employees	person	474	1,296	674	1,596	837	1,664
Average number of blue-collar employees	person	136	124	158	126	157	137
Total average number of employees	person	2,030		2,554		2,787	
Total female employee ratio	%	30%		33%		36%	
Number of Employees by Age Groups							
Under 30	person	220	315	351	410	540	527
Between 30-50	person	283	1,063	368	1,269	434	1,338
Over 50	person	5	18	7	25	5	20
Indirect Employment							
Number of subcontracted employees	person	152	124	175	129	157	137
Total number of subcontracted employees	person	276		304		294	
Total female employee ratio	person	55%		58%		53%	

GRI 2-7, 302-1, 302-2, 302-3, 302-4, 303-3, 303-4, 303-5, 305-1, 305-2, 305-3, 305-4, 305-5, 306-3, 306-4, 306-5, 401-1, 401-3, 403-5, 403-9, 403-10, 404-1, 404-3

	Unit	2022		2023		2024	
		Female	Male	Female	Male	Female	Male
NUMBER OF MANAGERS							
By Age Group							
Under 30	person	0	0	0	0	0	0
30-50	person	24	203	26	242	26	281
Over 50	person		8	1	8	1	3
Total number of managers	person	235		277		311	
By Level							
First level	person	0	0	0	0	0	0
Middle level	person	22	209	22	245	22	269
Senior level	person	2	6	5	8	5	15
First level female manager ratio	%	0		0		0	
Middle level female manager ratio	%	10%		8%		8%	
Senior level female manager ratio	%	25%		38%		25%	
Total female manager ratio	%	10%		10%		9%	
Number of employees in STEM (Science, Technology, Engineering, and Mathematics) positions	person	2	16	2	23	2	19
Ratio of women employees in STEM positions	%	11%		8%		10%	
EMPLOYEES WITH DISABILITIES AND FOREIGN NATIONAL EMPLOYEES							
By gender	person	9	21	9	32	11	31
By legal requirement (minimum)	person	37		53		65	
Foreign national employees	person	1	2	8	8	10	6
NUMBER OF HIRES BY AGE GROUP							
Under 30	person	84	85	179	200	298	304
30-50	person	47	193	68	176	38	38
Over 50	person	2	1	0	3	0	0
Employees hired within the year	person	133	279	247	379	336	342
NUMBER OF HIRES BY MANAGEMENT LEVEL							
First level	person	0	3	0	3	0	0
Middle level	person	1	8	0	9	0	2
Senior level	person	0	0	0	0	0	0
Employees hired within the year	person	1	11	0	12	0	0
NUMBER OF EMPLOYEES BY TENURE							
0–5 years	person	358	840	536	1,047	777	1,217
5–10 years	person	150	556	190	657	202	668
Over 10 years	person	0	0	0	0	0	0
Total number of employees	person	1,904		2,430		2,864	

*Financial leasing, expected loss provisions and non-performing receivables are included.
**All employees are full-time.

GRI 2-7, 302-1, 302-2, 302-3, 302-4, 303-3, 303-4, 303-5, 305-1, 305-2, 305-3, 305-4, 305-5, 306-3, 306-4, 306-5, 401-1, 401-3, 403-5, 403-9, 403-10, 404-1, 404-3

