

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	<i>How the key audit matter was addressed in the audit</i>
<p><i>Expected credit losses for loans and receivables</i></p> <p>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.</p> <p>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.</p>	<p>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.</p> <p>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.</p>

Key Audit Matters	How the key audit matter was addressed in the audit
<p>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.</p> <p>Our audit was focused on this area due to existence of complex estimates and information used in the impairment assessment such as macro-economic expectations, current conditions, historical loss experiences; the significance of the 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.</p>	<p>We have assessed expert judgment utilized in interpretation of supportable forward looking expectations (including macroeconomic factors).</p> <p>Together with our financial risk experts, we evaluated and tested reasonableness of the changes in the expected credit loss allowance methodology made within the year and the performance of the impairment models used.</p> <p>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.</p> <p>We checked key data sources for data used in expected credit losses calculations. We tested reliability and completeness of the data used in expected credit losses calculations with our information systems specialists.</p> <p>For a selected sample, we checked accuracy of resultant expected credit losses calculations.</p> <p>To assess appropriateness of the 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.</p> <p>We evaluated the adequacy of the disclosures made in the consolidated financial statements regarding the provision for impairment of loans and receivables.</p>

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's 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

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 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 KARAKÜTÜRK
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

Facsimile : 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 Turkiye ("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 Turkiye 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 CETİN	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)							
1.1 Cash And Cash Equivalents		93.356.993	66.557.406	159.914.399	37.383.085	56.778.131	94.161.216
1.1.1 Cash And Balances with Central Bank	(1)	69.907.502	54.196.322	124.103.824	24.310.294	49.348.784	73.659.078
1.1.2 Banks	(2)	65.803.017	37.626.323	103.429.340	24.206.770	36.433.541	60.640.311
1.1.3 Money Markets Placements		4.104.858	16.570.441	20.675.299	114.562	12.915.243	13.029.805
1.1.4 Expected Loss Provision (-)		373	-	815	11.038	-	11.038
1.2 Financial Assets Measured At Fair Value Through Profit/Loss	(3)	-	9.483.947	9.483.947	-	3.812.067	3.812.067
1.2.1 Government Securities		-	9.128.399	9.128.399	-	3.812.067	3.812.067
1.2.2 Equity Securities		-	-	-	-	-	-
1.2.3 Other Financial Assets		-	355.548	355.548	-	-	-
1.3 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
1.3.1 Government Securities		23.325.523	2.637.721	25.963.244	13.001.450	3.616.542	16.617.992
1.3.2 Equity Securities		52.913	-	52.913	52.913	-	52.913
1.3.3 Other Financial Assets		36.380	-	36.380	15.438	-	15.438
1.4 Derivative Financial Assets	(5)	34.675	239.416	274.091	2.990	738	3.728
1.4.1 Derivative Financial Assets Measured at Fair Value Through Profit and Loss		34.675	239.416	274.091	2.990	738	3.728
1.4.2 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")

