

ZİRAAT KATILIM BANKASI ANONİM ŞİRKETİ

**PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL
STATEMENTS AND RELATED DISCLOSURES
AT 31 MARCH 2024 WITH AUDITORS' REVIEW REPORT**

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



AUDITOR'S REVIEW REPORT ON INTERIM FINANCIAL INFORMATION

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

To the General Assembly of Ziraat Katılım Bankası Anonim Şirketi;

Introduction

We have reviewed the unconsolidated balance sheet of Ziraat Katılım Bankası Anonim Şirketi (“the Bank”) at 31 March 2024 and the related unconsolidated statement of profit or loss, unconsolidated statement of profit or loss and other comprehensive income, unconsolidated statement of changes in shareholders’ equity, unconsolidated statement of cash flows and a summary of significant accounting policies and other explanatory notes to the unconsolidated financial statements for the three-month period then ended. The Bank management is responsible for the preparation and fair presentation of interim financial information in accordance with the Banking Regulation and Supervision Agency (“BRSA”) Accounting and Financial Reporting Legislation which includes “Regulation on Accounting Applications for Banks and Safeguarding of Documents” published in the Official Gazette no.26333 dated 1 November 2006, and other regulations on accounting records of Banks published by Banking Regulation and Supervision Agency and circulars and interpretations published by BRSA and Turkish Accounting Standard 34 “Interim Financial Reporting” for those matters not regulated by the aforementioned regulations. Our responsibility is to express a conclusion on this interim unconsolidated financial information based on our review.

Scope of Review

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

Basis for the Qualified Conclusion

As mentioned in Section Five Part II.8.c.1 of Explanations and Notes to the Unconsolidated Financial Statements prepared as of 31 March 2024; free provision amounting to TRY 500.000 thousand which was provided by the Bank management in prior periods outside of the requirements of BRSA Accounting and Financial Reporting Legislation, is reversed in the current period.



Qualified Conclusion

Based on our review, except for the effects of the matter on the unconsolidated financial statements described in the basis for the qualified conclusion paragraph above, nothing has come to our attention that causes us to believe that the accompanying unconsolidated financial information do not present fairly in all material respects the unconsolidated financial position of Ziraat Katılım Bankası Anonim Şirketi at 31 March 2024 and the results of its unconsolidated operations and its unconsolidated cash flows for the three-month period then ended in accordance with the BRSA Accounting and Financial Reporting Legislation.

Report on other regulatory requirements arising from legislation

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

Additional Paragraph for Convenience Translation:

BRSA Accounting and Financial Reporting Legislation explained in detail in Section Three differ from International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board including the application of IAS 29 - Financial Reporting in Hyperinflationary Economies as of 31 March 2024. Accordingly, the accompanying unconsolidated financial statements are not intended to present fairly the unconsolidated financial position, results of operations, changes in equity and cash flows of the Bank in accordance with IFRS.

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

A handwritten signature in blue ink, appearing to read "Zeynep Uras", is written over a light blue circular stamp.

Zeynep Uras, SMMM
Independent Auditor

Istanbul, 14 May 2024



**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED UNCONSOLIDATED
FINANCIAL STATEMENTS AND AUDITOR'S REVIEW REPORT ORIGINALLY ISSUED IN
TURKISH**

**THE UNCONSOLIDATED INTERIM FINANCIAL REPORT OF ZİRAAT KATILIM BANKASI A.Ş
AS OF 31 MARCH 2024**

The Bank's Headquarter Address: Hobyar Eminönü Mahallesi
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Facsimile: (212) 404 10 80
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The unconsolidated financial report for the three-month period ended prepared in accordance with the "Communiqué on the Financial Statements and Related Explanation and Notes that will be Publicly Announced" as sanctioned by the Banking Regulation and Supervision Agency, is comprised of the following sections:

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

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

Alpaslan ÇAKAR
Chairman of the Board

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

Metin ÖZDEMİR
Member of the Board,
General Manager

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

Osman KARAKÜTÜK
Vice President of Treasury
Management and
International Banking

Figen BAHADIR
Head of Financial
Coordination Department

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

Name-Surname/Position : Erdem DENİZHAN/ Financial Audit Manager
Tel No : 0 216 559 22 56
Facsimile : 0 212 404 10 80

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ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2024

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

SECTION ONE

GENERAL INFORMATION ABOUT THE BANK

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

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

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

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

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

All of the shares of the of the Bank, T.C Ziraat Bankası A.Ş. has been transferred from Republic of Türkiye Prime Ministry Undersecretariat of Treasury (“Treasury”) to the Türkiye Wealth Fund according to enactment dated 24 January 2017, no 2017/9756 by the Council of Ministry.

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2024

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

GENERAL INFORMATION ABOUT THE BANK (Continued)

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

As of 31 March 2024 and 31 December 2023, main shareholders and capital amounts as follows:

| Name of Shareholders | 31 March 2024 | | 31 December 2023 | |
|--|-------------------|---------------|-------------------|---------------|
| | Paid-in Capital | % | Paid-in Capital | % |
| T.C. Ziraat Bankası A.Ş. | 10.350.000 | 99,99999996 | 10.350.000 | 99,99999996 |
| Ziraat Gayrimenkul Yatırım Ortaklığı A.Ş. | - | 0,00000001 | - | 0,00000001 |
| Ziraat İşletme Yönetimi ve Gayrimenkul Geliştirme A.Ş. | - | 0,00000001 | - | 0,00000001 |
| Ziraat Teknoloji A.Ş. | - | 0,00000001 | - | 0,00000001 |
| Ziraat Yatırım Menkul Değerler A.Ş. | - | 0,00000001 | - | 0,00000001 |
| Total | 10.350.000 | 100,00 | 10.350.000 | 100,00 |

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

| Name | Title |
|----------------------------------|---|
| Board of Directors | |
| Alpaslan ÇAKAR | Chairman |
| Fikrettin AKSU | Vice Chairman of the BOD, Member of Corporate Management Committee, Member of the Audit Committee, Associate Member of Credit Committee |
| Metin ÖZDEMİR | Member of the BOD, General Manager, President of Credit Committee |
| Mahmut Esfa EMEK | Member of the BOD, Member of Audit Committee, Associate Member of Credit Committee |
| Ahmet BUÇUKOĞLU | Member of the BOD, Member of Credit Committee, Member of Pricing Committee |
| Mehmet BAŞIBÜYÜK | Member of the BOD, Member of Corporate Management Committee, Member of Credit Committee |
| Murat CANGÜL | Member of the BOD, Member of Pricing Committee |
| Executive Vice Presidents | |
| Mehmet Said GÜL | Information Technologies and Operational Processes |
| Osman KARAKÜTÜK | Treasury Management and International Banking |
| Önder KIRMAN | Loan Allocation and Management |
| Ertuğrul İSPAHA | Corporate Banking |
| Seher Elif EKİCİ | Credit Policies and Risk Liquidation |
| Mustafa Kürşad ÇETİN | Retail Banking |

Chairman and members of the Board of Directors, Audit Committee members and General Managers and Deputies have no Bank’s share capital.

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2024

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

GENERAL INFORMATION ABOUT THE BANK (Continued)

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

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

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

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

The Bank sorts out participation accounts and participation accounts based on investment proxy contracts discretely from the other accounts in its account records in terms of their maturity. Participation accounts are opened in 5 maturity groups as maturity to one month, maturity to three months (three months included), maturity to 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 March 2024, the Bank operates with its 194 domestic branches (31 December 2023: 189 domestic branches and 2 foreign) and 196 branches in total, including the Sudan branch, which started operations as of 27 August 2020 abroad and the Somali branch, which started operations as of 5 September 2023 abroad. As of 31 March 2024, the number of employees of the Bank is 2.851 (31 December 2023: 2.430).

VI. A BRIEF EXPLANATION REGARDING THE DIFFERENCES BETWEEN THE REGULATIONS ON THE PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS OF BANKS AND THE CONSOLIDATION PROCEDURES PERFORMED IN ACCORDANCE WITH TURKISH ACCOUNTING STANDARDS, AS WELL AS ORGANIZATIONS SUBJECTED TO FULL CONSOLIDATION OR PROPORTIONAL CONSOLIDATION, EXCLUDED FROM EQUITY, OR NOT INCLUDED IN THESE THREE METHODS

There is no difference between the Regulation on the Preparation of Consolidated Financial Statements of Banks and the consolidation procedures performed in accordance with Turkish Accounting Standards regarding the consolidation of subsidiary companies by the Bank. This is due to the full consolidation inclusion of Ziraat Katılım Varlık Kiralama Şirketi A.Ş., established on 22 January 2016 and ZKB Varlık Kiralama Şirketi A.Ş., established on 8 September 2017 in the scope of consolidation.

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

None.

SECTION TWO

THE BANK'S UNCONSOLIDATED FINANCIAL STATEMENTS

- I.** Balance sheet (statement of financial position)
- II.** Statement of off - balance sheet commitments
- III.** Statement of profit or loss
- IV.** Statement of profit or loss and other comprehensive income
- V.** Statement of changes in shareholder's equity
- VI.** Statement of cash flows

ZİRAAT KATILIM BANKASI A.Ş.

UNCONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION) AS OF 31 MARCH 2024

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

| ZİRAAT KATILIM BANKASI A.Ş. UNCONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION) | | | | | | | |
|---|---------------|-----------------------------------|--------------------|--------------------|------------------------------------|--------------------|--------------------|
| ASSETS | Note (V-I) | Current Period (31 March 2024) | | | Prior Period (31 December 2023) | | |
| | | TRY | FC | Total | TRY | FC | Total |
| I. FINANCIAL ASSETS (NET) | | 35.256.842 | 57.525.957 | 92.782.799 | 38.243.744 | 56.778.131 | 95.021.875 |
| 1.1 Cash And Cash Equivalents | | 20.491.826 | 46.672.301 | 67.164.127 | 24.310.294 | 49.348.784 | 73.659.078 |
| 1.1.1 Cash And Balances With Central Bank | (1) | 20.429.266 | 35.065.922 | 55.495.188 | 24.206.770 | 36.433.541 | 60.640.311 |
| 1.1.2 Banks | (2) | 63.874 | 11.614.700 | 11.678.574 | 114.562 | 12.915.243 | 13.029.805 |
| 1.1.3 Money Markets Placements | | - | - | - | - | - | - |
| 1.1.4 Provision for Expected Losses (-) | | 1.314 | 8.321 | 9.635 | 11.038 | - | 11.038 |
| 1.2 Financial Assets Measured At Fair Value Through Profit/Loss | (3) | - | 6.906.582 | 6.906.582 | - | 3.812.067 | 3.812.067 |
| 1.2.1 Government Securities | | - | 6.906.582 | 6.906.582 | - | 3.812.067 | 3.812.067 |
| 1.2.2 Equity Securities | | - | - | - | - | - | - |
| 1.2.3 Other Financial Assets | | - | - | - | - | - | - |
| 1.3 Financial Assets Measured at Fair Value Through Other Comprehensive Income | (4) | 14.754.408 | 3.922.040 | 18.676.448 | 13.930.460 | 3.616.542 | 17.547.002 |
| 1.3.1 Government Securities | | 11.001.943 | 3.922.040 | 14.923.983 | 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 | | 3.699.552 | - | 3.699.552 | 876.097 | - | 876.097 |
| 1.4 Derivative Financial Assets | (5) | 10.608 | 25.034 | 35.642 | 2.990 | 738 | 3.728 |
| 1.4.1 Derivative Financial Assets Measured at Fair Value Through Profit and Loss | | 10.608 | 25.034 | 35.642 | 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) | | 179.717.522 | 103.286.322 | 283.003.844 | 178.139.272 | 103.461.708 | 281.600.980 |
| 2.1 Loans | (6) | 120.617.567 | 88.391.326 | 209.008.893 | 122.689.489 | 88.274.149 | 210.963.638 |
| 2.2 Lease Receivables | (6) | 41.649.887 | 11.554.916 | 53.204.803 | 41.601.878 | 11.043.826 | 52.645.704 |
| 2.3 Other Financial Assets Measured at Amortized Cost | (7) | 19.951.652 | 4.807.499 | 24.759.151 | 17.374.116 | 4.456.177 | 21.830.293 |
| 2.3.1 Government Securities | | 19.951.652 | 4.807.499 | 24.759.151 | 17.374.116 | 4.456.177 | 21.830.293 |
| 2.3.2 Other Financial Assets | | - | - | - | - | - | - |
| 2.4 Expected Credit Losses (-) | | 2.501.584 | 1.467.419 | 3.969.003 | 3.526.211 | 312.444 | 3.838.655 |
| III. ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net) | (8) | 495.138 | - | 495.138 | 427.229 | - | 427.229 |
| 3.1 Assets Held for Sale | | 495.138 | - | 495.138 | 427.229 | - | 427.229 |
| 3.2 Assets of Discontinued Operations | | - | - | - | - | - | - |
| IV. INVESTMENTS IN ASSOCIATES SUBSIDIARIES AND JOINT VENTURES | (9) | 45.100 | - | 45.100 | 22.600 | - | 22.600 |
| 4.1 Associates (Net) | | 45.000 | - | 45.000 | 22.500 | - | 22.500 |
| 4.1.1 Associates Consolidated Under Equity Accounting | | - | - | - | - | - | - |
| 4.1.2 Unconsolidated Associates | | 45.000 | - | 45.000 | 22.500 | - | 22.500 |
| 4.2 Subsidiaries (Net) | | 100 | - | 100 | 100 | - | 100 |
| 4.2.1 Unconsolidated Financial Investments in Subsidiaries | | 100 | - | 100 | 100 | - | 100 |
| 4.2.2 Unconsolidated Non-Financial Investments in Subsidiaries | | - | - | - | - | - | - |
| 4.3 Joint Ventures (Net) | | - | - | - | - | - | - |
| 4.3.1 Joint-Ventures Consolidated Under Equity Accounting | | - | - | - | - | - | - |
| 4.3.2 Unconsolidated Joint-Ventures | | - | - | - | - | - | - |
| V. TANGIBLE ASSETS (NET) | (10) | 2.564.857 | 42.382 | 2.607.239 | 2.159.859 | 5.840 | 2.165.699 |
| VI. INTANGIBLE ASSETS (Net) | (11) | 809.967 | - | 809.967 | 692.634 | - | 692.634 |
| 6.1 Goodwill | | - | - | - | - | - | - |
| 6.2 Other | | 809.967 | - | 809.967 | 692.634 | - | 692.634 |
| VII. INVESTMENT PROPERTY (NET) | (12) | - | - | - | - | - | - |
| VIII. CURRENT TAX ASSET | | - | - | - | - | - | - |
| IX. DEFERRED TAX ASSETS | (13) | 2.405.348 | - | 2.405.348 | 2,478.105 | - | 2,478.105 |
| X. OTHER ASSETS | (14) | 1,631.856 | 987.534 | 2,619.390 | 1,505.019 | 342,464 | 1,847,483 |
| TOTAL ASSETS | | 222,926,630 | 161,842,195 | 384,768,825 | 223,668,462 | 160,588,143 | 384,256,605 |

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

ZİRAAT KATILIM BANKASI A.Ş.

UNCONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION) AS OF 31 MARCH 2024

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

| ZİRAAT KATILIM BANKASI A.Ş. UNCONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION) | | | | | | | |
|---|----------------|-----------------------------------|--------------------|--------------------|------------------------------------|--------------------|--------------------|
| LIABILITIES | Note (V-II) | Current Period (31 March 2024) | | | Prior Period (31 December 2023) | | |
| | | TRY | FC | Total | TRY | FC | Total |
| I. FUNDS COLLECTED | (1) | 184.445.977 | 116.429.679 | 300.875.656 | 185.040.926 | 119.331.448 | 304.372.374 |
| II. FUNDS BORROWED | (2) | 11.168.551 | 29.347.231 | 40.515.782 | 12.087.572 | 22.801.405 | 34.888.977 |
| III. MONEY MARKETS DEBTS | (3) | 1.676.049 | 7.975.698 | 9.651.747 | 435.678 | 10.528.455 | 10.964.133 |
| IV. SECURITIES ISSUED (Net) | (4) | - | - | - | - | - | - |
| V. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS | (5) | - | - | - | - | - | - |
| VI. DERIVATIVE FINANCIAL LIABILITIES | (6) | 55 | - | 55 | - | 153.095 | 153.095 |
| 6.1 Derivative Financial Liabilities at Fair Value Through Profit or Loss | | 55 | - | 55 | - | 153.095 | 153.095 |
| 6.2 Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income | | - | - | - | - | - | - |
| VII. LEASE PAYABLES (Net) | (7) | 856.090 | - | 856.090 | 785.859 | - | 785.859 |
| VIII. PROVISIONS | (8) | 709.694 | 1.667.965 | 2.377.659 | 1.456.125 | 1.476.173 | 2.932.298 |
| 8.1 Restructuring Provisions | | - | - | - | - | - | - |
| 8.2 Reserve for Employee Benefits | | 306.975 | - | 306.975 | 247.253 | - | 247.253 |
| 8.3 Insurance Technical Provisions (Net) | | - | - | - | - | - | - |
| 8.4 Other Provisions | | 402.719 | 1.667.965 | 2.070.684 | 1.208.872 | 1.476.173 | 2.685.045 |
| IX. CURRENT TAX LIABILITY | (9) | 958.350 | 217 | 958.567 | 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) | 1.375.399 | 4.806.488 | 6.181.887 | 1.341.987 | 4.451.686 | 5.793.673 |
| 12.1 Loans | | 1.375.399 | 4.806.488 | 6.181.887 | 1.341.987 | 4.451.686 | 5.793.673 |
| 12.2 Other Debt Instruments | | - | - | - | - | - | - |
| XIII. OTHER LIABILITIES | (13) | 2.505.636 | 831.768 | 3.337.404 | 2.408.661 | 1.259.020 | 3.667.681 |
| XIV. SHAREHOLDERS' EQUITY | (14) | 20.080.452 | (66.474) | 20.013.978 | 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 | | (129.178) | - | (129.178) | (129.539) | - | (129.539) |
| 14.4 Accumulated Other Comprehensive Income or Loss That will not be Reclassified in Profit or Loss | | (994.284) | (66.474) | (1.060.758) | (761.298) | (31.758) | (793.056) |
| 14.5 Profit Reserves | | 6.138.132 | - | 6.138.132 | 6.138.132 | - | 6.138.132 |
| 14.5.1 Legal Reserves | | 312.264 | - | 312.264 | 312.264 | - | 312.264 |
| 14.5.2 Status Reserves | | - | - | - | - | - | - |
| 14.5.3 Extraordinary Reserves | | 5.779.801 | - | 5.779.801 | 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) | | 4.454.269 | - | 4.454.269 | 4.004.497 | - | 4.004.497 |
| 14.6.1 Prior Period Profit / Loss | | 4.004.497 | - | 4.004.497 | - | - | - |
| 14.6.2 Current Period Profit / Loss | | 449.772 | - | 449.772 | 4.004.497 | - | 4.004.497 |
| TOTAL LIABILITIES | | 223.776.253 | 160.992.572 | 384.768.825 | 224.286.883 | 159.969.722 | 384.256.605 |

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

ZİRAAT KATILIM BANKASI A.Ş.

UNCONSOLIDATED STATEMENT OF OFF-BALANCE SHEET COMMITMENTS AS OF 31 MARCH 2024

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

| ZİRAAT KATILIM BANKASI A.Ş. UNCONSOLIDATED OFF-BALANCE SHEET COMMITMENTS | | | | | | | |
|--|-----------------|-----------------------------------|--------------------|--------------------|------------------------------------|--------------------|--------------------|
| | Note (V-III) | Current Period (31 March 2024) | | | Prior Period (31 December 2023) | | |
| | | TRY | FC | Total | TRY | FC | Total |
| A | | 59,442.073 | 50,469.319 | 109,911.392 | 44,556.727 | 56,166.174 | 100,722.901 |
| I. GUARANTEES AND WARRANTIES | (1) | 50,112.453 | 41,782.505 | 91,894.958 | 38,343.405 | 39,987.128 | 78,330.533 |
| 1.1 Letters of Guarantee | | 50,077.933 | 32,855.420 | 82,933.353 | 38,324.265 | 30,767.784 | 69,092.049 |
| 1.1.1 Guarantees Subject to State Tender Law | | 629.601 | 23,764.966 | 24,394.567 | 652.636 | 21,831.242 | 22,483.878 |
| 1.1.2 Guarantees Given for Foreign Trade Operations | | 35,295.792 | - | 35,295.792 | 30,182.880 | - | 30,182.880 |
| 1.1.3 Other Letters of Guarantee | | 14,152.540 | 9,090.454 | 23,242.994 | 7,488.749 | 8,936.542 | 16,425.291 |
| 1.2 Bank Acceptances | | - | 395.895 | 395.895 | - | 414.759 | 414.759 |
| 1.2.1 Import Letter of Acceptance | | - | 395.895 | 395.895 | - | 414.759 | 414.759 |
| 1.2.2 Other Bank Acceptances | | - | - | - | - | - | - |
| 1.3 Letters of Credit | | - | 8,458.211 | 8,458.211 | - | 7,928.282 | 7,928.282 |
| 1.3.1 Documentary Letters of Credit | | - | 8,458.211 | 8,458.211 | - | 7,928.282 | 7,928.282 |
| 1.3.2 Other Letters of Credit | | - | - | - | - | - | - |
| 1.4 Prefinancing Given as Guarantee | | - | - | - | - | - | - |
| 1.5 Endorsements | | - | - | - | - | - | - |
| 1.5.1 Endorsements to the Central Bank of the Republic of Türkiye | | - | - | - | - | - | - |
| 1.5.2 Other Endorsements | | - | - | - | - | - | - |
| 1.6 Other Guarantees | | 9,946 | 72,979 | 82,925 | 10,586 | 876.303 | 886.889 |
| 1.7 Other Collaterals | | 24,574 | - | 24,574 | 8,554 | - | 8,554 |
| II. COMMITMENTS | (1) | 9,127.218 | 2,910.838 | 12,038.056 | 6,163.310 | 1,289.972 | 7,453.282 |
| 2.1 Irrevocable Commitments | | 9,127.218 | 2,910.838 | 12,038.056 | 6,163.310 | 1,289.972 | 7,453.282 |
| 2.1.1 Forward asset purchase commitments | | 843.851 | 2,910.838 | 3,754.689 | 508.849 | 1,289.972 | 1,798.821 |
| 2.1.2 Share Capital Commitments to Associates and Subsidiaries | | - | - | - | - | - | - |
| 2.1.3 Loan Granting Commitments | | - | - | - | - | - | - |
| 2.1.4 Securities Issue Brokerage Commitments | | - | - | - | - | - | - |
| 2.1.5 Commitments for Reserve Deposit Requirements | | - | - | - | - | - | - |
| 2.1.6 Payment commitment for checks | | 2,728.535 | - | 2,728.535 | 1,708.702 | - | 1,708.702 |
| 2.1.7 Tax and Fund Liabilities from Export Commitments | | 392.621 | - | 392.621 | 296.293 | - | 296.293 |
| 2.1.8 Commitments for Credit Card Limits | | 3,099.132 | - | 3,099.132 | 2,342.967 | - | 2,342.967 |
| 2.1.9 Commitments for Credit Cards and Banking Services Promotions | | 2,704 | - | 2,704 | 2,276 | - | 2,276 |
| 2.1.10 Receivables from Short Sale Commitments of Marketable Securities | | - | - | - | - | - | - |
| 2.1.11 Payables for Short Sale Commitments of Marketable Securities | | - | - | - | - | - | - |
| 2.1.12 Other Irrevocable Commitments | | 2,060.375 | - | 2,060.375 | 1,304.223 | - | 1,304.223 |
| 2.2 Revocable Commitments | | - | - | - | - | - | - |
| 2.2.1 Revocable Loan Granting Commitments | | - | - | - | - | - | - |
| 2.2.2 Other Revocable Commitments | | - | - | - | - | - | - |
| III. DERIVATIVE FINANCIAL INSTRUMENTS | | 202.402 | 5,775.976 | 5,978.378 | 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 | | 202.402 | 5,775.976 | 5,978.378 | 50.012 | 14,889.074 | 14,939.086 |
| 3.2.1 Forward Foreign Currency Buy/Sell Transactions | | 202.402 | 179.843 | 382.245 | 50.012 | 44.662 | 94.674 |
| 3.2.1.1 Forward Foreign Currency Transactions-Buy | | 202.402 | - | 202.402 | 50.012 | - | 50.012 |
| 3.2.1.2 Forward Foreign Currency Transactions-Sell | | - | 179.843 | 179.843 | - | 44.662 | 44.662 |
| 3.2.2 Other Forward Buy/Sell Transaction | | - | 5,596.133 | 5,596.133 | - | 14,844.412 | 14,844.412 |
| 3.3 Other | | - | - | - | - | - | - |
| B. CUSTODY AND PLEDGES RECEIVED (IV+V+VI) | | 346,346.925 | 86,459.880 | 432,806.805 | 300,753.601 | 61,244.711 | 361,998.312 |
| IV. ITEMS HELD IN CUSTODY | | 19,586.006 | 32,154.767 | 51,740.773 | 15,313.288 | 25,398.103 | 40,711.391 |
| 4.1 Customer Fund and Portfolio Balances | | - | - | - | - | - | - |
| 4.2 Investment Securities Held in Custody | | 5,868.214 | 50.452 | 5,918.666 | 2,998.906 | 19.107 | 3,018.013 |
| 4.3 Checks Received for Collection | | 9,520.872 | 247.407 | 9,768.279 | 8,050.832 | 165.195 | 8,216.027 |
| 4.4 Commercial Notes Received for Collection | | 956.145 | 621.009 | 1,577.154 | 1,022.775 | 518.334 | 1,541.109 |
| 4.5 Other Assets Received for Collection | | - | - | - | - | - | - |
| 4.6 Assets Received for Public Offering | | - | - | - | - | - | - |
| 4.7 Other Items Under Custody | | 3,240.775 | 7,689.110 | 10,929.885 | 3,240.775 | 6,942.970 | 10,183.745 |
| 4.8 Custodians | | - | 23,546.789 | 23,546.789 | - | 17,752.497 | 17,752.497 |
| V. PLEDGES RECEIVED | | 326,760.919 | 54,305.113 | 381,066.032 | 285,440.313 | 35,846.608 | 321,286.921 |
| 5.1 Marketable Securities | | 2,382.277 | 62.000 | 2,444.277 | 2,210.399 | 63.993 | 2,274.392 |
| 5.2 Guarantee Notes | | 12,442.568 | 186.431 | 12,628.999 | 10,971.967 | 214.321 | 11,186.288 |
| 5.3 Commodity | | 35,389.100 | 14,880.809 | 50,269.909 | 28,617.839 | 10,953.703 | 39,571.542 |
| 5.4 Warranty | | - | - | - | - | - | - |
| 5.5 Properties | | 238,021.212 | 34,196.534 | 272,217.746 | 200,678.424 | 20,355.321 | 221,033.745 |
| 5.6 Other Pledged Items | | 38,525.762 | 4,979.339 | 43,505.101 | 42,961.684 | 4,259.270 | 47,220.954 |
| 5.7 Pledged Items-Depository | | - | - | - | - | - | - |
| VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES | | - | - | - | - | - | - |
| TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B) | | 405,788.998 | 136,929.199 | 542,718.197 | 345,310.328 | 117,410.885 | 462,721.213 |

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

ZİRAAT KATILIM BANKASI A.Ş.

UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE PERIOD ENDED 31 MARCH 2024

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

| ZİRAAT KATILIM BANKASI A.Ş. UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS | | | |
|--|--------|---|---|
| INCOME / EXPENSE ITEMS | Note | Current Period 1 January- 31 March 2024 | Prior Period 1 January- 31 March 2023 |
| | (V-IV) | | |
| I. PROFIT SHARE INCOME | (1) | 18.372.205 | 6.662.866 |
| 1.1 Profit Share on Loans | | 11.946.136 | 4.538.870 |
| 1.2 Profit Share on Reserve Deposits | | - | - |
| 1.3 Profit Share on Banks | | 33.448 | 37.302 |
| 1.4 Profit Share on Money Market Placements | | - | - |
| 1.5 Profit Share on Marketable Securities Portfolio | | 2.543.235 | 1.255.445 |
| 1.5.1 Financial Assets Measured at Fair Value Through Profit/Loss | | 30.866 | 13.564 |
| 1.5.2 Financial Assets Measured at Fair Value Through Other Comprehensive Income | | 1.487.825 | 1.112.928 |
| 1.5.3 Financial Assets Measured at Amortized Cost | | 1.024.544 | 128.953 |
| 1.6 Financial Lease Income | | 3.719.343 | 805.992 |
| 1.7 Other Profit Share Income | | 130.043 | 25.257 |
| II. PROFIT SHARE EXPENSE | (2) | 18.187.256 | 5.165.539 |
| 2.1 Profit Share Expense on Participation Accounts | | 16.000.666 | 4.623.585 |
| 2.2 Profit Share Expense on Funds Borrowed | | 1.908.191 | 440.036 |
| 2.3 Profit Share Expense on Money Market Borrowings | | 213.285 | 81.212 |
| 2.4 Expense on Securities Issued | | - | - |
| 2.5 Lease Profit Share Expense | | 41.538 | 18.871 |
| 2.6 Other Profit Share Expenses | | 23.576 | 1.835 |
| III. NET PROFIT SHARE INCOME/EXPENSE (I - II) | | 184.949 | 1.497.327 |
| IV. NET FEES AND COMMISSIONS INCOME/EXPENSE | | 306.661 | 167.603 |
| 4.1 Fees and Commissions Received | | 745.304 | 235.813 |
| 4.1.1 Non-cash Loans | | 174.540 | 97.542 |
| 4.1.2 Other | | 570.764 | 138.271 |
| 4.2 Fees and commissions paid | | 438.643 | 68.210 |
| 4.2.1 Non-cash Loans | | - | - |
| 4.2.2 Other | | 438.643 | 68.210 |
| V. DIVIDEND INCOME | (3) | - | - |
| VI. NET TRADING INCOME (Net) | (4) | 1.151.175 | 213.140 |
| 6.1 Capital Market Transaction Gains / Losses | | 386.510 | 2.736 |
| 6.2 Gains/ Losses From Derivative Financial Instruments | | 366.107 | 66.382 |
| 6.3 Foreign Exchange Gains / Losses | | 398.558 | 144.022 |
| VII. OTHER OPERATING INCOME | (5) | 2.243.508 | 1.243.408 |
| VIII. TOTAL OPERATING PROFIT (III+IV+V+VI+VII) | | 3.886.293 | 3.121.478 |
| IX. EXPECTED CREDIT LOSSES (-) | (6) | 1.548.977 | 944.015 |
| X. OTHER PROVISIONS (-) | (6) | 60.454 | 22.469 |
| XI. PERSONNEL EXPENSES (-) | | 848.704 | 414.361 |
| XII. OTHER OPERATING EXPENSES (-) | (7) | 789.836 | 935.340 |
| XIII. NET OPERATING PROFIT/LOSS (VIII-IX-X-XI-XII) | | 638.322 | 805.293 |
| 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 OPERATION(XIII+...+XVI) | (8) | 638.322 | 805.293 |
| XVIII. TAX PROVISION FOR CONTINUED OPERATIONS (±) | (9) | (188.550) | 192.787 |
| 18.1 Current Tax Provision | | - | - |
| 18.2 Expense Effect of Deferred Tax (+) | | (582.344) | (446.600) |
| 18.3 Income Effect of Deferred Tax (-) | | 393.794 | 639.387 |
| XIX. NET OPERATING PROFIT/LOSS AFTER TAXES(XVII±XVIII) | (10) | 449.772 | 998.080 |
| 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 (XX-XXI) | | - | - |
| 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 (XXII±XXIII) | | - | - |
| XXV. NET PROFIT/LOSS (XIX+XXIV) | (11) | 449.772 | 998.080 |
| Earnings per share income/loss (Full TRY) | | 0,0435 | 0,3766 |

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

ZİRAAT KATILIM BANKASI A.Ş.

UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 MARCH 2024

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

| ZİRAAT KATILIM BANKASI A.Ş UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME | | |
|--|---|---|
| | Current Period 1 January-31 March 2024 | Prior Period 1 January-31 March 2023 |
| I. CURRENT PERIOD PROFIT/LOSS | 449.772 | 998.080 |
| II. OTHER COMPREHENSIVE INCOME | (267.341) | (339.950) |
| 2.1 Other Income/Expense Items not to be Reclassified to Profit or Loss | 361 | 925 |
| 2.1.1 Tangible Assets Revaluation Increase/Decrease | - | - |
| 2.1.2 Intangible Assets Revaluation Increase/Decrease | - | - |
| 2.1.3 Defined Benefit Plans' Actuarial Gains/Losses | - | - |
| 2.1.4 Other Income/Expense Items not to be Recycled to Profit or Loss | 361 | 925 |
| 2.1.5 Tax Related Other Comprehensive Income Items Not Reclassified Through Profit or Loss | - | - |
| 2.2 Other Income/Expense Items to be Recycled to Profit or Loss | (267.702) | (340.875) |
| 2.2.1 Foreign Currency Translation Differences | - | - |
| 2.2.2 Income/Expenses from Valuation and/or Reclassification of Financial Assets Measured at FVOCI | (383.497) | (454.500) |
| 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 | 115.795 | 113.625 |
| III. TOTAL COMPREHENSIVE INCOME (I+II) | 182.431 | 658.130 |

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

ZİRAAT KATILIM BANKASI A.Ş.

UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE PERIOD ENDED 31 MARCH 2024

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

| STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY | | | | | Accumulated Other Comprehensive Income or Expense Not Reclassified through Profit or Loss | | | Accumulated Other Comprehensive Income or Expense Reclassified through Profit or Loss | | | Profit Reserves | Prior Period Profit / (Loss) | Period Net Profit or Loss | Total Equity |
|---|-----------------|---------------|--|------------------------|---|-----------|---------|---|-------------|---|-----------------|------------------------------|---------------------------|--------------|
| | Paid-in Capital | Share Premium | Share Certificate Cancellation Profits | Other Capital Reserves | 1 | 2 | 3 | 4 | 5 | 6 | | | | |
| PRIOR PERIOD | | | | | | | | | | | | | | |
| 31 March 2023 | | | | | | | | | | | | | | |
| I. Prior Period End Balance | 2.650.000 | - | - | 261.513 | - | (94.366) | 289 | - | 2.422.877 | - | 2.297.860 | 3.840.272 | - | 11.378.445 |
| II. Adjustments in Accordance with TAS 8 | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 2.1. Effects of Corrections | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 2.2. Effect of Changes in Accounting Policies | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| III. Adjusted Beginning Balance (I+II) | 2.650.000 | - | - | 261.513 | - | (94.366) | 289 | - | 2.422.877 | - | 2.297.860 | 3.840.272 | - | 11.378.445 |
| IV. Total Comprehensive Income | - | - | - | - | - | - | 925 | - | (340.875) | - | - | - | 998.080 | 658.130 |
| V. Capital Increase by Cash | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| VI. Capital Increase by Internal Sources | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| VII. Paid-in Capital Inflation Adjustment Difference | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| VIII. Convertible Bonds to Shares | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| IX. Subordinated Debt Instruments | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| X. Increase/Decrease by Other Changes (*) | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| XI. Profit Distribution | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 11.1 Dividends Paid | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 11.2 Transfers to Reserves | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 11.3 Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Period End Balance (III+IV.....+X+XI) | 2.650.000 | - | - | 261.513 | - | (94.366) | 1.214 | - | 2.082.002 | - | 2.297.860 | 3.840.272 | 998.080 | 12.036.575 |
| CURRENT PERIOD | | | | | | | | | | | | | | |
| 31 March 2024 | | | | | | | | | | | | | | |
| I. Prior Period End Balance | 10.350.000 | - | - | 261.513 | - | (127.913) | (1.626) | - | (793.056) | - | 6.138.132 | 4.004.497 | - | 19.831.547 |
| II. Adjustments in Accordance with TAS 8 | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 2.1. Effect of Correction of Errors | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 2.2. Effect of Changes in Accounting Policies | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| III. Adjusted Beginning Balance (I+II) | 10.350.000 | - | - | 261.513 | - | (127.913) | (1.626) | - | (793.056) | - | 6.138.132 | 4.004.497 | - | 19.831.547 |
| IV. Total Comprehensive Income | - | - | - | - | - | - | 361 | - | (267.702) | - | - | - | 449.772 | 182.431 |
| V. Capital Increase by Cash | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| VI. Capital Increase by Internal Sources | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| VII. Paid-in Capital Inflation Adjustment Difference | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| VIII. Convertible Bonds | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| IX. Subordinated Debt Instruments | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| X. Increase/decrease by other Changes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| XI. Profit Distribution | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 11.1 Dividends Paid | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 11.2 Transfers to Reserves | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 11.3 Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Period end Balance (III+IV.....+X+XI) | 10.350.000 | - | - | 261.513 | - | (127.913) | (1.265) | - | (1.060.758) | - | 6.138.132 | 4.004.497 | 449.772 | 20.013.978 |

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

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

ZİRAAT KATILIM BANKASI A.Ş.

UNCONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 MARCH 2024

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

| ZİRAAT KATILIM BANKASI A.Ş. UNCONSOLIDATED STATEMENT OF CASH FLOWS | | | |
|---|--------------|---|---|
| | Note (VI) | Current Period 1 January-31 March 2024 | Prior Period 1 January-31 March 2023 |
| A. CASH FLOWS FROM BANKING OPERATIONS | | | |
| 1.1 Operating profit before changes in operating assets and liabilities) | | 268.353 | 924.572 |
| 1.1.1 Profit Share Income Received | | 16.242.694 | 7.097.501 |
| 1.1.2 Profit Share Expense Paid | | (15.636.997) | (4.853.988) |
| 1.1.3 Dividend Received | | - | - |
| 1.1.4 Fees and Commissions Received | | 748.238 | 364.993 |
| 1.1.5 Other Income | | 604.550 | - |
| 1.1.6 Collections from Previously Written-off Loans | | 453.620 | 13.735 |
| 1.1.7 Payments to Personnel and Service Suppliers | | (848.704) | (414.361) |
| 1.1.8 Taxes Paid | | (1.275.573) | (47.758) |
| 1.1.9 Others | | (19.475) | (1.235.550) |
| 1.2 Changes in Operating Assets and Liabilities | | (13.884.608) | (1.711.333) |
| 1.2.1 Net (Increase) / Decrease in Financial Assets at Fair Value Through Profit or Loss | | (3.090.647) | (235.400) |
| 1.2.2 Net (Increase) / Decrease in Due From Banks And Other Financial Institutions | | (5.577.748) | (1.969.089) |
| 1.2.3 Net (Increase) / Decrease in Loans | | 5.551.557 | (19.633.410) |
| 1.2.4 Net (Increase) / Decrease in Other Assets | | (1.339.119) | (7.337.625) |
| 1.2.5 Net Increase / (Decrease) in Bank Funds | | 1.344.060 | 106.497 |
| 1.2.6 Net Increase / (Decrease) in Other Funds | | (9.913.444) | 22.979.244 |
| 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 | | 839.397 | 260.526 |
| 1.2.9 Net Increase / (Decrease) in Payables | | - | - |
| 1.2.10 Net Increase / (Decrease) in Other Liabilities | | (1.698.664) | 4.117.924 |
| I. Net Cash Provided from Banking Operations | | (13.616.255) | (786.761) |
| B. CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| II. Net Cash Provided from Investing Activities | | (3.452.295) | (1.428.712) |
| 2.1 Cash Paid For Purchase Jointly Controlled Operations, Associates And Subsidiaries | | (22.500) | - |
| 2.2 Cash Obtained from Sale of Jointly Controlled Operations, Associates and Subsidiaries | | - | - |
| 2.3 Purchases of Tangible Assets | | (630.944) | (132.973) |
| 2.4 Disposals of Tangible Assets | | 538 | 12.865 |
| 2.5 Purchase of Financial Assets at Fair Value Through Other Comprehensive Income | | (3.150.775) | (2.497.493) |
| 2.6 Sale of Financial Assets at Fair Value Through Other Comprehensive Income | | 2.983.272 | 1.877.904 |
| 2.7 Purchase of Financial Assets Measured at Amortized Cost | | (2.631.886) | (689.015) |
| 2.8 Sale of Financial Assets Measured at Amortized Cost | | - | - |
| 2.9 Other | | - | - |
| C. CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| III. Net Cash Provided from Financing Activities | | 4.994.448 | 1.029.758 |
| 3.1 Cash Obtained from Funds Borrowed And Securities Issued | | 8.944.877 | 4.995.181 |
| 3.2 Cash Used For Repayment of Funds Borrowed And Securities Issued | | (3.897.791) | (3.925.292) |
| 3.3 Issued Equity Instruments | | - | - |
| 3.4 Dividends Paid | | - | - |
| 3.5 Payments for Finance Leases | | (52.638) | (40.131) |
| 3.6 Other | | - | - |
| IV. Effect Of Change In Foreign Exchange Rate On Cash And Cash Equivalents | (1) | 1.068.724 | 192.698 |
| V. Net Increase/ (Decrease) In Cash And Cash Equivalents (I+II+III+IV) | (1) | (11.005.378) | (993.017) |
| VI. Cash And Cash Equivalents At The Beginning Of The Period | (1) | 41.562.423 | 21.154.391 |
| VII. Cash And Cash Equivalents At The End Of The Period | (1) | 30.557.045 | 20.161.374 |

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

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF
31 MARCH 2024**

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

SECTION THREE

EXPLANATIONS ON ACCOUNTING POLICIES

I. EXPLANATIONS ON BASIS OF PRESENTATION

The unconsolidated financial statements are prepared within the scope of the “Regulation on Accounting Applications for Banks and Safeguarding of Documents” (“Regulation”) published in the Official Gazette no. 26333 dated 1 November 2006 and other regulations related to reporting principles on accounting records of Banks published by Banking Regulation and Supervision Agency (“BRSA”) and circulars and interpretations published by BRSA (together referred as BRSA Accounting and Reporting Legislation) and in case where a specific regulation is not made by BRSA, Turkish Accounting Standards 34 (“TAS 34”) Interim Financial Reporting Standard and Turkish Financial Reporting Standards (“TFRS”) and (referred as “Turkish Accounting and Financial Reporting Regulations” or “Reporting Standards”) put into effect by Public Oversight Accounting and Auditing Standards Authority (“POA”).

The format and content of the publicly announced unconsolidated financial statements and their explanations and footnotes, with the “Communiqué on the Financial Statements to Be Announced to Public by Banks” and the Announcements and Disclosures Related to These Communiqués published in the Official Gazette No. 28337 dated 28 June 2012. It has been prepared in accordance with. The Bank maintains its accounting records in Turkish currency in accordance with the Banking Law, Turkish Commercial Code and Turkish tax legislation.

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

Preparation of financial statements requires making estimates and assumptions that affect the amounts of assets and liabilities reported or the contingent assets and liabilities disclosed as of the balance sheet date and the amounts of income and expenses reported in the relevant period. While these estimates are based on management's best judgment and knowledge, actual results may differ from these estimates. The assumptions and estimates used 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 March 2024. Based on the decision Numbered 10825 dated 11 January 2024, inflation accounting will be implemented starting from 1 January 2025.