Performance Indicators

	Unit	2022		2023		2024	
		Female	Male	Female	Male	Female	Male
LEAVING JOB							
Number of employees leaving by age							
Under 30	person	29	33	64	64	69	127
Between 30-50	person	9	1	6	10	9	28
Over 50	person	0	1	0	6	0	10
Total number of employees leaving their jobs	person	73		150		243	
Number of employees leaving by managerial level							
First level	person	0	0	0	0	0	0
Middle level	person	2	5	3	6	6	26
Senior level	person	0	0	0	0	0	0
Total number of managers leaving their jobs	person	2	5	3	6	0	0
Number of employees leaving voluntarily by age							
Under 30	person	29	33	64	64	69	127
Between 30-50	person	9	1	6	10	9	28
Over 50	person	0	1	0	6	0	10
Total number of employees leaving their jobs voluntarily	person	38	35	70	80	78	165
Number of employees leaving voluntarily by managerial level							
First level	person	0	0	0	0	0	0
Middle level	person	2	5	3	6	6	26
Senior level	person	0	0	0	0	0	0
Total number of managers leaving their jobs voluntarily	person	7		9		32	
TOTAL EMPLOYEE TURNOVER RATIOS							
Under 30	%	0.12		0.17		0.18	
Between 30-50	%	0.01		0.01		0.02	
Over 50	%	0.04		0.18		0.4	
Female employee turnover ratio	%	0.06		0.08		0.21	
Male employee turnover ratio	%	0.02		0.04		0.08	
First level manager turnover ratio	%	0		0		0	
Middle level manager turnover ratio	%	0.03		0.03		0.11	
Senior level manager turnover ratio	%	0		0		0	

GRI 2-7, 302-1, 302-2, 302-3, 302-4, 303-3, 303-4, 303-5, 305-1, 305-2, 305-3, 305-4, 305-5, 306-3, 306-4, 306-5, 401-1, 401-3, 403-5, 403-9, 403-10, 404-1, 404-3

	Unit	2022		2023		2024	
		Female	Male	Female	Male	Female	Male
TURNOVER RATIOS OF EMPLOYEE LEAVING VOLUNTARILY							
Below 30 turnover ratio	%	0.12		0.17		0.18	
30-50 turnover ratio	%	0.01		0.01		0.02	
Above 50 turnover ratio	%	0.04		0.18		0.4	
Female employee turnover ratio	%	0.28		0.44		0.21	
Male employee turnover ratio	%	0.28		0.63		0.08	
First level manager turnover ratio	%	0		0		0	
Middle level manager turnover ratio	%	0.03		0.03		0.11	
Senior level manager turnover ratio	%	0		0		0	
PARENTAL/MATERNITY LEAVE							
Number of employees on maternity/paternity leave	person	23	77	35	93	57	95
Number of employees returning to work after maternity/paternity leave	person	21	77	31	93	27	95
Ratio of employees returning to work from maternity leave to total employees	%	0.04		0.05		0.038	

EMPLOYEE DEVELOPMENT	Unit	2022		2023		2024	
		Female	Male	Female	Male	Female	Male
Training hours by gender							
Total training hours by gender	hours	14,100	26,521	13,888	24,773	76,386	114,580
Annual average training hours per employee by gender	hours	21	17	15	13	29	43

Training Hours by Age Group	Unit	2022			2023			2024		
		Below 30	30-50	Above 50	Below 30	30-50	Above 50	Below 30	30-50	Above 50
Total training hours by age	hours	22,203	16,594	1,824	22,610	13,551	2,500	706,567	118,399	1,909
Annual average training hours per employee by age	hours	42	12	76	30	8		27	45	

GRI 2-7, 302-1, 302-2, 302-3, 302-4, 303-3, 303-4, 303-5, 305-1, 305-2, 305-3, 305-4, 305-5, 306-3, 306-4, 306-5, 401-1, 401-3, 403-5, 403-9, 403-10, 404-1, 404-3

Performance Indicators

Training Hours and Number of Participants by Training Programs	2022		2023		2024	
	Training Hours	Number of Employees Participating	Training Hours	Number of Employees Participating	Training Hours	Number of Employees Participating
Development training	17,253	186	19,908	414	76,107	2,227
Sales and marketing training	23,880	2,756	25,658	2,541	33,504	3,452
Management trainee training	3,420	38	3,226	44	5,712	84

	Unit	Female	Male
2023 Sustainability trainings	Hours	173	365
2024 Sustainability trainings	Hours	1,520	2,280