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
A	OFF-BALANCE SHEET COMMITMENTS (I+II+III)						
I.	GUARANTEES AND WARRANTIES	(1)	83.053.874	87.818.807	170.872.681	44.556.727	56.166.174
1.1	Letters of Guarantee		66.284.160	50.161.270	116.445.430	38.343.405	39.987.128
1.1.1	Guarantees Subject to State Tender Law		66.168.725	39.405.598	105.574.323	38.324.265	30.767.784
1.1.2	Guarantees Given for Foreign Trade Operations		539.393	27.379.221	27.918.614	652.636	21.831.242
1.1.3	Other Letters of Guarantee		50.985.613	-	50.985.613	30.182.880	-
1.2	Bank Acceptances		14.643.719	12.026.377	26.670.096	7.488.749	8.936.542
1.2.1	Import Letter of Acceptance		-	249.113	249.113	-	414.759
1.2.2	Other Bank Acceptances		-	249.113	249.113	-	414.759
1.3	Letters of Credit		12.992	10.495.004	10.507.996	-	7.928.282
1.3.1	Documentary Letters of Credit		12.992	10.495.004	10.507.996	-	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
1.7	Other Collaterals		96.454	-	96.454	8.554	-
II.	COMMITMENTS	(1)	16.769.714	3.345.661	20.115.375	6.163.310	1.289.972
2.1	Irrevocable Commitments		16.769.714	3.345.661	20.115.375	6.163.310	1.289.972
2.1.1	Forward asset purchase commitments		2.648.140	3.345.661	5.993.801	508.849	1.289.972
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	-
2.1.7	Tax and Fund Liabilities from Export Commitments		627.241	-	627.241	296.293	-
2.1.8	Commitments for Credit Card Limits		5.664.778	-	5.664.778	2.342.967	-
2.1.9	Commitments for Credit Cards and Banking Services Promotions		3.016	-	3.016	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	-
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
IV.	ITEMS HELD IN CUSTODY		23.751.806	37.182.601	60.934.407	15.313.288	25.398.103
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
4.3	Checks Received for Collection		11.856.916	287.485	12.144.401	8.050.832	165.195
4.4	Commercial Notes Received for Collection		1.256.323	680.911	1.937.234	1.022.775	518.334
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
4.8	Custodians		-	29.775.454	29.775.454	-	17.752.497
V.	PLEDGES RECEIVED		655.476.531	67.228.966	722.705.497	285.440.313	35.846.608
5.1	Marketable Securities		3.309.773	55.598	3.365.371	2.210.399	63.993
5.2	Guarantee Notes		17.268.447	193.715	17.462.162	10.971.967	214.321
5.3	Commodity		48.164.224	18.733.253	66.897.477	28.617.839	10.953.703
5.4	Warranty		-	-	-	-	-
5.5	Properties		556.374.346	39.397.310	595.771.656	200.678.424	20.355.321
5.6	Other Pledged Items		30.359.741	8.849.090	39.208.831	42.961.684	4.259.270
5.7	Pledged Items-Depository		-	-	-	-	-
VI.	ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES		762.282.211	192.230.374	954.512.585	345.310.328	117.410.885
	TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)						

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 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		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. NET OPERATING PROFIT/LOSS AFTER TAXES(XVII±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

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"))

		Accumulated Other Comprehensive Income or Expense, Net Reclassified through Profit or Loss						Accumulated Other Comprehensive Income or Expense, Reclassified through Profit or Loss				
		Paid-in Capital	Share Premium	Share Capital	Cancellation Reserves	Other Capital Reserves	1	2	3	4	5	6
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY												
PRIOR PERIOD												
I. Prior Period End Balance		2,650,000										
II. Adjustments in Accordance with TAS 8												
2.1 Effect of Corrections and Accounting Policies												
2.2 Adjusted Beginning Balance (P+I)		2,650,000										
III. Total Comprehensive Income												
IV. Capital Increase by Cash												
V. Capital Increase by Internal Sources												
VI. Paid-in Capital Inflation Adjustment Difference												
VII. Convertible Bonds to Shares												
VIII. Subordinated Debt Instruments												
IX. Increase/Decrease by Other Changes (P+I)												
X. Profit Distribution												
XI.1 Dividends Paid												
XI.2 Transfers to Reserves												
XI.3 Other												
Period End Balance (III+IV+....+X+XI)		10,350,000										
CURRENT PERIOD												
I. Prior Period End Balance		10,350,000										
II. Adjustments in Accordance with TAS 8												
2.1 Effect of Corrections and Accounting Policies												
2.2 Adjusted Beginning Balance (P+I)		10,350,000										
III. Total Comprehensive Income												
IV. Capital Increase by Cash												
V. Capital Increase by Internal Sources												
VI. Paid-in Capital Inflation Adjustment Difference												
VII. Convertible Bonds to Shares												
VIII. Subordinated Debt Instruments												
IX. Increase/Decrease by Other Changes (P+I)												
X. Profit Distribution												
XI.1 Dividends Paid												
XI.2 Transfers to Reserves												
XI.3 Other												
Period end Balance (III+IV+....+X+XI)		10,350,000										
Share Capital												
Other Capital Reserves												
Profit Reserves												
Current Period Profit or Loss												
Total Equity												
Minority Shares												