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

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

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

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2024

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

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

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

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

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

III. EXPLANATIONS ON INVESTMENTS IN ASSOCIATES AND SUBSIDIARIES

Subsidiaries and affiliates denominated in Turkish currency are accounted for at cost in accordance with the "Turkish Accounting Standard for Separate Financial Statements" ("TAS 27") and are reflected in the unconsolidated financial statements after deducting the provision for impairment, if any. As of 22 January 2016, Ziraat Katılım Varlık Kiralama Anonim Şirketi was established as a wholly-owned subsidiary of the Bank with a capital of 50 TRY, and as of 19 July 2017, ZKB Varlık Kiralama Anonim Şirketi was established as a wholly-owned subsidiary of the Bank with a capital of 50 TRY. The Bank became a shareholder of Katılım Finans Kefalet A.Ş., which was established with the aim of creating a guarantee system in accordance with the principles and principles of Participation Banking, with a participation fee of 45.000 TRY on 30 April 2023.

IV. EXPLANATIONS ON FORWARD AND OPTION CONTRACTS AND DERIVATIVE INSTRUMENTS

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

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

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

V. EXPLANATIONS ON PROFIT SHARE INCOME AND EXPENSE

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

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

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

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2024

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

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

VI. EXPLANATIONS ON FEES AND COMMISSION INCOME AND EXPENSES

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

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

VII. EXPLANATIONS ON FINANCIAL ASSETS

Financial assets are recognized or derecognized according to TFRS 9 Financial Instruments part three “Recognition and Derecognition”. Financial assets are measured at fair value at initial recognition in the financial statements. During the initial recognition of financial assets other than “Financial Assets at Fair Value Through Profit or Loss”, transaction costs are added to fair value or deducted from fair value. They are included in the balance sheet of the Bank, if the Bank is a legal party to these instruments.

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

Classification and Measurement under TFRS 9

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

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

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

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

Financial assets at the fair value through profit or loss are initially recognized at fair value and remeasured at their fair value after recognition. Gains and losses resulting from the valuation are included in the profit/loss accounts.

Among the financial assets whose fair value difference is reflected in profit or loss, lease certificates traded 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 UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 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 recognized in profit/loss unless the dividend clearly represents a recovery of part of the cost of the investment. Equity instruments measured at fair value through other comprehensive income are not subject to impairment calculation.

c. Financial assets measured at amortized cost:

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and profit share are classified as financial assets measured at amortized cost.

Financial assets measured at amortized cost are initially recognized at acquisition cost including the transaction costs which reflect the fair value of those instruments and subsequently recognized at amortized cost by using internal rate of return method. Profit share income obtained from financial assets measured at amortized cost is accounted in P&L.

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

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2024

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

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

VII. EXPLANATIONS ON FINANCIAL ASSETS (Continued)

Loans

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

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

As of 31 March 2024, all loans of the Bank, including profit-loss sharing (musharakah) and labor-capital partnership (mudaraba) investments, are followed in the “Measured by Amortized Cost” account. Profit-loss sharing and labor-capital partnership investments followed by the Bank in the loans account according to the BRSA Uniform Chart of Accounts, those to be valued for the first time as of 31 December 2020, with the letter of the BRSA numbered E-43890421-010.07.01-1294, or In accordance with the provisions of the "Interest-Free Finance Accounting Standard 3: Mudaraba Financing" or "Interest-Free Finance Accounting Standard 4: Musharakah Financing" standards for partnership financing funds in the form of "labor-capital partnership" or "profit-loss sharing" that are newly made available after 1 January 2021 was accounted for.

VIII. EXPLANATIONS ON IMPAIRMENT OF FINANCIAL ASSETS

Explanations on Expected Loss Provisions

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

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

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

Impairment

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

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

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

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 (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 allowance is calculated for 1 year for loans in stage 1, the expected loss allowance 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.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF
31 MARCH 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, 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. As of 31 March 2024 and 31 December 2023, the mainly used macroeconomic variables are GDP and sector default rates.

The Bank uses 3 scenarios as base, bad and good for future expectations. All 3 scenarios have predetermined weights. The Bank updates the macroeconomic variables used in the assessment of significant increase in credit risk and in the calculation of expected credit loss, quarterly in March, June, September and December, and applies them to its models. As of 31 March 2024, macroeconomic variables, which are taken as a basis in the calculation of expected credit losses are reflected in the models.

The Methodology of Behavioral Maturity Calculation

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

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 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 March 2024, there are no securities lending transactions (31 December 2023: None). Securities sold under agreements for repurchase agreements (“Repos”) are classified as “Fair Value Through Profit or Loss”, “Fair Value Through Other Comprehensive Income” and “Financial Asset Measured at Amortized Cost” in the portfolio of the bank, according to the purposes of the Bank, and they are subject to valuation according to the portfolio which are belong. Funds obtained in return for repo agreements are accounted in "Money Markets Borrowing" account and and participation share rediscounts for the period are calculated according to the internal rate of return method.

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

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

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

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 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 March 2024, the Bank's non-current assets held for sale are TRY 495.138 (31 December 2023: TRY 427.299).

XII. EXPLANATIONS ON GOODWILL AND OTHER INTANGIBLE ASSETS

As of the balance sheet date, the Bank has no goodwill within the financial statements.

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

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

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

XIII. EXPLANATIONS ON TANGIBLE ASSETS

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

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

Applied depreciation rates are as follows;

| | |
|--|----------------------------|
| Vehicles and Fixtures | : 2% - 25% |
| Operational Lease Improvement Costs (Leasehold Improvements) | : Leasing Period - 5 years |

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XIII. EXPLANATIONS ON TANGIBLE ASSETS (Continued)

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

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

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

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

XIV. EXPLANATIONS ON LEASING TRANSACTIONS

Operational Leasing Transactions

Transactions as a lessee

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

Right of use;

The Bank applies the “IFRS 16 – Leases” standard in the accounting of leasing transactions.

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

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

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

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

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

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

Lease Liabilities:

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

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XIV. EXPLANATIONS ON LEASING TRANSACTIONS (Continued)

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

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

The profit for the lease obligation for each period in the lease term is the amount calculated by applying a fixed periodic rate of profit to the remaining balance of the lease obligation. The Participation Bank takes part as a lessor in leasing transactions. The Participation Bank indicates the assets subject to leasing as a receivable equal to the net lease investment amount in the balance sheet. The total of the lease payments is gross in the leasing receivables account including the dividends and principal amounts. The profit share, which is the difference between the total of the lease payments and the cost of the related fixed assets, is included in the unearned finance 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 Bank provides provision in case of an existing liability (legal or implicit) as a result of an incident that took place in the past, there is possibility of disposal of assets that bring economic benefit and the liability is measurable. When a reliable estimate of the amount of obligation cannot be made, it is considered that a “contingent” liability exists and it is disclosed in the related notes to the financial statements.

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

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

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

XVI. EXPLANATIONS ON OBLIGATIONS RELATED TO EMPLOYEE RIGHTS

a. Employment termination and vacation benefits

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

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

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

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

a. Employment termination and vacation benefits (Continued)

The Bank benefits from independent actuaries on determination of obligation and makes assumptions on discount rate, employee turnover rate, and future raise in salaries. As of 31 March 2024, the Bank’s employee termination benefit is TRY 227.861 (31 December 2023: TRY 202.704).

Communiqué on “Turkish Accounting Standard (“TAS19”) about Benefits for Employee (No:9)” published in Official Gazette by Public Oversight Accounting and Auditing Standards Authority (“POA”) on 12 March 2013 numbered 28585, was entered into force for the account periods starting after 31 December 2012 on accounting treatment of actuarial profit and loss resulting from changes in actuarial assumptions or differences between actual and actuarial assumptions. Actuarial loss amounting to TRY 127.913 was classified under shareholders’ equity in the financials. (31 December 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 March 2024 unused vacation liability of the Bank is TRY 78.950 (31 December 2023: TRY 44.385).

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

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

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

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

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

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

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

The technical balance sheet report as of 31 March 2024 which is prepared in accordance with the new law and the allowance determined as 9,80%, concluded no technical deficit arises in the above mentioned fund. Since the Bank has no legal right to hold the present value of any economic benefits available in the form of refunds from Pension Fund or reductions in future contributions to Pension Fund, no asset is recognized in the Bank’s financial statements.

XVII. EXPLANATIONS ON TAXATION

a. Current tax

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.

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NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2024

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XVII. EXPLANATIONS ON TAXATION (Continued)

a. Current tax (Continued)

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 non-resident corporations, which have a place of business or permanent attorney in Türkiye or to resident corporations are not subject to withholding tax. While dividends paid to individuals and corporations were subject to withholding tax at the rate of 15%, this rate has been changed to 10% with the Presidential Decision published in the Official Gazette dated 22 December 2021 and No. 31697. An increase in capital via issuing bonus shares is not considered as profit distribution and no withholding tax incurs in such a case.

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

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

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

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

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.

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XVII. EXPLANATIONS ON TAXATION (Continued)

a. Current tax (Continued)

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

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

As of the end of the 2021 calendar year, the conditions sought for inflation adjustment in the calculation of corporate tax have been fulfilled, within the framework of the repeated provision of Article 298/A of the Tax Procedure Law. However, with the Law No. 7352 on the Amendment of the Tax Procedure Law and the Corporate Tax Law, published in the Official Gazette dated 29 January 2022 and numbered 31734, the temporary article 33 was added to the Tax Procedure Law No. 213, including the provisional tax periods. Financial statements will not be subject to inflation adjustment for the 2021 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.

In accordance with Tax Procedure Law General Communiqué numbered 560 published in the Official Gazette dated 30 April 2024 and numbered 32532, it has been declared that it is appropriate not to make inflation adjustment in the first provisional tax period of the 2024 fiscal period.

b. Deferred tax

The Bank calculates deferred tax for the temporary differences between the applied accounting policies and valuation principles and the tax base value determined in accordance with the tax legislation, in accordance with TAS 12 “Income Taxes Standard”, taking into account the additional regulation introduced with the Law No. 7316 dated 22 April 2021.

With the Law No. 7394 on the Amendments of Treasury-Owned Immovable Property Valuation and the Value Added Tax Law, which was published in the Official Gazette dated 15 April 2022 and numbered 31810, and the Law on Amendments to Some Laws and Decree-Laws, with Article 26 of the Law No. 5520 With the paragraph added to the temporary article 13 of the Corporate Tax Law, the Corporate Tax rate was rearranged for the corporate earnings of the 2022 taxation period and it was stated that the tax rate would be applied as 25% for the banks. In accordance with Article 21 of Law No. 7456 published in the Official Gazette No. 32249 dated 15 July 2023, starting from the declarations that must be submitted as of 1 October 2023; The corporate tax rate to be applied to the profits of corporations in 2023 and the following taxation periods has been increased from 25% to 30% for banks and other institutions mentioned in the law.

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XVII. EXPLANATIONS ON TAXATION (Continued)

b Deferred tax (Continued)

Deferred tax liability or assets are determined by calculating the tax effects of the temporary differences between the amounts of assets and liabilities shown in the financial statements and the amounts taken into account in the calculation of the legal tax base, according to the balance sheet method, taking into account the enacted tax rates. In the calculation of deferred tax, the Bank estimates the time when temporary differences will be taxable/deductible and uses enacted tax rates as of the balance sheet date in accordance with the current tax legislation.

As the deferred tax assets or liabilities within the scope of TAS 12 are calculated based on the tax rates (and tax laws) that are in effect or nearly effective as of the end of the reporting period (balance sheet date), using the tax rates expected to be applied in the periods when the assets are converted into income or the liabilities are paid, As of 31 December 2023, the Bank has deferred tax calculations were made based on rates varying 30% on assets and liabilities. While deferred tax liabilities are calculated for all taxable temporary differences, deferred tax assets consisting of deductible temporary differences are calculated provided that it is highly probable to benefit from these differences by generating taxable profit in the future. Except for goodwill or business combinations, deferred tax liability or asset is not calculated for temporary timing differences arising from the initial recognition of assets or liabilities and which do not affect both commercial and financial profit or loss.

However, with the regulation made by the Law No. 7491 on the Amendment of Certain Laws and Decree Laws, it has been regulated that the profit / loss difference arising from the inflation adjustment to be made by the banks in the 2024 and 2025 accounting periods, including the provisional tax periods, will not be taken into account in the determination of earnings. With the Tax Procedure Law General Communiqué numbered 560 published in the Official Gazette dated 30 April 2024 and numbered 32532, it has been declared that it is appropriate not to make inflation adjustment in the first provisional tax period of the 2024 accounting period. Within the framework of the Provisional Article 33 of the Tax Procedure Law, the tax effects arising from the inflation adjustment of the financial statements as of 31 March 2024 in accordance with the Tax Procedure Law is included in the deferred tax calculation as of 31 March 2024.

XVIII. EXPLANATIONS ON ADDITIONAL DISCLOSURES ON BORROWINGS

The Bank recognizes its debt instruments in accordance with TFRS 9 “Financial Instruments” and all financial liabilities are carried at amortized cost by using effective the internal rate of return method. The Bank has no borrowings that require hedging techniques for accounting and revaluation of debt instruments and liabilities representing the borrowings. There are no debt securities issued by the Bank. The Bank has issued borrowings as sukuk issuances, this through its subsidiary Ziraat Katılım Varlık Kiralama A.Ş. and ZKB Varlık Kiralama A.Ş., 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.

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

On 24 April 2019, with the approval of the BRSA on 22 April 2019, the Bank obtained EUR 100.000 from Türkiye Wealth Fund Market Stability and Balance Sub-Fund; With the approval of the BRSA on 9, 2022, on 9 March 2022, a subordinated loan amounting to EUR 57.039 is provided within the scope of demand and non-profit additional capital.

ZİRAAT KATILIM BANKASI A.Ş.

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XVIII. EXPLANATIONS ON ADDITIONAL DISCLOSURES ON BORROWINGS (Continued)

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 500.000 US Dollars to be issued abroad and with a maturity of three years was approved by the Capital Markets Board on 3 November 2023. The maturity date for this issuance has been determined as 12 November 2026. Accordingly, the sale of the lease certificate was completed on 6 November 2023, and the issuance amount has been recorded in our accounts.

XIX. EXPLANATIONS ON SHARE CERTIFICATES ISSUED

There are no issued shares by the Bank as of balance sheet date (31 December 2023: None).

XX. EXPLANATIONS ON ACCEPTANCES

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

XXI. EXPLANATIONS ON GOVERNMENT INCENTIVES

There are no government incentives utilized by the Bank as of the balance sheet date. (31 December 2023: None).

XXII. EXPLANATIONS ON CASH AND CASH EQUIVALENTS

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

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

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.