Training Costs	Unit	2022	2023	2024
Total training cost	TL thousand	2,857	5,484	10,766
Average annual training cost per employee	TL	1,308	2,004	3,759

OSH	Unit	2022	2023	2024
Direct employment				
Number of accidents	Number	0	1	0
Number of fatalities	Number	0	0	0
Number of occupational diseases	Number	0	0	0
Work loss due to accidents	Day	0	0	0
Work loss	Day	0	0	0
Indirect employment				
Number of accidents	Number	2	0	21
Number of fatalities	Number	0	0	0
Number of occupational diseases	Number	0	0	0
Work loss due to accidents	Day	2	0	0
Work loss	Day	0	0	28

GRI 2-7, 302-1, 302-2, 302-3, 302-4, 303-3, 303-4, 303-5, 305-1, 305-2, 305-3, 305-4, 305-5, 306-3, 306-4, 306-5, 401-1, 401-3, 403-5, 403-9, 403-10, 404-1, 404-3

ENVIRONMENTAL PERFORMANCE INDICATORS

GREENHOUSE GAS EMISSIONS	Unit	2022	2023	2024	Change
Scope 1	tonCO ₂ e	1,838	2,253	2,697	19.70%
Scope 2	tonCO ₂ e	2,485	2,896	104*	-96.42%
Scope 3	tonCO ₂ e	1,413	1,781	1,216	-31.70%
Total (Scope 1 + Scope 2)	tonCO ₂ e	4,322	5,149	2,801	-45.61%
EMISSION INTENSITIES**					
Emissions per employee	tCO ₂ e/number of employees	2.27	2.12	0.98	-53.97%
Emissions by consolidated asset size	tCO ₂ e/ TL million	0.020	0.013	0.005	-59.45%
Emissions by consolidated net profit	tCO ₂ e/ TL million	1.14	1.29	0.81	-37.00%
ENERGY CONSUMPTION					
Total Electricity Consumption	MWh	5,659	6,596	14,311	116.96%
Total Natural Gas Consumption	m ³	376,359	413,524	519,195	25.55%
Diesel Fuel Consumption	liter	3,295	3,410	2,444	-28.33%
Fuel Oil Consumption	liter	0	0	0	-
Coal Consumption	kg	0	0	0	-
WATER CONSUMPTION					
Tap Water	m ³	17,705	23,296	50,005	114.65%
Waste Water	m ³	17,705	23,296	47,505	103.92%
VEHICLE FUEL CONSUMPTION					
Company Vehicles Gasoline	liter	85,117	139,240	310,403	122.93%
Company Vehicles Diesel	liter	334,254	414,491	332,801	-19.71%
Personnel Service Vehicles Diesel	liter	-	49,152	229,296	366.50%
RECYCLED WASTE					
Paper - Cardboard Waste	kg	8,963	16,740	24,380	45.64%
Metal	kg	6	10	373	3,630.00%
Glass	kg	16	14	612	4,271.43%
Plastic	kg	1,543	1,447	3,914	170.49%
Mixed Packaging	kg	27,186	28,281	14,148	-49.97%
Total Recycled Waste	kg	37,714	46,492	43,427	-6.59%

* I-REC certificate for 14,350 MWh was obtained in 2024. Scope 2 emissions are calculated as “104 tonsCO₂e” since electricity consumption is I-REC certified. Emissions from purchased electricity within Scope 2 emissions were realized as 0 on a market basis, and emissions from heat were realized as “104 tonsCO₂e.”

** The sum of Scope 1 + Scope 2 emissions was used in the calculation of Emission Intensities.

GRI 2-7, 302-1, 302-2, 302-3, 302-4, 303-3, 303-4, 303-5, 305-1, 305-2, 305-3, 305-4, 305-5, 306-3, 306-4, 306-5, 401-1, 401-3, 403-5, 403-9, 403-10, 404-1, 404-3

Greenhouse Gas Emissions Verification Statement



CERTIFICATION & INSPECTION

Greenhouse Gas Verification Statement

The inventory of Greenhouse Gas emissions of

ZİRAAT KATILIM BANKASI A.Ş.