1. Increases and decreases in Tangible and Intangible Assets Revaluation Reserve,
2. Accumulated Gains / Losses on Reassessments of Defined Benefit Plans,
3. Other Other Comprehensive Income of Associates and Joint Ventures Accounted for Using Equity Method that will not be Reclassified to Profit or Loss and Other Accumulated Amounts of Not Reclassified Through Profit or Loss,
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)

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	(I)		761.962	1.250.021
V. Net Increase/ (Decrease) In Cash And Cash Equivalents (I+II+III+IV)	(I)		40.682.388	20.408.032
VI. Cash And Cash Equivalents At The Beginning Of The Period	(I)		41.562.423	21.154.391
VII. Cash And Cash Equivalents At The End Of The Period	(I)		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 Owners of Privileged Shares		-	-

(*) 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		Main Activities	Group's Share Percentage (%)	Direct and Indirect Partnership Rates (%)
Title	Address (City / Country)			
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 flows and selling assets and the terms of financial asset give rise to cash flows that are solely payments of principal and profit share at certain date.

Financial assets at fair value through other comprehensive income are recognized by adding transaction cost to acquisition cost reflecting the fair value of the financial asset. After the recognition, financial assets at fair value through other comprehensive income are remeasured at fair value. Profit share income calculated with internal rate of return method arising from financial assets at fair value through other comprehensive income and dividend income from equity securities are recorded to income statement. "Unrealized gains and losses" arising from the difference between the amortized cost and the fair value of financial assets at fair value through other comprehensive income are not reflected in the income statement of the period until the acquisition of the asset, sale of the asset, the disposal of the asset, and impairment of the asset and they are accounted under the "Accumulated other comprehensive income or expense to be reclassified through profit or loss" under shareholders' equity.

Equity investments

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

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

c. Financial assets measured at amortized cost:

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 2002, and it was established in accordance with the temporary article 20 of the Social Security Law No. 506.

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

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 reinsurance companies, boards of trade, chambers of industry and stock markets or the participants of funds established for their constitute union personnel and the ones that were endowed salary or income and their beneficiaries within the scope of transient 20th article of Law No.506. As from the transfer date, the participants are considered as insured within the scope of clause (a), first paragraph and 4th article of this Law.

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 exempted part of revenue to the other accounts with other ways out of capitalizing in five years or withdrawn from company or transferring from limited taxpayer corporations to the headquarters, are considered as tax loss. This is also applicable in the condition of liquidation of business (Except transfers and divisions that make according to this code).

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 Communiqué 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, 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 BRSAs;

- 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	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 51st 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 BRSAs	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 1 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 1 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 1 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 tenthousandandtwentyfive 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, JSIN 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)

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

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

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

*) OECD Countries other than EU countries [USA and Canada]

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

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)

EXPLANATIONS ON CREDIT RISK (Continued)