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NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2024

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SECTION FOUR

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

I. EXPLANATIONS ON SHAREHOLDERS’ EQUITY

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

- In accordance with the Decision of the Banking Regulation and Supervision Agency dated 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 March 2024, taking into account the latest regulations, is TRY 25.625.764 (31 December 2023: TRY 24.251.951), and the capital adequacy standard ratio is 12,87% (31 December 2023: 15,10%). The Bank’s capital adequacy standard ratio is above the minimum ratio determined by the relevant legislation.

Information Related To The Components of Shareholders’ Equity:

| | Current Period 31 March 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 | 6.138.132 | 6.138.132 |
| Gains recognized in equity as per TAS | 294.430 | 597.284 |
| Profit | 4.454.269 | 4.004.497 |
| Current Period Profit | 449.772 | 4.004.497 |
| Prior Period Profit | 4.004.497 | - |
| 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 | 21.236.831 | 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 | 1.242.514 | 922.211 |
| Goodwill (net of related tax liability) | - | - |
| Other intangibles other than mortgage-servicing rights (net of related tax liability) | 809.967 | 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 | - | - |

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

I. EXPLANATIONS ON SHAREHOLDERS’ EQUITY (Continued)

| | Current Period 31 March 2024 | Prior Period 31 December 2023 |
|---|---------------------------------|----------------------------------|
| Excess amount arising from the net long positions of investments in common equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital | - | - |
| Excess amount arising from mortgage servicing rights | - | - |
| Excess amount arising from deferred tax assets based on temporary differences | - | - |
| Other items to be defined by the BRSA | - | - |
| Deductions to be made from common equity due to insufficient Additional Tier I Capital or Tier II Capital | - | - |
| Total Deductions From Common Equity Tier I Capital | 2.052.481 | 3.454.122 |
| Total Common Equity Tier I Capital | 19.184.350 | 17.635.791 |
| ADDITIONAL TIER I CAPITAL | | |
| Preferred Stock not Included in Common Equity and the Related Share Premiums | - | - |
| Debt instruments and premiums approved by BRSA ^(*) | 3.926.802 | 3.681.925 |
| Debt instruments and premiums approved by BRSA(Temporary Article 4) | - | - |
| Additional Tier I Capital before Deductions | - | - |
| Deductions from Additional Tier I Capital | | |
| Direct and indirect investments of the Bank in its own Additional Tier I Capital | - | - |
| Investments of Bank to Banks that invest in Bank’s additional equity and components of equity issued by financial institutions with compatible with Article 7. | - | - |
| Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital | - | - |
| The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital | - | - |
| Other items to be defined by the BRSA | - | - |
| Transition from the Core Capital to Continue to deduct Components | | |
| Goodwill and other intangible assets and related deferred tax liabilities which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks’ Own Funds (-) | - | - |
| Net deferred tax asset/liability which is not deducted from Common Equity Tier 1 capital for the purposes of the sub-paragraph of the Provisional Article 2 of the Regulation on Banks’ Own Funds (-) | - | - |
| Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-) | - | - |
| Total Deductions From Additional Tier I Capital | - | - |
| Total Additional Tier I Capital | 3.926.802 | 3.681.925 |
| Total Tier I Capital (Tier I Capital=Common Equity+Additional Tier I Capital) | 23.111.152 | 21.317.716 |
| TIER II CAPITAL | | |
| Debt instruments and share issue premiums deemed suitable by the BRSA ^(**) | 1.240.000 | 1.300.000 |
| Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4) | - | - |
| Provisions (Article 8 of the Regulation on the Equity of Banks) | 1.292.039 | 1.656.901 |
| Tier II Capital Before Deductions | 2.532.039 | 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 | 2.532.039 | 2.956.901 |
| Total Capital (The sum of Tier I Capital and Tier II Capital) | 25.643.191 | 24.274.617 |

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

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

I. EXPLANATIONS ON SHAREHOLDERS’ EQUITY (Continued)

| | Current Period 31 March 2024 | Prior Period 31 December 2023 |
|--|---------------------------------|----------------------------------|
| Total of Original Capital and Supplementary Capital (Total Capital) | 25.643.191 | 24.274.617 |
| Deductions from Capital Loans granted contrary to the 50th and 51th Article of the Law | - | - |
| Net Book Values of Movables and Immovables Exceeding the Limit Defined in the Article 57, Clause 1 of the Banking Law and the Assets Acquired against Overdue Receivables and Held for Sale but Retained more than Five Years | - | - |
| Other items to be defined by the BRSA | 17.427 | 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 (Total capital and contribution capital) | 25.625.764 | 24.251.951 |
| Total risk weighted amounts | 199.050.345 | 160.618.174 |
| Capital Adequacy Ratios | | |
| Core Capital Adequacy Ratio (%) | 9,64 | 10,98 |
| Tier 1 Capital Adequacy Ratio (%) | 11,61 | 13,27 |
| Capital Adequacy Ratio (%) | 12,87 | 15,10 |
| BUFFERS | | |
| Total additional Common Equity Tier 1 Capital requirement ratio (a+b+c) | 2,50 | 2,50 |
| a) Capital conservation buffer requirement (%) | 2,50 | 2,50 |
| b) Bank specific counter-cyclical buffer requirement (%) | 0,00 | 0,00 |
| c) Systemic significant bank buffer ratio (%) | 0,00 | 0,00 |
| The ratio of Additional Common Equity Tier 1 capital which will be calculated by the first paragraph of the Article 4 of Regulation on Capital Conservation and Countercyclical Capital buffers to Risk Weighted Assets (%) | 5,17 | 6,48 |
| Amounts below the Excess Limits as per the Deduction Principles | | |
| Portion of the total of net long positions of investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital | - | - |
| Portion of the total of investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital | - | - |
| Amount arising from mortgage-servicing rights | - | - |
| Amount arising from deferred tax assets based on temporary differences | - | - |
| Limits related to provisions considered in Tier II calculation | | |
| General provisions for standard based receivables (before tenthousandtwentyfive limitation) | 1.292.039 | 1.656.901 |
| Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used | 1.292.039 | 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 | - | - |

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

I. EXPLANATIONS ON SHAREHOLDERS’ EQUITY (Continued)

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

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

(*) Profit share for participation banks.

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

I. EXPLANATIONS ON SHAREHOLDERS’ EQUITY (Continued)

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

| | |
|---|--|
| Issuer | T.C. Ziraat Bankası A.Ş. |
| Unique identifier (CUSIP, ISIN etc.) | - |
| Governing Law(s) of the instrument | Implementing Regulation on Equities of Banks in the Official Gazette dated 5 September 2013 |
| Regulatory treatment | |
| From 1/1/2015, 10% reduction by being subject to the application | No |
| Eligible at unconsolidated / consolidated | Unconsolidated/Consolidated |
| Instrument type (types to be specified by each jurisdiction) | Subordinated Murabaha Loan as Secondary Capital |
| Amount recognized in regulatory capital (Currency in mil, as of most recent reporting date) | 500 |
| Par value of instrument | 500 |
| Accounting classification | Liabilities/Subordinated loan |
| Original date of issuance | 16 April 2021 |
| Perpetual or dated | Dated |
| Original maturity date | 10 (ten) years |
| Issuer call subject to prior supervisory approval | Yes |
| Optional call date, contingent call dates and redemption amount | Option date 5 years, (no conditional refund) |
| Subsequent call dates, if applicable | - |
| 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.

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

I. EXPLANATIONS ON SHAREHOLDERS’ EQUITY (Continued)

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

| | |
|---|--|
| Issuer | T.C. Ziraat Bankası A.Ş. |
| Unique identifier (CUSIP, ISIN etc.) | - |
| Governing Law(s) of the instrument | Implementing Regulation on Equities of Banks in the Official Gazette dated 5 September 2013 |
| Regulatory treatment | |
| From 1/1/2015, 10% reduction by being subject to the application | No |
| Eligible at unconsolidated / consolidated | Unconsolidated/Consolidated |
| Instrument type (types to be specified by each jurisdiction) | Subordinated Murabaha Loan as Secondary Capital |
| Amount recognized in regulatory capital (Currency in mil, as of most recent reporting date) | 500 |
| Par value of instrument | 500 |
| Accounting classification | Liabilities/Subordinated loan |
| Original date of issuance | 17 November 2021 |
| Perpetual or dated | Dated |
| Original maturity date | 10 (ten) years |
| Issuer call subject to prior supervisory approval | Yes |
| Optional call date, contingent call dates and redemption amount | Option date 5 years, (no conditional refund) |
| Subsequent call dates, if applicable | - |
| 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.

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

I. EXPLANATIONS ON SHAREHOLDERS’ EQUITY (Continued)

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

| | |
|---|--|
| Issuer | Türkiye Varlık Fonu Yönetimi A.Ş. |
| Unique identifier (CUSIP, ISIN etc.) | - |
| Governing Law(s) of the instrument | Implementing Regulation on Equities of Banks in the Official Gazette dated 5 September 2013 |
| 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 (Currency in mil, as of most recent reporting date) | 2.710 |
| Par value of instrument | 3.472 |
| Accounting classification | Liabilities/Subordinated loan |
| Original date of issuance | 24 April 2019 |
| Perpetual or dated | Undated |
| Original maturity date | 24 April 2019 |
| Issuer call subject to prior supervisory approval | Yes |
| Optional call date, contingent call dates and redemption amount(**) | Option date 5 years (Subject to BRSA permission.) |
| Subsequent call dates, if applicable | - |
| Coupons / dividends (*) | |
| Fixed or floating dividend/coupon | None |
| Coupon rate and any related index | None |
| Existence of a dividend stopper | - |
| Fully discretionary, partially discretionary or mandatory | - |
| Existence of step up or other incentive to redeem | None |
| Noncumulative or cumulative | - |
| Convertible or non-convertible | |
| If convertible, conversion trigger (s) | - |
| If convertible, fully or partially | - |
| If convertible, conversion rate | - |
| If convertible, mandatory or optional conversion | - |
| If convertible, specify instrument type convertible into | - |
| If convertible, specify issuer of instrument it converts into | - |
| Write-down feature | |
| If write-down, write-down trigger(s) | In case the Core Capital adequacy ratio or unconsolidated Core Capital adequacy ratio falls below 5,125 percent |
| If write-down, full or partial | Yes |
| If write-down, permanent or temporary | Temporary |
| If temporary write-down, description of write-up mechanism | It is possible to increase the value after temporary reduction. |
| Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument) | i. After payments within the scope of priority liabilities, ii. Equal among themselves and with all other equal-level Liabilities without order of preference, and iii. Before all payments within the scope of low-level liabilities. |
| In compliance with article number 7 and 8 of “Own fund regulation” | In compliance with Article number 7 |
| Details of incompliances with article number 7 and 8 of “Own fund regulation” | In compliance with Article number 7 |

(*) Profit share for participation banks.

(**) The repayment option was not exercised.

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

I. EXPLANATIONS ON SHAREHOLDERS’ EQUITY (Continued)

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

| | |
|---|--|
| Issuer | Türkiye Varlık Fonu Yönetimi A.Ş. |
| Unique identifier (CUSIP, ISIN etc.) | - |
| Governing Law(s) of the instrument | Implementing Regulation on Equities of Banks in the Official Gazette dated 5 September 2013 |
| 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 (Currency in mil, as of most recent reporting date) | 1.217 |
| Par value of instrument | 1.980 |
| Accounting classification | Liabilities/Subordinated loan |
| Original date of issuance | 09 March 2022 |
| Perpetual or dated | Undated |
| Original maturity date | 09 March 2022 |
| Issuer call subject to prior supervisory approval | Yes |
| Optional call date, contingent call dates and redemption amount | Option date 5 years (Subject to BRSA permission.) |
| Subsequent call dates, if applicable | - |
| Coupons / dividends (*) | |
| Fixed or floating dividend/coupon | None |
| Coupon rate and any related index | None |
| Existence of a dividend stopper | - |
| Fully discretionary, partially discretionary or mandatory | - |
| Existence of step up or other incentive to redeem | None |
| Noncumulative or cumulative | - |
| Convertible or non-convertible | |
| If convertible, conversion trigger (s) | - |
| If convertible, fully or partially | - |
| If convertible, conversion rate | - |
| If convertible, mandatory or optional conversion | - |
| If convertible, specify instrument type convertible into | - |
| If convertible, specify issuer of instrument it converts into | - |
| Write-down feature | |
| If write-down, write-down trigger(s) | In case the Core Capital adequacy ratio or unconsolidated Core Capital adequacy ratio falls below 5,125 percent |
| If write-down, full or partial | Yes |
| If write-down, permanent or temporary | Temporary |
| If temporary write-down, description of write-up mechanism | It is possible to increase the value after temporary reduction. |
| Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument) | i. After payments within the scope of priority liabilities, ii. Equal among themselves and with all other equal-level Liabilities without order of preference, and iii. Before all payments within the scope of low-level liabilities. |
| In compliance with article number 7 and 8 of “Own fund regulation” | In compliance with Article number 7 |
| Details of non-compliances with article number 7 and 8 of “Own fund regulation” | In compliance with Article number 7 |

(*) Profit share for participation banks.

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

I. EXPLANATIONS ON SHAREHOLDERS’ EQUITY (Continued)

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

| | Current Period 31 March 2024 | Prior Period 31 December 2023 |
|---|---------------------------------|----------------------------------|
| Equity value of balance sheet | 20.013.978 | 19.831.547 |
| Cost of development of operating lease | (1.242.514) | (922.211) |
| Goodwill and other intangible assets and related deferred tax liability | (809.967) | (692.634) |
| Debt instruments and premiums approved by BRSA | 1.240.000 | 1.300.000 |
| Tier II Capital(Provisions) | 1.292.039 | 1.656.901 |
| Debt instruments and premiums approved by BRSA - subordinated loans | 3.926.802 | 3.681.925 |
| Other values deducted from equity | (17.427) | (22.666) |
| Other | 1.222.853 | (580.911) |
| Amount taken into consideration in the calculation of legal equity | 25.625.764 | 24.251.951 |

II. EXPLANATIONS ON CURRENCY RISK

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

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

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

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

None.