Organizational Boundaries

The organizational boundaries are determined as 3 headquarters buildings and 208 branches.

has been verified in accordance with ISO 14064-3:2019 as meeting the requirements of

GHG PROTOCOL

Category 1- Direct Emissions	2.696,91	t CO ₂ eq
Category 2- Indirect Emissions from imported energy (Location-based)	6.428,85	t CO ₂ eq
Category 2- Indirect Emissions from imported energy (Market-based)	103,53	t CO ₂ eq
Category 3- Other Indirect Emissions	1.216,49	t CO ₂ eq
Total Emissions (Location-based)	10.342,25	t CO₂ eq
Total Emissions (Market-based)	4.016,93	t CO₂ eq

Level of Assurance : Reasonable

Verification Report Date : 19.03.2025

Reporting Period : 01.01.2024 - 31.12.2024

Statement No : SG-GNL-405 / 2024

I-REC Reference Number/ I-REC Referans No: 37577231 (01.01.2024-31.12.2024)

Authorized by

Okay Kayhanlı – Director





QSI Belgelendirme, Muayene ve Test Hizmetleri Ltd. Şti.
Beytepe Mah. 5397 Sokak, Mira Ofis B1 Blok D:2, Çankaya - Ankara
Tel : +90 312 472 60 67 Faks : +90 312 472 60 68
E-mail: info@qsi.com.tr Web: www.qsi.com.tr

GRI Content Index

Content Index - Essentials Service, GRI Services reviewed that the GRI Content Index is presented clearly and consistently with the standards and that references to disclosures 2-1 to 2-5, 3-1 and 3-2 are consistent with the relevant sections of the report. This service was performed on the Turkish version of the report.		
Statement of use	Ziraat Katılım reported the period January 1 - December 31, 2024 in accordance with GRI Standards.	
GRI 1 used	GRI 1: Foundation 2021	
Applicable GRI Sector Standard(s)	Since the sector standard for the banking sector has not yet been prepared, no sector standard has been used.	
GRI STANDARD	DISCLOSURES	LOCATION AND/OR DIRECT ANSWERS
GENERAL DISCLOSURES		
GRI 2: General Disclosures 2021	Organization and Reporting Applications	
	2-1 Organizational details	About the Report, pages 14-15 About Ziraat Katılım, pages 28-29 Shareholding Structure, page 32 Contact, page 485
	2-2 Entities included in the organization's sustainability reporting	About the Report, pages 14-15
	2-3 Reporting period, frequency and contact point	About the Report, pages 14-15 Reporting is done on an annual basis. Contact Person: Doğukan Bak, Dogukan.Bak@ziraatkatilim.com.tr
	2-4 Restatements of information	There is no revised declaration.
	2-5 External assurance	Independent Auditor's Report on the Annual Report of the Board of Directors, pages 162-163 Greenhouse Gas Emissions Verification Statement, page 476
	Activities and Employees	
	2-6 Activities, value chain and other business relationships	Our Performance in 2024, pages 26-27 About Ziraat Katılım, pages 28-29 Value Generation Model of Ziraat Katılım, pages 52-55 Stakeholder Map and Communication with Stakeholders, pages 68-69 Contributing to the Strength of the Economy, pages 84-119
	2-7 Employees	Human Values, pages 132-145 Performance Indicators, pages 470-475
	2-8 Workers who are not employees	Human resources at Ziraat Katılım consist of full-time employees.
	Governance	
	2-9 Governance structure and composition	Board of Directors, pages 164-165 Executive Management, pages 167-169 Information on the Committees and Their Activities, page 171
	2-10 Nomination and selection of the highest governance body	Regarding the minimum qualifications required for the election of members for the Board of Directors, the Company acts in accordance with the Banking legislation, the Turkish Commercial Code and the CMB regulations. Board of Directors, pages 164-165 Executive Management, pages 167-169 Information on the Committees and Their Activities, page 171
	2-11 Chair of the highest governance body	Board of Directors, pages 164-165 Executive Management, pages 167-169
	2-12 Role of the highest governance body in overseeing the management of impacts	Board of Directors, pages 164-165 Executive Management, pages 167-169 Material Topics and Materiality Matrix, pages 72-73