3. Risk Profile by Sectors or Counterparties

Period	Counter Parties	Sectors	Risk Classes												Total						
			Conditional and unconditional receivables from central administrative units and non-commercial units from regional governments or central banks of governments	Conditional and unconditional receivables from central banks	Conditional and unconditional receivables from multilateral development banks	Conditional and unconditional receivables from banks and brokerages	Conditional and unconditional receivables from international organisations	Conditional and unconditional receivables from banks and brokerages	Conditional and unconditional receivables from receivables from administrative units and non-commercial units	Conditional and unconditional receivables from receivables from regional governments or central banks of governments	Conditional and unconditional receivables from receivables from multilateral development banks	Conditional and unconditional receivables from receivables from banks and brokerages	Conditional and unconditional receivables from receivables from international organisations	Receivables defined in high risk category collateralised by mortgages by BRSAs	Receivables due from secured receivables	Securitisation positions	Short-term receivables from banks, brokerages and corporations	Investments similar to collective investment funds	Other receivables	TRY	FC
31.12.2024	Agriculture	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4.81.5.31	553.975	5.367.506
31.12.2024	Farming and Stockbreeding, Forestry	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4.478.342	402.475	4.880.816
31.12.2024	Manufacturing, Mining and Quarrying	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	257.3.29	32.325	299.886
31.12.2024	Manufacturing Industry	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	119.026	196.886	316.886
31.12.2024	Electric, Gas and Water	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	42.979.176	56.673.886	99.643.062
31.12.2024	Construction	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3.073.934	1.756.806	4.830.738
31.12.2024	Wholesale and Retail Trade	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	37.638.479	51.665.800	89.298.279
31.12.2024	Food and Beverage Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2.26.763	3.252.292	5.314.045
31.12.2024	Transportation and Telecommunication	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	28.754.206	36.749.460	65.493.825
31.12.2024	Financial Institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	100.330.654	137.180.500	237.510.158
31.12.2024	Real Estate and Leasing Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	41.101	8.535.466	10.605.894
31.12.2024	Self Employment Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4.769.896	931.665	5.968.561
31.12.2024	Education Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	582.071	14.009	696.080
31.12.2024	Health and Social Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.287.014	165.295	1.452.309
31.12.2024	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.375.655	22.449.014	100.899.116
Total			46.292.768	1.386.729	-	17.709.776	2.288.094	6.093	114	-	6.656	-	36.380	79.312	6.393.291	55.532.266	2.369.994	4.765.153	74.399.213		
31.12.2024	86.432.881	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2.27.99	2.27.99	4.542.664
31.12.2024	13.725.49	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	26.782.452	32.244.734	58.769.216
31.12.2024	603.7357	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	800.29	20.009.043	26.769.900

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

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 (Continued)

Period	Sectors/Counterparties	Risk Classes										FC	TRY			
		Conditional and unconditional receivables from central governments or central banks	Conditional and unconditional receivables from regional governments or local governments	Conditional and unconditional receivables from administrative units and non-enterprise units	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 corporate houses	Conditional and unconditional retail receivables	Past due receivables	Receivables defined in high risk category by BIRSA, secured by mortgages	Short-term receivables from banks, brokerage houses and corporates	Investments similar to collective investment funds	Other receivables		
3.1.1.2.023	Agriculture	1,544,530	808,482	631,592	281	41,674	-	-	-	-	-	-	-	265,074	3,129,459	
	Farming and Forestry	-	1,492,559	678,478	629,465	280	25,327	-	-	-	-	-	-	2,562,722	2,575,687	
	Stockbreeding	-	46,308	110,794	3,448	1	-	-	-	-	-	-	-	162,241	40,010	
	Fishing	-	5,663	19,210	4,679	13,347	-	-	-	-	-	-	-	41,922	42,299	
	Manufacturing	-	938,578	6,444,006	7,751,800	3,668,637	88,302	1,921,678	-	-	-	-	-	40,714,54	35,108,427	
	Mining and Quarrying	-	-	-	-	-	-	-	-	-	-	-	-	75,823,181	-	
	Petroleum	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Manufacturing Industry	-	938,578	5,198,271	16,862	162,493	83	79,417	-	-	-	-	-	1,986,417	1,250,211	
	Electric, Gas and Water	-	-	5,198,276	7,446,007	3,453,577	78,497	1,692,134	-	-	-	-	-	36,557,862	31,249,867	
	Construction	-	11	1,403,599	147,311	52,567	9,720	158,127	-	-	-	-	-	2,160,975	2,608,349	
	Services	-	1,789,265	1,694,407	3,771,922	3,093,511	35,102	1,687,262	-	-	-	-	-	20,234,47	27,281,985	
	Wholesale and Retail Trade	-	1,087	13,018,706	3,010,3,228	9,846,789	3,941,789	65,523	2,888,860	-	-	-	-	70,300	100,119,76	
	Hotels Food and Beverage Services	-	-	2,432,292	7,360,335	2,541,140	51,354	1,858,208	-	-	-	-	-	31,268,38	63,797,478	
	Transportation and Telecommunication	-	1,472,168	-	-	1,778,681	319,940	195,061	803	63,280	-	-	-	-	1,968,150	
	Financial Institutions	-	187	-	-	1,808,308	651,787	302,808	9,615	54,278	-	-	-	-	2,101,120	
	Real Estate and Leasing Services	-	-	13,018,706	6,193,121	21,467	179	377,291	-	-	-	-	-	780,300	55,159,014	
	Self Employment Services	-	-	258,890	-	-	1,195,466	729,249	3,713	49,1697	-	-	-	-	1,193,254	
	Education Services	-	-	-	-	3,19,227	51,449	88,089	2	504	-	-	-	-	442,866	
	Health and Social Services	-	92	-	-	-	-	-	-	-	-	-	-	-	16,500	
	Other	-	56,836	-	-	1,239,112	249,835	79,263	38	45,602	-	-	-	-	4,359,366	
	Total	78,964,632	2,731,331	-	13,018,706	12,159,391	25,090,577	16,837,764	191,060	7,085,581	-	-	-	4,016,098	173,506,511	96,045,029