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

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

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

| | USD | EUR | AUD | DKK | SEK | CHF | CAD | NOK | GBP | SAR | 100 JPY |
|------------|---------|---------|---------|--------|--------|---------|---------|--------|---------|--------|---------|
| 31.03.2024 | 32,1589 | 34,7159 | 20,8823 | 4,6305 | 2,9935 | 35,5900 | 23,5088 | 2,9509 | 40,6417 | 8,5105 | 21,0510 |
| 29.03.2024 | 32,1589 | 34,7159 | 20,8823 | 4,6305 | 2,9935 | 35,5900 | 23,5088 | 2,9509 | 40,6417 | 8,5105 | 21,0510 |
| 28.03.2024 | 32,0951 | 34,6668 | 20,8175 | 4,6247 | 2,9933 | 35,5209 | 23,4500 | 2,9508 | 40,5562 | 8,4933 | 21,0170 |
| 27.03.2024 | 32,0500 | 34,6604 | 20,8179 | 4,6243 | 3,0045 | 35,3308 | 23,3550 | 2,9589 | 40,4563 | 8,4814 | 20,9790 |
| 26.03.2024 | 31,9744 | 34,6640 | 20,7962 | 4,6253 | 3,0075 | 35,3356 | 23,3294 | 2,9631 | 40,3912 | 8,4614 | 20,9080 |
| 25.03.2024 | 31,9310 | 34,6087 | 20,7876 | 4,6174 | 3,0083 | 35,5003 | 23,2856 | 2,9711 | 40,3786 | 8,4504 | 20,8860 |

- 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 |
|--|---------|---------|---------|--------|--------|---------|---------|--------|---------|--------|---------|
| | 31,7844 | 34,5244 | 20,7257 | 4,6070 | 3,0357 | 35,6795 | 23,2423 | 2,9796 | 40,3767 | 8,4115 | 21,0070 |

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

II. EXPLANATIONS ON CURRENCY RISK (Continued)

Information on the foreign currency risk of the Bank:

| | EUR | USD | Other FC ^(***) | Total |
|---|--------------------|--------------------|---------------------------|--------------------|
| Current Period | | | | |
| Assets | | | | |
| Cash (Cash in vault, effectives, money in transit, cheques purchased) and balances with Central Bank of the Republic of Türkiye | 11.427.404 | 17.697.269 | 5.934.429 | 35.059.102 |
| Banks | 670.462 | 1.663.062 | 9.279.675 | 11.613.199 |
| Financial assets at fair value through profit and loss | - | - | 6.906.582 | 6.906.582 |
| Money market placements | - | - | - | - |
| Financial assets at fair value through other comprehensive income | 526.144 | 3.395.896 | - | 3.922.040 |
| Loans ^(*) | 45.023.365 | 53.545.197 | 1.347 | 98.569.909 |
| Partnership Investments | - | - | - | - |
| Financial assets measured at amortized cost | 4.807.499 | - | - | 4.807.499 |
| Derivative financial assets for hedging purposes | - | - | - | - |
| Tangible fixed assets | - | 40.808 | 1.574 | 42.382 |
| Intangible assets | - | - | - | - |
| Other assets | 86.452 | 704.050 | 200.144 | 990.646 |
| Total assets | 62.541.326 | 77.046.282 | 22.323.751 | 161.911.359 |
| Liabilities | | | | |
| Current account and funds collected from Banks via participation accounts | 111.779 | 20.812 | 1.225 | 133.816 |
| Current and profit sharing accounts FC | 45.300.555 | 49.306.330 | 21.688.978 | 116.295.863 |
| Money market borrowings | - | 7.975.698 | - | 7.975.698 |
| Funds provided from other financial institutions | 6.613.568 | 22.733.663 | - | 29.347.231 |
| Marketable securities issued ^(****) | - | - | - | - |
| Miscellaneous debts | 424.933 | 240.223 | 1.039 | 666.195 |
| Derivative financial liabilities for hedging purposes | - | - | - | - |
| Other liabilities ^(****) | 5.874.885 | 732.591 | 32.767 | 6.640.243 |
| Total liabilities | 58.325.720 | 81.009.317 | 21.724.009 | 161.059.046 |
| Net balance sheet position | 4.215.606 | (3.963.035) | 599.742 | 852.313 |
| Net off-balance sheet position ^(**) | (2.786.125) | 2.647.871 | - | (138.254) |
| Financial derivative assets | - | 2.818.861 | - | 2.818.861 |
| Financial derivative liabilities | 2.786.125 | 170.990 | - | 2.957.115 |
| Non-cash loans | 16.286.059 | 23.651.764 | 1.844.682 | 41.782.505 |
| 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 91.086 (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.

(***) 90% of the currencies in the other FC column of the assets section consists of Gold, 3% of GBP, 1% of CHF and the remaining 6% of other currencies. In the FC column of the liabilities section, 92% of the currencies are Gold, 3% of GBP, 1% of CHF and the remaining 4% are other currencies.

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

(*****) Prepaid expenses amounting to TRY 21.922 within other assets are not included in the table.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF
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**EXPLANATIONS RELATED TO THE FINANCIAL POSITION AND RISK MANAGEMENT OF THE
BANK (Continued)**

III. EQUITY SHARE POSITION RISK ON BANKING ACCOUNTS

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

The 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).

IV. EXPLANATIONS ON LIQUIDITY RISK MANAGEMENT, LIQUIDITY COVERAGE RATIO AND NET STABLE FUNDING RATIO

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

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

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

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

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

1) Liquidity risk:

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

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

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

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NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2024

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

IV. EXPLANATIONS ON LIQUIDITY RISK MANAGEMENT, LIQUIDITY COVERAGE RATIO AND NET STABLE FUNDING RATIO (Continued)

1) Liquidity risk (Continued)

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

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

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

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

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

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

2) Liquidity Coverage Ratio:

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.

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.

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 three months period of 2024 are listed in the table below.

| Current Period | Highest | Date | Lowest | Date |
|----------------|---------|------------|--------|------------|
| TRY+FC | 182,16 | 09.02.2024 | 137,57 | 04.02.2024 |
| FC | 592,80 | 29.03.2024 | 352,44 | 03.01.2024 |

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

**IV. EXPLANATIONS ON LIQUIDITY RISK MANAGEMENT, LIQUIDITY COVERAGE RATIO
AND NET STABLE FUNDING RATIO (Continued)**

2) Liquidity Coverage Ratio (Continued)

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

| Current Period 31 March 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 | - | - | 83.179.853 | 46.528.526 |
| CASH OUTFLOWS | | | | |
| Real person deposits and retail deposits | 120.330.970 | 58.948.412 | 11.781.204 | 6.009.266 |
| Stable deposit | 10.823.432 | - | 541.172 | - |
| Deposit with low stability | 109.507.538 | 58.948.412 | 11.240.032 | 6.009.266 |
| Unsecured debts except real person deposits and retail deposits | 147.539.490 | 50.877.072 | 73.220.476 | 23.352.686 |
| Operational deposit | - | - | - | - |
| Non-operational deposits | - | - | - | - |
| Other unsecured debts | 147.539.490 | 50.877.072 | 73.220.476 | 23.352.686 |
| Secured debts | - | - | - | - |
| Other cash outflows | 100.594.706 | 47.613.935 | 12.891.542 | 9.502.986 |
| Derivative liabilities and margin obligations | 8.800.899 | 7.100.711 | 7.469.806 | 7.100.711 |
| Debt from structured financial instruments | - | - | - | - |
| Other off-balance sheet liabilities and commitments for the payment owed to financial markets | 2.731.472 | 1.360.540 | 968.619 | 444.641 |
| Revocable off-balance sheet obligations regardless of any other requirement and other contractual obligations | - | - | - | - |
| Other irrevocable or provisory revocable off- balance sheet liabilities | 89.062.335 | 39.152.684 | 4.453.117 | 1.957.634 |
| TOTAL CASH OUTFLOWS | - | - | 97.893.222 | 38.864.938 |
| CASH INFLOWS | | | | |
| Secured receivables | - | - | - | - |
| Unsecured claims | 52.638.254 | 33.263.405 | 37.672.819 | 27.743.492 |
| Other cash inflows | 7.512.746 | 4.026.429 | 7.512.746 | 4.026.429 |
| TOTAL CASH INFLOWS | 60.151.000 | 37.289.834 | 45.185.565 | 31.769.921 |
| | | | Upper Limit Applied Values | |
| TOTAL HIGH QUALITY LIQUID ASSET STOCK | - | - | 83.179.853 | 46.528.526 |
| TOTAL NET CASH OUTFLOWS | - | - | 52.707.657 | 9.716.235 |
| LIQUIDITY COVERAGE RATIO (%) | - | - | 158 | 479 |

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

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

IV. EXPLANATIONS ON LIQUIDITY RISK MANAGEMENT, LIQUIDITY COVERAGE RATIO
AND NET STABLE FUNDING RATIO (Continued)

2) Liquidity Coverage Ratio (Continued)

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

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

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

IV. EXPLANATIONS ON LIQUIDITY RISK MANAGEMENT, LIQUIDITY COVERAGE RATIO AND NET STABLE FUNDING RATIO (Continued)

2) Liquidity Coverage Ratio (Continued)

Breakdown of assets and liabilities according to their outstanding maturities:

| | Demand | Up to 1 Month | 1-3 Months | 3-12 Months | 1-5 Years | 5 Years and over | Undistributed (**) | Total |
|---|---------------------|----------------------|---------------------|--------------------|--------------------|-------------------|---------------------|--------------------|
| Current Period | | | | | | | | |
| 31 March 2024 | | | | | | | | |
| Assets | | | | | | | | |
| Cash (Cash in Vault, Effectives, Money in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Türkiye | 18.873.903 | 36.613.674 | - | - | - | - | - | 55.487.577 |
| Banks | 11.676.099 | 451 | - | - | - | - | - | 11.676.550 |
| Financial Assets at Fair Value Through Profit and Loss | - | 1.810.071 | 462.368 | 1.779.050 | 2.855.093 | - | - | 6.906.582 |
| Money Market Placements | - | - | - | - | - | - | - | - |
| Financial Assets Available-for-Sale | - | 30.374 | 1.828.449 | 2.367.493 | 13.164.471 | 1.232.748 | 52.913 | 18.676.448 |
| Loans Given****) | - | 16.923.575 | 25.632.896 | 93.787.020 | 105.461.510 | 16.040.250 | 399.442 | 258.244.693 |
| Financial Assets Measured at Amortised Cost | - | 3.461.316 | 163.414 | 2.544.086 | 14.120.158 | 4.470.177 | - | 24.759.151 |
| Other Assets | - | - | - | - | - | - | 9.017.824 | 9.017.824 |
| Total Assets^(*) | 30.550.002 | 58.839.461 | 28.087.127 | 100.477.649 | 135.601.232 | 21.743.175 | 9.470.179 | 384.768.825 |
| Liabilities | | | | | | | | |
| Funds Collected from Banks Via Current and Participation Accounts | 3.680.793 | 2.812.534 | 303.041 | 1.005.929 | - | - | - | 7.802.297 |
| Current and Participation Accounts | 60.718.106 | 148.113.123 | 44.689.047 | 38.250.224 | 1.302.859 | - | - | 293.073.359 |
| Funds Provided from Other Financial Instruments | - | 2.101.479 | 5.847.936 | 10.180.435 | 21.173.642 | 1.212.290 | - | 40.515.782 |
| Money Market Borrowings | - | 9.651.747 | - | - | - | - | - | 9.651.747 |
| Issued Marketable Securities | - | - | - | - | - | - | - | - |
| Miscellaneous Debts | - | - | - | - | - | - | 1.631.125 | 1.631.125 |
| Other Liabilities****) | - | - | - | - | - | 1.375.399 | 30.719.116 | 32.094.515 |
| Total Liabilities | 64.398.899 | 162.678.883 | 50.840.024 | 49.436.588 | 22.476.501 | 2.587.689 | 32.350.241 | 384.768.825 |
| Liquidity Gap | (33.848.897) | (103.839.422) | (22.752.897) | 51.041.061 | 113.124.731 | 19.155.486 | (22.880.062) | - |
| Net Off-Balance Sheet Position | - | 26.800 | 33.925 | 3.423 | - | - | - | 64.148 |
| Receivables From Derivative Financial Instruments | - | 1.797.970 | 1.204.850 | 18.443 | - | - | - | 3.021.263 |
| Financial Derivative Liabilities | - | 1.771.170 | 1.170.925 | 15.020 | - | - | - | 2.957.115 |
| Non-Cash Loans | 18.139.989 | 4.409.662 | 6.958.073 | 36.287.530 | 17.944.208 | 8.155.496 | - | 91.894.958 |

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

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

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

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

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

IV. EXPLANATIONS ON LIQUIDITY RISK MANAGEMENT, LIQUIDITY COVERAGE RATIO AND NET STABLE FUNDING RATIO (Continued)

2) Liquidity Coverage Ratio (Continued)

Breakdown of assets and liabilities according to their outstanding maturities:

| | 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 | - | 16.408 | 646.029 | 3.283.336 | 12.031.106 | 1.517.210 | 52.913 | 17.547.002 |
| Loans Given ^(****) | - | 27.104.688 | 38.666.646 | 83.201.885 | 93.869.002 | 16.669.522 | 258.944 | 259.770.687 |
| Financial Assets Measured at Amortised Cost | - | - | 54.350 | 3.364.067 | 14.205.227 | 4.206.649 | - | 21.830.293 |
| Other Assets | - | - | - | - | - | - | 7.637.478 | 7.637.478 |
| Total Assets(*) | 41.553.975 | 59.226.199 | 39.763.342 | 92.482.594 | 120.887.779 | 22.393.381 | 7.949.335 | 384.256.605 |
| Liabilities | | | | | | | | |
| Funds Collected from Banks Via Current and Participation Accounts | 3.553.912 | - | 2.555.514 | - | - | - | - | 6.109.426 |
| Current and Participation Accounts | 55.898.828 | 165.885.221 | 41.458.742 | 34.178.918 | 841.239 | - | - | 298.262.948 |
| Funds Provided from Other Financial Instruments | - | 6.749.210 | 6.809.545 | 1.999.807 | 18.108.590 | 1.221.825 | - | 34.888.977 |
| Money Market Borrowings | - | 10.964.133 | - | - | - | - | - | 10.964.133 |
| Issued Marketable Securities | - | - | - | - | - | - | - | - |
| Miscellaneous Debts | - | - | - | - | - | - | 1.906.544 | 1.906.544 |
| Other Liabilities ^(***) | - | - | - | - | - | 1.341.987 | 30.782.590 | 32.124.577 |
| Total Liabilities | 59.452.740 | 183.598.564 | 50.823.801 | 36.178.725 | 18.949.829 | 2.563.812 | 32.689.134 | 384.256.605 |
| Liquidity Gap | (17.898.765) | (124.372.365) | (11.060.459) | 56.303.869 | 101.937.950 | 19.829.569 | (24.739.799) | - |
| Net Off-Balance Sheet Position | - | (796) | (129.591) | 5.097 | - | - | - | (125.290) |
| Receivables From Derivative Financial Instruments | - | 976.530 | 6.388.495 | 41.873 | - | - | - | 7.406.898 |
| Financial Derivative Liabilities | - | 977.326 | 6.518.086 | 36.776 | - | - | - | 7.532.188 |
| Non-Cash Loans | 16.599.290 | 6.620.773 | 6.937.164 | 25.513.580 | 15.004.322 | 7.655.404 | - | 78.330.533 |