GRI Content Index

GRI STANDARD	DISCLOSURES	LOCATION AND/OR DIRECT ANSWERS
GENERAL DISCLOSURES		
GRI 2: General Disclosures 2021	2-13 Delegation of responsibility for managing impacts	Board of Directors, pages 164-165 Executive Management, pages 167-169
	2-14 Role of the highest governance body in sustainability reporting	Sustainability Governance and Organizational Structure, pages 58-61 Sustainability Policy
	2-15 Conflicts of interest	Human Values, pages 132-145
	2-16 Communication of critical concerns	Stakeholder Map and Communication with Stakeholders, pages 68-69 Customer Satisfaction and Experience, pages 106-107
	2-17 Collective knowledge of the highest governance body	Board of Directors, pages 164-165 Executive Management, pages 167-169
	2-18 Evaluation of the performance of the highest governance body	Board of Directors, pages 164-165 Executive Management, pages 167-169
	2-19 Remuneration policies	Human Values, pages 132-145
	2-20 Process to determine remuneration	Human Values, pages 132-145
	2-21 Annual total compensation ratio	It is not disclosed in accordance with Ziraat Katılım's privacy policy.
	Strategy, Policies and Practices	
	2-22 Statement on sustainable development strategy	Chairman's Message, pages 16-19 CEO's Message, pages 20-25 Sustainability Strategy and Approach, pages 62-67
	2-23 Policy commitments	Policies of Ziraat Katılım, page 56-57 Sustainability Policy
	2-24 Embedding policy commitments	Policies of Ziraat Katılım, page 56-57 Sustainability Policy
	2-25 Processes to remediate negative impacts	Stakeholder Map and Communication with Stakeholders, pages 68-69 Material Topics and Materiality Matrix, pages 72-73 Management of Sustainability Risks and Opportunities, page 75 Management of Climate Risks and Opportunities, pages 76-82
	2-26 Mechanisms for seeking advice and raising concerns	Human Values, pages 132-145 Customer Satisfaction and Experience, pages 106-107
	2-27 Compliance with laws and regulations	During the reporting period, there has been no non-compliance with the law and no significant administrative penalty has been imposed for non-compliance with laws and regulations.
	2-28 Membership associations	Corporate Memberships and Initiatives We Support, pages 70-71
	Stakeholder Engagement	
	2-29 Approach to stakeholder engagement	Stakeholder Map and Communication with Stakeholders, pages 68-69 Material Topics and Materiality Matrix, pages 72-73
	2-30 Collective bargaining agreements	Our Performance in 2024, pages 26-27 Human Values, pages 132-145