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;

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

are used in risk classes.

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

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

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 2nd and 3rd Stage Loan 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 2nd and 3rd Stage Loan 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 Assets						
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:

Country	Current Period 31.12.2024		Total
	Banking accounts RWA	Trading accounts RWA	
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)

Country	Prior Period 31.12.2023		Total
	Banking accounts RWA	Trading accounts RWA	
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:

Current Period	EUR	USD	Other FC ^(**)	Total
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 be 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		Consideration Ratio Applied	
	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
	Undated/No Maturity (*)	Up to 6 months	6 Months to 1 year	1 year and more than 1 year	Weighted Amount
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 <i>35% or Lower Risk Weight</i>	-	139.453.550	68.351.707	91.524.992	180.519.684
22 Residential Mortgage Secured Loans	-	-	-	6.482.290	4.213.488
23 <i>35% or Lower Risk Weight</i>	-	-	-	6.482.290	4.213.488
24 Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	-	-	-	1.152.247	979.410
25 Assets with matching interdependent liabilities					
26 Other Assets	705.434	-	-	-	599.619
27 Physical traded commodities (including gold)	705.434				599.619
28 Initial Margin of Derivative Contracts or Default Funds Provided to a Central Counterparty					
29 Net Derivative Assets				-	-
30 Derivatives Liabilities Before Deducting Variation Margin Posted				-	-
31 All other assets not included in the above categories	-	-	-	-	-
32 Off Balance Sheet Liabilities		34.260.826	29.869.443	38.996.933	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 year	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 <i>35% or Lower Risk Weight</i>	-	123,014,869	47,406,350	65,060,570	139,759,280
22 Residential Mortgage Secured Loans	-	-	-	7,726,235	5,022,053
23 <i>35% or Lower Risk Weight</i>	-	-	-	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 Liabilities 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	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 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 the 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 the 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 Parent Bank is developing a system for risk measurement methods. In the present case, standard methods are generally used in the calculations and preparations are made for advanced methods with the growth of our bank. All risk processes are closely monitored.

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
		Current Period 31 December 2024	Prior Period 31 December 2023	
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 approach	-	-	-
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

	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
Current Period 31.12.2024					
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 from 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-Current 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 Assets	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-Current 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 from 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 Assets	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/Amortisation 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 exposures	-	136.599.920	39.114	136.560.806
4	Total	2.894.955	510.783.859	4.304.293	509.374.521

(*) Financial lease amounting to TRY 53.312.093 is included in the table.