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

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

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

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

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

IV. EXPLANATIONS ON LIQUIDITY RISK MANAGEMENT, LIQUIDITY COVERAGE RATIO AND NET STABLE FUNDING RATIO (Continued)

3) Net Stable Funding Ratio Template

At the end of the current period, the unconsolidated NSFR and the elements constituting NSFR are shown in the table below, and the three-month simple arithmetic average NSFR is 130.56% (last quarter of 2023: 126.84).

| Current Period | | a | b | c | d | e |
|---------------------------------|---|--|----------------|--------------------|-----------------------------|-----------------|
| | | Unweighted amount by residual maturity | | | | Weighted Amount |
| | | Undated/No Maturity (*) | Up to 6 months | 6 Months to 1 year | 1 year and more than 1 year | |
| Available Stable Funding | | | | | | |
| 1 | Capital Instruments | 22.470.594 | - | - | 1.240.000 | 23.710.594 |
| 2 | Regulatory capital | 22.470.594 | - | - | 1.240.000 | 23.710.594 |
| 3 | Other capital instruments | - | - | - | - | - |
| 4 | Deposits (from retail and small business customers) | 35.029.955 | 79.065.696 | 10.906.996 | - | 112.516.604 |
| 5 | Stable Deposits (from retail and small business customers) | 1.200 | 215.165 | 68.074 | - | 270.217 |
| 6 | Less Stable Deposits (from retail and small business customers) | 35.028.754 | 78.850.531 | 10.838.922 | - | 112.246.387 |
| 7 | Wholesale funding | 55.054.020 | 164.111.112 | 8.871.690 | - | 96.633.844 |
| 8 | Operational deposits | - | 64.639.812 | - | - | - |
| 9 | Other wholesale funding | 55.054.020 | 99.471.300 | 8.871.690 | - | 96.633.844 |
| 10 | Liabilities with matching interdependent assets | | | | | |
| 11 | Other liabilities | 11.715.315 | 68.798 | - | - | - |
| 12 | Net Derivatives Liabilities | | | | 68.798 | |
| 13 | All other liabilities and equity not included in the above categories | 11.715.315 | - | - | - | - |
| 14 | Total Available Stable Funding | | | | | 232.861.042 |
| Required Stable Funding | | | | | | |
| 15 | High Quality Liquid Assets (HQLA) | | | | | 2.324.378 |
| 16 | Deposits held at other financial institutions for operational purposes | - | - | - | 18.906.436 | 18.906.436 |
| 17 | Performing loans and securities: | - | 133.882.438 | 54.460.807 | 81.132.932 | 153.790.558 |
| 18 | Performing loans to financial institutions secured by Level 1 HQLA | - | - | 518.925 | - | 259.463 |
| 19 | Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions | - | 19.912.788 | - | - | 2.986.918 |
| 20 | Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs | - | 113.969.650 | 53.941.882 | 72.322.077 | 144.387.110 |
| 21 | 35% or Lower Risk Weight | - | 113.969.650 | 53.941.882 | 72.322.077 | 144.387.110 |
| 22 | Residential Mortgage Secured Loans | - | - | - | 6.660.800 | 4.329.520 |
| 23 | 35% or Lower Risk Weight | - | - | - | 6.660.800 | 4.329.520 |
| 24 | Securities that are not in default and do not qualify as HQLA, including exchange-traded equities | - | - | - | 2.150.056 | 1.827.548 |
| 25 | Assets with matching interdependent liabilities | | | | | |
| 26 | Other assets | 652.171 | - | - | - | 554.346 |
| 27 | Physical traded commodities (including gold) | 652.171 | | | | 554.346 |
| 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 | | 22.516.818 | 26.452.378 | 30.340.606 | 5.008.916 |
| 33 | Total Required Stable Funding | | | | | 180.584.633 |
| 34 | Net Stable Funding Ratio (%) | | | | | 128,95 |

(*) 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 maturity.

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

IV. EXPLANATIONS ON LIQUIDITY RISK MANAGEMENT, LIQUIDITY COVERAGE RATIO AND NET STABLE FUNDING RATIO (Continued)

3) Net Stable Funding Ratio Template (Continued)

| Prior Period | Unweighted amount by residual maturity | | | | Weighted Amount | |
|---------------------------------|--|----------------|--------------------|-----------------------------|-----------------|-------------|
| | a | b | c | d | | |
| | 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) | 28.407.652 | 76.234.581 | 14.102.034 | - | 106.869.842 |
| 7 | Wholesale funding | 53.581.068 | 171.199.312 | 8.443.273 | - | 94.727.246 |
| 8 | Operational deposits | - | 70.074.221 | - | - | - |
| 9 | Other wholesale funding | 53.581.068 | 101.125.091 | 8.443.273 | - | 94.727.246 |
| 10 | Liabilities with matching interdependent assets | - | - | - | - | - |
| 11 | Other liabilities | 11.620.682 | - | - | - | - |
| 12 | Net Derivatives Liabilities | - | - | - | - | - |
| 13 | All other liabilities and equity not included in the above categories | 11.620.682 | - | - | - | - |
| 14 | Total Available Stable Funding | | | | | 226.140.893 |
| Required Stable Funding | | | | | | |
| 15 | High Quality Liquid Assets (HQLA) | | | | | 2.105.192 |
| 16 | Deposits held at other financial institutions for operational purposes | - | - | - | 18.604.072 | 18.604.072 |
| 17 | Performing loans and securities: | - | 146.920.282 | 47.529.229 | 72.904.414 | 148.528.552 |
| 18 | Performing loans to financial institutions secured by Level 1 HQLA | - | - | 122.879 | - | 61.439 |
| 19 | Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions | - | 23.905.413 | - | - | 3.585.812 |
| 20 | Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs | - | 123.014.869 | 47.406.350 | 65.060.570 | 139.759.280 |
| 21 | 35% or Lower Risk Weight | - | 123.014.869 | 47.406.350 | 65.060.570 | 139.759.280 |
| 22 | Residential Mortgage Secured Loans | - | - | - | 7.726.235 | 5.022.053 |
| 23 | 35% or Lower Risk Weight | - | - | - | 7.726.235 | 5.022.053 |
| 24 | Securities that are not in default and do not qualify as HQLA, including exchange-traded equities | - | - | - | 117.609 | 99.968 |
| 25 | Assets with matching interdependent liabilities | | | | | |
| 26 | Other assets | 114.485 | 126.855 | - | - | 224.167 |
| 27 | Physical traded commodities (including gold) | 114.485 | | | | 97.312 |
| 28 | Initial Margin of Derivative Contracts or Default Funds Provided to a Central Counterparty | | | | | - |
| 29 | Net Derivative Assets | | | | 126.855 | 126.855 |
| 30 | Derivatives 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.

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

V. EXPLANATIONS ON LEVERAGE RATIO

As of 31 March 2024, the leverage ratio of the Bank calculated from quarterly average amounts is 4.34% (31 December 2023: 4.38%). 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 March 2024 | Prior Period ^(*) 31 December 2023 |
|---|--|---|
| Balance sheet assets | | |
| Balance sheet assets (Except for derivative financial instruments and credit derivatives, including warranties) | 381.119.519 | 366.459.646 |
| (Assets deducted from main capital) | (3.682.741) | (2.841.169) |
| Total risk amount of the balance sheet assets | 377.436.778 | 363.618.477 |
| Derivative financial instruments and credit derivatives | | |
| Replacement cost of derivative financial instruments and credit Derivatives | 4.893 | 20.393 |
| Potential credit risk amount of derivative financial instruments and credit derivatives | 17.660 | 85.902 |
| Total risk amount of derivative financial instruments and credit derivative | 22.553 | 106.295 |
| Security or secured financing transactions | | |
| Risk amount of security or secured financing transactions (Except balance sheet) | 10.569.094 | 12.392.818 |
| Risk amount due to intermediated transactions | - | - |
| Total risk amount of security or secured financing transactions | 10.569.094 | 12.392.818 |
| Off-balance sheet transactions | | |
| Gross nominal amount of off-balance sheet transactions | 96.572.511 | 83.884.553 |
| (Adjustment amount resulting from multiplying by credit conversion rates) | - | - |
| Risk amount of the off-balance sheet transactions | 96.572.511 | 83.884.553 |
| Equity and total risk | | |
| Main capital | 21.036.975 | 20.156.171 |
| Total risk amount | 484.646.040 | 460.044.660 |
| Leverage ratio | | |
| Leverage ratio % | 4,34 | 4,38 |

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

VI. EXPLANATIONS ON SECURITIZATION POSITIONS

None.

VII. EXPLANATIONS ON RISK MANAGEMENT

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

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

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

VII. EXPLANATIONS ON RISK MANAGEMENT (Continued)

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 analyses, where all risks are analyzed in detail, are reported to the Audit Committee.

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

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

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

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

1. Explanations on Risk Management and Risk-weighted Assets:

Overview of Risk-weighted Assets

| | | Risk Weighted Amount | | Minimum capital Requirement |
|----|---|---------------------------------|----------------------------------|---------------------------------|
| | | Current Period 31 March 2024 | Prior Period 31 December 2023 | Current Period 31 March 2024 |
| 1 | Credit risk (excluding counterparty credit risk) (CCR) | 181.609.825 | 149.737.660 | 14.528.786 |
| 2 | Standardized approach (SA) | 181.609.825 | 149.737.660 | 14.528.786 |
| 3 | Internal rating-based (IRB) approach | - | - | - |
| 4 | Counterparty credit risk | 636.912 | 107.754 | 50.953 |
| 5 | Standardized approach for counterparty credit risk (SA-CCR) | 636.912 | 107.754 | 50.953 |
| 6 | Internal model method (IMM) | - | - | - |
| 7 | Basic risk weight approach to internal models equity position in the banking account | - | - | - |
| 8 | Investments made in collective investment companies - look-through approach | - | - | - |
| 9 | Investments made in collective investment companies – mandate-based approach | - | - | - |
| 10 | Investments made in collective investment companies - 1250% weighted risk approach | - | - | - |
| 11 | Settlement risk | - | - | - |
| 12 | Securitization positions in banking accounts | - | - | - |
| 13 | RB ratings-based approach (RBA) | - | - | - |
| 14 | IRB Supervisory Formula approach (SFA) | - | - | - |
| 15 | SA/simplified supervisory formula approach (SSFA) | - | - | - |
| 16 | Market risk | 3.249.644 | 2.348.348 | 259.972 |
| 17 | Standardized approach (SA) | 3.249.644 | 2.348.348 | 259.972 |
| 18 | Internal model approaches (IMM) | - | - | - |
| 19 | Operational risk (*) | 13.553.964 | 8.424.411 | 1.084.317 |
| 20 | Basic Indicator approach | 13.553.964 | 8.424.411 | 1.084.317 |
| 21 | Standard approach | - | - | - |
| 22 | Advanced measurement approach | - | - | - |
| 23 | The amount of the discount threshold under the equity (subject to a 250% risk weight) | - | - | - |
| 24 | Floor adjustment | - | - | - |
| 25 | Total (1+4+7+8+9+10+11+12+16+19+23+24) | 199.050.345 | 160.618.173 | 15.924.028 |

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

VIII. EXPLANATIONS ON RISK PROTECTION PROCEDURES

It is essential to limit the risk levels to limits compatible with the risk profile and risk tolerance in order to 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 30 June 2016, it is given annually and quarterly. The following required tables are not presented as of 31 March 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)

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

IX. EXPLANATIONS ON THE OPERATING SEGMENTS

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

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

| Current Period 1 January – 31 March 2024 | Private Banking | Corporate/ Entrepreneuria l Banking | Treasury/ Investment Banking | Other/ Undistributed | Total |
|---|--------------------|---|------------------------------------|-------------------------|--------------------|
| OPERATING INCOME / EXPENSES | | | | | |
| Profit Shares Income | 459.323 | 15.206.156 | 2.576.683 | 130.043 | 18.372.205 |
| Profit Shares Expense | (4.234.391) | (11.451.627) | (2.436.124) | (65.114) | (18.187.256) |
| Net Profit Shares Income/Expense | (3.775.068) | 3.754.529 | 140.559 | 64.929 | 184.949 |
| Net Fees and Commission Income/Expense | 315.959 | 174.540 | - | (183.838) | 306.661 |
| Dividend Income | - | - | - | - | - |
| Trading Income/Loss (Net) | - | - | 1.151.175 | - | 1.151.175 |
| Other Operating Income | - | 2.234.543 | - | 8.965 | 2.243.508 |
| Expected Loss Provisions | (68.014) | (1.369.577) | - | (111.386) | (1.548.977) |
| Other expenses | - | (30.691) | - | (1.668.303) | (1.698.994) |
| Net Operating Profit/Loss | (3.527.123) | 4.763.344 | 1.291.734 | (1.889.633) | 638.322 |
| Tax Provision | - | - | - | (188.550) | (188.550) |
| Net Profit/Loss | (3.527.123) | 4.763.344 | 1.291.734 | (2.078.183) | 449.772 |
| SEGMENT ASSETS (*) | | | | | |
| Financial Assets at FV Through P/L | - | - | 6.906.582 | - | 6.906.582 |
| Banks | - | - | 11.678.574 | - | 11.678.574 |
| Financial Assets Measured at Fair Value Through Other Comprehensive Income | - | - | 18.676.448 | - | 18.676.448 |
| Loans (**) | 11.893.185 | 239.491.059 | 6.860.449 | - | 258.244.693 |
| Financial Assets Measured at Amortised Cost | - | - | 24.759.151 | - | 24.759.151 |
| Derivative Financial Assets | - | - | 35.642 | - | 35.642 |
| Associates, Subsidiaries and Joint Ventures | - | - | 45.100 | - | 45.100 |
| Other Assets (*) | - | - | - | 64.422.635 | 64.422.635 |
| TOTAL SEGMENT ASSETS | 11.893.185 | 239.491.059 | 68.961.946 | 64.422.635 | 384.768.825 |
| SEGMENT LIABILITIES | | | | | |
| Funds Collected | 128.041.664 | 172.833.992 | - | - | 300.875.656 |
| Derivative Financial Liabilities | - | - | 55 | - | 55 |
| Funds Borrowed | - | - | 40.515.782 | - | 40.515.782 |
| Money Market Funds | - | - | 9.651.747 | - | 9.651.747 |
| Securities Issued (Net) | - | - | - | - | - |
| Provisions | - | - | - | 2.377.659 | 2.377.659 |
| Other Liabilities | - | - | - | 11.333.948 | 11.333.948 |
| Shareholders' Equity | - | - | - | 20.013.978 | 20.013.978 |
| TOTAL SEGMENT LIABILITIES | 128.041.664 | 172.833.992 | 50.167.584 | 33.725.585 | 384.768.825 |

(*) Includes expected loss provisions.