GRI STANDARD	DISCLOSURES	LOCATION AND/OR DIRECT ANSWERS
GENERAL DISCLOSURES		
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Material Topics and Materiality Matrix, pages 72-73
	3-2 List of material topics	Material Topics and Materiality Matrix, pages 72-73
	Sustainable Financial Growth and Profitability	
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics and Materiality Matrix, pages 72-73 Management of Sustainability Risks and Opportunities, page 75 Management of Climate Risks and Opportunities, pages 76-82 Contributing to the Strength of the Economy, pages 84-119 Corporate Social Responsibility, pages 148-149 Financial Inclusion and Literacy, pages 150-153
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Summary Financial Indicators, pages 34-35 Contributing to the Strength of the Economy, pages 84-119
	201-2 Financial implications and other risks and opportunities due to climate change	Management of Sustainability Risks and Opportunities, page 75 Management of Climate Risks and Opportunities, pages 76-82
	201-4 Financial assistance received from government	Ziraat Katılım has not benefited from any government incentives as of the report date.
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Contributing to the Strength of the Economy, pages 84-119
	203-2 Significant indirect economic impacts	Contributing to the Strength of the Economy, pages 84-119 Corporate Social Responsibility, pages 148-149 Financial Inclusion and Literacy, pages 150-153
	Combatting Climate Change	
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics and Materiality Matrix, pages 72-73 Combating Climate Change, pages 154-155 Emission and Energy Management, pages 156-157 Water Management, pages 158-159 Waste Management, pages 160-161 Environment and Climate Change Policy
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Emission and Energy Management, pages 156-157 Performance Indicators, pages 470-475
	302-2 Energy consumption outside of the organization	Emission and Energy Management, pages 156-157 Performance Indicators, pages 470-475
	302-3 Energy intensity	Emission and Energy Management, pages 156-157 Performance Indicators, pages 470-475
	302-4 Reduction of energy consumption	Emission and Energy Management, pages 156-157 Performance Indicators, pages 470-475
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Water Management, pages 158-159
	303-2 Management of water discharge-related impacts	Water Management, pages 158-159

GRI Content Index

GRI STANDARD	DISCLOSURES	LOCATION AND/OR DIRECT ANSWERS
GENERAL DISCLOSURES		
GRI 303: Water and Effluents 2018	303-3 Water withdrawal	Water Management, pages 158-159 Performance Indicators, pages 470-475
	303-4 Water discharge	Water Management, pages 158-159 Performance Indicators, pages 470-475
	303-5 Water consumption	Water Management, pages 158-159 Performance Indicators, pages 470-475
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Emission and Energy Management, pages 156-157 Performance Indicators, pages 470-475
	305-2 Energy indirect (Scope 2) GHG emissions	Emission and Energy Management, pages 156-157 Performance Indicators, pages 470-475
	305-3 Other indirect (Scope 3) GHG emissions	Emission and Energy Management, pages 156-157 Performance Indicators, pages 470-475
	305-4 GHG emissions intensity	Emission and Energy Management, pages 156-157 Performance Indicators, pages 470-475
	305-5 Reduction of GHG emissions	Emission and Energy Management, pages 156-157 Performance Indicators, pages 470-475
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Waste Management, pages 160-161
	306-2 Management of significant waste-related impacts	Waste Management, pages 160-161
	306-3 Waste generated	Waste Management, pages 160-161 Performance Indicators, pages 470-475
	306-4 Waste diverted from disposal	Waste Management, pages 160-161 Performance Indicators, pages 470-475
	306-5 Waste directed to disposal	Waste Management, pages 160-161 Performance Indicators, pages 470-475
	Employee Wellbeing, Engagement and Satisfaction	
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics and Materiality Matrix, pages 72-73 Human Values, pages 132-145 Occupational Health and Safety, pages 146-147
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Human Values, pages 132-145 Performance Indicators, pages 470-475
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Human resources at Ziraat Katılım consist of full-time employees.
	401-3 Parental leave	Human Values, pages 132-145 Performance Indicators, pages 470-475
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Occupational Health and Safety, pages 146-147
	403-3 Occupational health services	Occupational Health and Safety, pages 146-147
	403-5 Worker training on occupational health and safety	Occupational Health and Safety, pages 146-147 Performance Indicators, pages 470-475
	403-9 Work-related injuries	Occupational Health and Safety, pages 146-147 Performance Indicators, pages 470-475
	403-10 Work-related ill health	Occupational Health and Safety, pages 146-147 Performance Indicators, pages 470-475