	Prior Period 31.12.2023	Defaulted	Non-defaulted	Allowances/Amortisation and impairments	Net values
1	Loans (*)	1.940.950	261.668.393	3.838.655	259.770.688
2	Debt securities	-	42.735.057	406.354	42.328.703
3	Off-balance sheet exposures	-	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 (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 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 weighted amount	Risk weighted amount density
1	Exposures to sovereigns and their central banks	132.725.650	200	133.438.985	259	-	0%
2	Exposures to regional and local governments	10.570	41.465	-	67	33	50%
3	Exposures to administrative bodies and non-commercial entities	3.732.008	1.224.544	3.728.947	797.275	4.526.223	100%
4	Exposures to multilateral development banks	-	-	-	-	-	0%
5	Exposures to international organizations	-	-	-	-	-	0%
6	Exposures to banks and brokerage houses	20.218.929	2.884.889	21.454.266	67.317	4.344.472	20%
7	Exposures to corporates	102.986.647	87.973.797	95.549.281	49.827.481	132.142.319	91%
8	Retail exposures	18.336.561	20.365.955	17.335.385	7.670.667	18.754.539	75%
9	Exposures secured by residential property	6.388.561	581.461	6.379.943	276.317	2.329.691	35%
10	Exposures secured by commercial property	21.954.699	6.668.947	21.954.699	3.622.059	14.151.911	55%
11	Past-due items	740.111	147.426	738.639	59.674	1.352.530	169%
12	Exposures in high-risk categories	1.813.880	410.912	1.808.992	178.900	3.879.909	195%
13	Exposures in the form of bonds secured by mortgages	-	-	-	-	-	0%
14	Short term exposures to banks, brokerage houses and corporates	-	-	-	-	-	0%
15	Exposures in the form of collective investment undertakings	36.380	-	36.380	-	36.380	100%
16	Other exposures	7.768.926	-	7.768.926	-	6.325.132	81%
17	Equity share investments	120.413	-	120.413	-	120.413	100%
18	Total	316.833.335	120.299.596	310.314.856	62.500.016	187.963.552	50%

	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	78.969.632	-	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	%50 Collateralized with Real estate Mortgage										Other	Total risk amount (post-CCF and CRM)	
	0%	10%	20%	35%	50%	75%	100%	150%	200%				
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 property	-	-	-	22.849.694	-	-	2.727.064	-	-	-	-	25.576.758	
Past-due items	-	-	-	-	114.642	-	478.715	59.510	-	145.446	-	798.313	
Exposures in high-risk categories	-	-	-	5.991	-	99.466	-	53.664	1.534.126	-	294.645	-	1.987.892
Exposures in the form of bonds secured by mortgages	-	-	-	-	-	-	-	-	-	-	-	-	
Short term exposures to banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-	-	-	-	
Exposures in the form of collective investment undertakings	-	-	-	-	-	-	36.380	-	-	-	-	36.380	
Equity share investments	-	-	-	-	-	-	-	120.413	-	-	-	120.413	
Other exposures	1.443.794	-	-	-	-	-	6.325.132	-	-	-	-	7.768.926	
Total	134.883.038	-	29.201.089	6.662.251	22.849.694	14.315.538	25.006.052	137.863.483	1.593.636	-	440.091	372.814.872	

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 property	-	-	-	9.223.946	-	-	-	-	-	-	9.223.946	
Past-due items	-	-	-	91.365	-	99.695	-	-	-	-	191.060	
Exposures in high-risk categories	-	-	-	-	-	-	867.077	5.795.622	395.882	7.058.581	-	
Exposures in the form of bonds secured by mortgages	-	-	-	-	-	-	-	-	-	-	-	
Short term exposures to banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-	-	-	
Exposures in the form of collective investment undertakings	-	-	-	-	-	-	-	-	-	-	-	
Equity share investments	-	-	-	-	-	-	-	-	-	-	-	
Other exposures	780.200	-	13.900.076	7.613.818	10.478.490	19.433.473	109.439.286	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	3.266.298	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 Separated	Collateral provided Unseparated	Collateral received Separated	Collateral received Unseparated	Collateral provided	Collateral received
Cash-domestic currency	-	-	-	-	25,649,016	-
Cash-foreign currency	-	-	-	-	-	-
Domestic sovereign debts	-	-	-	-	-	-
Other sovereign debts	-	-	-	-	-	-
Government agency debts	-	-	-	-	-	-
Corporate Debts	-	-	-	-	-	-
Equity Securities	-	-	-	-	-	-
Other collateral	-	-	-	-	-	-
Total	-	-	-	-	25,649,016	-