GRI STANDARD	DISCLOSURES	LOCATION AND/OR DIRECT ANSWERS
GENERAL DISCLOSURES		
	Talent Management and Employee Development	
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics and Materiality Matrix, pages 72-73 Human Values, pages 132-145 Occupational Health and Safety, pages 146-147
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Human Values, pages 132-145 Performance Indicators, pages 470-475
	404-2 Programs for upgrading employee skills and transition assistance programs	Human Values, pages 132-145
	404-3 Percentage of employees receiving regular performance and career development reviews	Human Values, pages 132-145 Performance Indicators, pages 470-475
	Equal Opportunities, Diversity and Inclusion	
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics and Materiality Matrix, pages 72-73 Human Values, pages 132-145
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Our Performance in 2024, pages 26-27 Human Values, pages 132-145
	405-2 Ratio of basic salary and remuneration of women to men	Ziraat Katılım does not discriminate based on gender in determining base salaries and wages.
	Business Ethics, Legal Compliance and Transparency	
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics and Materiality Matrix, pages 72-73 Human Values, pages 132-145 <u>Human Resources and Human Rights Policy</u>
GRI 205: Anti-Corruption 2016	205-3 Confirmed incidents of corruption and actions taken	During the reporting period, there were no confirmed incidents of corruption at Ziraat Katılım.
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	There were no cases of discrimination at Ziraat Katılım during the reporting period.
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Ziraat Katılım respects the right to organize and collective bargaining. During the reporting period, there was no violation of trade union rights at any supplier within the knowledge of the Company. Our Performance in 2024, pages 26-27 Human Values, pages 132-145
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Ziraat Katılım does not employ child labor in any way and expects its other stakeholders in the value chain, especially its suppliers, to comply with the age provisions specified in the relevant laws and regulations.
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Ziraat Katılım and all its stakeholders in the value chain, especially its suppliers, do not employ forced labor under any circumstances.

GRI Content Index

GRI STANDARD	DISCLOSURES	LOCATION AND/OR DIRECT ANSWERS
GENERAL DISCLOSURES		
	Cyber Security and Data Privacy	
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics and Materiality Matrix, pages 72-73 Cyber Security and Data Privacy, pages 130-131
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	During the reporting period, there were no substantiated complaints regarding breach of customer confidentiality and loss of customer data.
	Digital Transformation and Innovation	
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics and Materiality Matrix, pages 72-73 Contributing to the Strength of Technology, pages 120-131
	Integrated Risk Management	
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics and Materiality Matrix, pages 72-73 Management of Sustainability Risks and Opportunities, page 75 Management of Climate Risks and Opportunities, pages 76-82 Transactions Carried Out with Ziraat Katılım's Risk Group, page 175 The Audit Committee's Evaluations Regarding the Functioning of the Internal Audit, Internal Control, Compliance, and Risk Management Systems, pages 178-183 Information on Risk Management Policies Applied by Type of Risk and Risk Management Disclosures, pages 184-186
	Customer Experience and Satisfaction	
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics and Materiality Matrix, pages 72-73 Customer Satisfaction and Experience, pages 106-107 <u>Customer Satisfaction Policy</u>
	Responsible Products and Services	
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics and Materiality Matrix, pages 72-73 Responsible Products and Services, pages 112-113
	Corporate Governance	
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics and Materiality Matrix, pages 72-73 Corporate Governance, pages 162-177
	Operational Excellence and Sustainable Service Quality	
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics and Materiality Matrix, pages 72-73 Contributing to the Strength of Technology, pages 120-131
	Financial Inclusion and Literacy	
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics and Materiality Matrix, pages 72-73 Financial Inclusion and Literacy, pages 150-153
	Corporate Social Responsibility	
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics and Materiality Matrix, pages 72-73 Corporate Social Responsibility, pages 148-149
	Corporate Culture Principles	
GRI 3: Material Topics 2021	3-3 Management of material topics	About Ziraat Katılım, pages 28-29 Our Vision, Mission, and Strategies, pages 30-31 Material Topics and Materiality Matrix, pages 72-73

SASB Index

This index includes Ziraat Katılım’s disclosures within the scope of Commercial Banking Standards published by the independent standard setter Sustainability Accounting Standards Board (SASB). The disclosures in the SASB Index are for the year ending December 31, 2024.

Subject	Calculation Metric	Category	Code	Ziraat Katılım Related Metric
Data Security	Number of data breach incidents	Quantitative	FN-CB-230a.1	During the reporting period, no complaints regarding breach of customer data confidentiality and loss of customer data were recorded.
	Ratio of the number of individual data breaches to total breach cases	Quantitative		
	Number of affected account holders	Quantitative		
	Approach to identifying and managing data security risks	Discussion and Analysis	FN-CB-230a.2	Cyber Security and Data Privacy, pages 130-131
Internalization of ESG Factors in the credit analysis process	Approach to incorporate environmental, social and governance (ESG) factors into credit analysis	Discussion and Analysis	FN-CB-410a.2	Environmental and Social Risk Assessment (ESRD) System, pages 110-111
Business Ethics	The total amount of monetary losses incurred as a result of legal proceedings related to fraud, insider trading, antitrust, anti-competitive behavior, market manipulation, malpractice or other relevant financial sector laws or regulations	Quantitative	FN-CB-510a.1	During the reporting period, there were no recorded cases in this context.
	Description of whistleblowing policies and procedures	Discussion and Analysis	FN-CB-510a.2	Ziraat Katılım employees who believe that practices contrary to the legislation and the Bank's Code of Ethics have been carried out can directly inform the Internal Audit Department via the Ethics Line access link on the Bank's portal. Ziraat Katılım guarantees that the issues reported will not be shared with the employee's managers and colleagues. Bank employees can make notifications through the portal or communicate directly with the members of the Board of Internal Auditors.

SASB Index

Subject	Calculation Metric	Category	Code	Ziraat Katılım Related Metric
Systematic Risk Management	Global Systemically Important Bank (GSIB) score by category	Quantitative	FN-CB-550a.1	In the context of the methodology prepared by the Basel Committee on Banking Supervision, Ziraat Katılım is not included in the scope of Globally Systemically Important Banks (G-SIB). On the other hand, the Bank publishes the systemically important bank buffer ratio within the scope of the audited balance sheet and footnotes prepared in accordance with Turkish Financial Reporting Standards ("TFRS").
	Description of the approach to integrating mandatory and voluntary stress test results into capital adequacy planning, long-term corporate strategy and other business activities	Discussion and Analysis	FN-CB-550a.2	Functioning of Risk Management System, pages 182-183
Activity Metric	Number and value of demand and time deposits by segment: (a) personal and (b) small business	Quantitative	FN-CB-000.A	(a.1) 721,938 units (a.2) TL 129,780,658,756 (b.1): 38,330 units (b.2): TL 22,252,111,638
				(a.1): 99,273 units (a.2): TL 19,325,038,281 (b.1): 33,676 units (b.2): TL 87,191,303,615 (c.1): 43,230 units (c.2): TL 282,249,679,372
	Number and value of loans by segment (a) personal, (b) small business and (c) corporate	Quantitative	FN-CB-000.B	

Contact

ZİRAAT KATILIM HEAD OFFICE

	Telephone	Address
Headquarters	+90 216 557 27 00	Finanskent Mahallesi Finans Cad. B Blok No: 44b İç Kapı No: 29 34764 Ümraniye - İstanbul

ZİRAAT KATILIM INTERNATIONAL BRANCHES

	Telephone	Address
Sudan Branch	(249) 183 460 208	Northern Extension 1/60, Block 9/10 G 15. Street Al Amarat, Khartoum
Somalia Branch	(252) 185 66 04	Mogadishu International Airport, Airport Road, Wadajir District, Mogadishu Somalia

9th
year



Ziraat Katılım

www.ziraatkatilim.com.tr/en



/ziraatkatilim