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 Securities	-	-	-	-	-	-
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	Prior Period	
		31.12.2024	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 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
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		Prior Period	
	31 December 2024	TRY	31 December 2023	TRY
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		Prior Period	
	31 December 2024	TRY	31 December 2023	TRY
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
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		
Cash Loans	Not Under the Scope of Restructuring		Restructured	Loans with revised contract terms	Refinancing
Loans (*)					
Export Loans	45.165.449	316.012	-	-	-
Import Loans	19.518	-	-	-	-
Commercial Loans	172.188.497	3.625.478	1.031.698	2.209.115	
Consumer Loans	9.905.348	193.325	-	-	-
Credit Cards	1.379.491	64.352	-	-	-
Loans Given to Financial Sector	8.386.935	-	-	-	-
Other (**)	18.636.049	2.330.163	-	-	-
Other Receivables	-	-	-	-	-
Total	255.681.287	6.529.330	1.031.698	2.209.115	

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

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

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	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)

Expected Credit Loss of Stage 1 and Stage 2	Current Period 31 December 2024		Prior Period 31 December 2023	
	Standard Loans	Loans Under Close Monitoring	Standard Loans	Loans Under Close Monitoring
12 Month Expected Credit Losses	877.239	-	1.299.758	-
Significant Increase in Credit Risk	-	1.296.049	-	856.891

Number of Extensions	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
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

Extension Periods	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
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			
Cash Loans	Standard Loans and Other Receivables	Loans under Close Monitoring	
		Loans Not Subject to Restructuring	Refinancing
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			
Cash Loans	Standard Loans and Other Receivables	Loans under Close Monitoring	
		Loans Not Subject to Restructuring	Refinancing
Short-term Loans	103.605.766	846.450	723.235
Medium and Long-term Loans	101.016.708	455.625	509.064
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
<hr/>			
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 (-)	40.056	(40.056)	-	-
Transfer to Stage 1	29.637	37.954	(8.317)	-
Transfer to Stage 2	(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 (-)	1.949	(1.949)	-	-
Transfer to Stage 1	(5.994)	6.128	(134)	-
Transfer to Stage 2	(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 heirs 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 / TURKIYE	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	-	-
Revaluation 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 (Continued)

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

b.1) Information on unconsolidated subsidiaries

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

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

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

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

- In case an intangible asset that is significant for the financial statements as a whole, its book value, definition and remaining depreciation period: None.
- Information on intangible assets acquired under government incentives and recorded with fair value at initial recognition: None.
- The method in which intangible assets acquired under government incentives and recorded with fair value at initial recognition are valued after the first registration date: None.
- Book value of intangible assets with restrictions on use or pledged: None.
- Amount of commitments given for acquisition of intangible asset: None.
- Intangible assets based on revalued asset type: None.
- Total amount of research and development expenses recorded in the period, if any: None.
- Positive or negative consolidation goodwill that are originated from partnerships which their financial statements are consolidated: Not applied to the financial statements with consolidation.
- 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	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
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		Prior Period	
	31 December 2024	FC	31 December 2023	FC
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		Prior Period	
	31 December 2024	FC	31 December 2023	FC
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		Prior Period	
	31 December 2024	FC	31 December 2023	FC
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		Prior Period	
	31 December 2024	FC	31 December 2023	FC
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		Prior Period	
	31 December 2024	TRY	31 December 2023	TRY
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		Prior Period	
	31 December 2024	TRY	31 December 2023	TRY
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		Prior Period	
	31 December 2024	TRY	31 December 2023	TRY
Forward transactions	-	-	-	-
Swap transactions	-	-	-	153.095
Futures transaction	-	-	-	-
Options transaction	-	-	-	-
Other	-	-	-	-
Total	-	-	-	153.095

7. Information on financial lease obligations

	Current Period		Prior Period			
	31 December 2024	Gross	Net	31 December 2023	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 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 limitations 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.

Opening - Beginning of Period Assets	Current Period	Prior Period
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						
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						
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 2025 Not

Foreign Currency Long Term Credit B+
Rating

Foreign Currency Short Term Credit B
Rating

Local Currency Long Term Credit BB-
Rating

Local Currency Short Term Credit B
Rating

National Long Term Credit Rating AA(tur)
Rating

Support b+

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.