(**) Includes lease receivables.

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF
31 MARCH 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 THE OPERATING SEGMENTS (Continued)

Table for Segment Reporting (Continued)

| Prior Period 1 January – 31 March 2023 | Private Banking | Corporate/ Entrepreneuria l Banking | Treasury/ Investment Banking | Other/ Undistributed | Total |
|---|--------------------|---|------------------------------------|-------------------------|--------------------|
| OPERATING INCOME / EXPENSES | | | | | |
| Profit Shares Income | 343.984 | 5.000.878 | 1.292.747 | 25.257 | 6.662.866 |
| Profit Shares Expense | (1.335.670) | (3.232.670) | (576.493) | (20.706) | (5.165.539) |
| Net Profit Shares Income/Expense | (991.686) | 1.768.208 | 716.254 | 4.551 | 1.497.327 |
| Net Fees and Commission Income/Expense | 42.190 | 97.542 | - | 27.871 | 167.603 |
| Dividend Income | - | - | - | - | - |
| Trading Income/Loss (Net) | - | - | 213.140 | - | 213.140 |
| Other Operating Income | - | 1.240.665 | - | 2.743 | 1.243.408 |
| Expected Loss Provisions | (50.490) | (746.100) | - | (147.425) | (944.015) |
| Other expenses | - | (32.231) | - | (1.339.939) | (1.372.170) |
| Net Operating Profit/Loss | (999.986) | 2.328.084 | 929.394 | (1.452.199) | 805.293 |
| Tax Provision | - | - | - | (192.787) | (192.787) |
| Net Profit/Loss | (999.986) | 2.328.084 | 929.394 | (1.259.412) | 998.080 |
| SEGMENT ASSETS (*) | | | | | |
| Financial Assets at FV Through P/L | - | - | 3.812.067 | - | 3.812.067 |
| Banks | - | - | 13.029.805 | - | 13.029.805 |
| Financial Assets Measured at Fair Value Through Other Comprehensive Income | - | - | 17.547.002 | - | 17.547.002 |
| Loans (**) | 12.277.999 | 239.059.396 | 8.433.292 | - | 259.770.687 |
| Financial Assets Measured at Amortised Cost | - | - | 21.830.293 | - | 21.830.293 |
| Derivative Financial Assets | - | - | 3.728 | - | 3.728 |
| Associates, Subsidiaries and Joint Ventures | - | - | 22.600 | - | 22.600 |
| Other Assets (*) | - | - | - | 68.240.423 | 68.240.423 |
| TOTAL SEGMENT ASSETS | 12.277.999 | 239.059.396 | 64.678.787 | 68.240.423 | 384.256.605 |
| SEGMENT LIABILITIES | | | | | |
| Funds Collected | 120.857.108 | 183.515.266 | - | - | 304.372.374 |
| Derivative Financial Liabilities | - | - | 153.095 | - | 153.095 |
| Funds Borrowed | - | - | 34.888.977 | - | 34.888.977 |
| Money Market Funds | - | - | 10.964.133 | - | 10.964.133 |
| Securities Issued (Net) | - | - | - | - | - |
| Provisions | - | - | - | 2.932.298 | 2.932.298 |
| Other Liabilities | - | - | - | 11.114.181 | 11.114.181 |
| Shareholders' Equity | - | - | - | 19.831.547 | 19.831.547 |
| TOTAL SEGMENT LIABILITIES | 120.857.108 | 183.515.266 | 46.006.205 | 33.878.026 | 384.256.605 |

(*) Includes expected loss provisions.

(**) Includes lease receivables.

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NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2024

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

SECTION FIVE

EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS

I. EXPLANATIONS AND NOTES RELATED TO ASSETS

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

| | Current Period 31 March 2024 | | Prior Period 31 December 2023 | |
|---|---------------------------------|-------------------|----------------------------------|-------------------|
| | TRY | FC | TRY | FC |
| Cash | 203.227 | 883.991 | 170.718 | 871.290 |
| Central Bank of the Republic of Türkiye (*) | 20.226.039 | 33.515.982 | 24.036.052 | 35.447.767 |
| Other | - | 665.949 | - | 114.484 |
| Total | 20.429.266 | 35.065.922 | 24.206.770 | 36.433.541 |

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

1.a.1) Information on Required Reserves:

Banks 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 maintain required reserves at the Central Bank of the Republic of Türkiye for their Turkish Lira and foreign currency liabilities specified in the aforementioned communiqué. Establishment of required reserves begins on Friday, two weeks after the liability calculation date, and lasts for 14 days. Required reserves can be kept in Turkish Lira, USD, EUR and standard gold in accordance with the “Communiqué on Required Reserves” at the Central Bank of the Republic of Türkiye. Required reserve ratios vary according to the maturity structure of the liabilities and are applied between 0% and 8% for Turkish Lira deposits and other liabilities, and between 5% and 30% for foreign currency deposits and other liabilities, for accounts benefiting from exchange/price protection support, the rate applied ranges from 10% and 25%.

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

| | Current Period 31 March 2024 | | Prior Period 31 December 2023 | |
|-----------------------------|---------------------------------|-------------------|----------------------------------|-------------------|
| | TRY | FC | TRY | FC |
| Unrestricted Demand Deposit | 20.226.039 | 33.515.982 | 24.036.052 | 35.447.767 |
| Unrestricted Time Deposit | - | - | - | - |
| Restricted Time Deposit | - | - | - | - |
| Total (*) | 20.226.039 | 33.515.982 | 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.

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NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2024

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

EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. EXPLANATIONS AND NOTES RELATED TO ASSETS (Continued)

2. Information on banks and other financial institutions:

| | Current Period 31 March 2024 | | Prior Period 31 December 2023 | |
|----------------------------------|---------------------------------|-------------------|----------------------------------|-------------------|
| | TRY | FC | TRY | FC |
| Banks | | | | |
| Domestic Banks | 63.874 | 1.721.679 | 114.562 | 1.726.491 |
| Foreign Banks | - | 9.893.021 | - | 11.188.752 |
| Foreign Head Office and Branches | - | - | - | - |
| Total | 63.874 | 11.614.700 | 114.562 | 12.915.243 |

3. Financial assets at fair value through profit or loss

| | Current Period 31 March 2024 | Prior Period 31 December 2023 |
|--|---------------------------------|----------------------------------|
| Financial Assets at Fair Value Through Profit / Loss | 6.870.249 | 3.790.194 |
| Other Dividends and Income Rediscunts | 36.333 | 21.873 |
| Provision for Impairment (-) | - | - |
| Total | 6.906.582 | 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 March 2024 | Prior Period 31 December 2023 |
|---|---------------------------------|----------------------------------|
| Assets Subject to Repurchase Agreements | 4.430.197 | 8.362.369 |
| Assets Blocked/Given as Collateral | 1.185.998 | 1.479.501 |
| Total (*) | 5.616.195 | 9.841.870 |

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

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

| | Current Period 31 March 2024 | Prior Period 31 December 2023 |
|----------------------------------|---------------------------------|----------------------------------|
| Debt Securities | 19.144.427 | 17.900.443 |
| Quoted in Stock Exchange | 19.144.427 | 17.900.443 |
| Not Quoted in Stock Exchange | - | - |
| Share Certificates | 52.913 | 52.913 |
| Quoted in Stock Exchange | - | - |
| Not Quoted in Stock Exchange (*) | 52.913 | 52.913 |
| Provision for Impairment (-)** | 520.892 | 406.354 |
| Total | 18.676.448 | 17.547.002 |

(*) The mentioned amounts consist of payments to İhracatı Geliştirme A.Ş. in the amount of TRY 41.101 to the Credit Guarantee Fund in the amount of TRY 7.659 and to JCR Eurasia Rating Inc. in the amount of TRY 4.153 with the non-traded line highlighted (31 December 2023: TRY 41.101 İhracatı Geliştirme A.Ş., TRY 7.659 Credit Guarantee Fund, and TRY 4.153 JCR Eurasia Rating Inc.).

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

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

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

I. EXPLANATIONS AND NOTES RELATED TO ASSETS (Continued)

5. Information on derivative financial assets

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

| | Current Period 31 March 2024 | | Prior Period 31 December 2023 | |
|----------------------|---------------------------------|---------------|----------------------------------|------------|
| | TRY | FC | TRY | FC |
| Forward Transactions | 4.845 | - | 847 | - |
| Swap Transactions | - | 23.530 | - | 199 |
| Futures Transactions | - | - | - | - |
| Options | - | - | - | - |
| Other | 5.763 | 1.504 | 2.143 | 539 |
| Total | 10.608 | 25.034 | 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 March 2024 | | Prior Period 31 December 2023 | |
|---|---------------------------------|----------|----------------------------------|----------|
| | Cash | Non-Cash | Cash | Non-Cash |
| Direct Loans Granted to Shareholders | | | | |
| Corporate Shareholders | 5.151.817 | - | 6.184.984 | - |
| Real Person Shareholders | - | - | - | - |
| Indirect Loans Granted to Shareholders | - | - | - | - |
| Loans Granted to Employees | 202.625 | - | 192.704 | - |
| Total (*) | 5.354.442 | - | 6.377.688 | - |

(*) Includes rediscount amounts.

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

| Current Period 31 March 2024 | Standard Loans and Other Receivables | Loans Under Close Monitoring | | |
|---------------------------------|--------------------------------------|--|-----------------------------------|--|
| | | Not Under the Scope of Restructuring or Rescheduling | Loans with revised contract terms | Restructured or Rescheduled Refinancing |
| Cash Loans | | | | |
| Loans (*) | | | | |
| Export Loans | 41.656.388 | 860.593 | - | - |
| Import Loans | 28.308 | - | - | - |
| Commercial Loans | 127.157.192 | 857.988 | 1.282.085 | 1.672.580 |
| Consumer Loans | 11.129.902 | 131.516 | - | - |
| Credit Cards | 623.371 | 12.441 | - | - |
| Loans Given to Financial Sector | 7.085.213 | - | - | - |
| Other (**) | 14.538.893 | 44.106 | - | - |
| Other Receivables | - | - | - | - |
| Total | 202.219.267 | 1.906.644 | 1.282.085 | 1.672.580 |

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NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF
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EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
(Continued)

I. EXPLANATIONS AND NOTES RELATED TO ASSETS (Continued)

6. Information related to loans (Continued)

| Prior Period 31 December 2023 | | Loans Under Close Monitoring | | |
|----------------------------------|--|---|--------------------------------------|------------------|
| Cash Loans Loans (*) | Standard Loans and Other Receivables | Not Under the Scope of Restructuring or Rescheduling | Restructured or Rescheduled | |
| | | | Loans with revised contract terms | Refinancing |
| 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 |

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

(**) As of 31 March 2024, TRY 223.475 (31 December 2023: TRY 23.475) of the related balance consists of funds provided through musharakah partnership financing method, TRY 136.642 (31 December 2023: TRY 136.642) of the related balance consists of funds provided through mudaraba partnership financing method. The bank has accounted for its musharakah finance loans in its financial statements as of December 31, 2023, in accordance with Article 2/3/1 of Interest-Free Finance Accounting Standard 4: musharakah Finance "IFFAS 4", and its mudarabah finance loans in accordance with Article 2/3/1 of Interest-Free Finance Accounting Standard 3: Mudarabah Finance "IFFAS 3", based on their historical cost.

| Expected Credit Loss of Stage 1 and Stage 2 | Current Period 31 March 2024 | | Prior Period 31 December 2023 | |
|--|---------------------------------|------------------------------------|----------------------------------|------------------------------------|
| | Standard Loans | Loans Under Close Monitoring | Standard Loans | Loans Under Close Monitoring |
| 12 Month Expected Credit Losses | 1.403.492 | - | 1.299.758 | - |
| Significant Increase in Credit Risk | - | 1.036.636 | - | 856.891 |

| Number of Extensions | Current Period 31 March 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 | 254.252 | 2.927.123 | 257.418 | 2.910.873 |
| 3 - 4 or 5 Times Extended | - | - | - | - |
| Over 5 Times Extended | - | - | - | - |
| Total | 254.252 | 2.927.123 | 257.418 | 2.910.873 |

| Extension Periods | Current Period 31 March 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 | - | 1.078.362 | - | 974.563 |
| 6 Months - 12 Months | 2.522 | 160.881 | 4.539 | 157.645 |
| 1 - 2 Years | 205.666 | 1.028.411 | 229.594 | 1.123.898 |
| 2 - 5 Years | 20.612 | 44.455 | 23.285 | 22.491 |
| 5 Years and Over | 25.452 | 615.014 | - | 632.276 |
| Total | 254.252 | 2.927.123 | 257.418 | 2.910.873 |

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EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
(Continued)

I. EXPLANATIONS AND NOTES RELATED TO ASSETS (Continued)

6. Information related to loans (Continued)

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

| Current Period 31 March 2024 | Short-Term | Medium and Long-Term | Total |
|--|----------------|-------------------------|-------------------|
| Consumer Loans – TRY | 18.623 | 11.052.195 | 11.070.818 |
| Housing Loans | 1.474 | 10.025.605 | 10.027.079 |
| Vehicle Loans | 11.952 | 766.046 | 777.998 |
| Consumer Loans | 5.197 | 260.544 | 265.741 |
| Other | - | - | - |
| Consumer Loans-FC Indexed | - | - | - |
| Housing Loans | - | - | - |
| Vehicle Loans | - | - | - |
| Consumer Loans | - | - | - |
| Other | - | - | - |
| Consumer Loans-FC | - | 3.541 | 3.541 |
| Housing Loans | - | 3.541 | 3.541 |
| Vehicle Loans | - | - | - |
| Consumer Loans | - | - | - |
| Other | - | - | - |
| Retail Credit Cards-TRY | 614.677 | 1.524 | 616.201 |
| With Installment | 195.829 | 1.013 | 196.842 |
| Without Installment | 418.848 | 511 | 419.359 |
| Retail Credit Cards-FC | - | - | - |
| With Installment | - | - | - |
| Without Installment | - | - | - |
| Personnel Loans-TRY | 35.156 | 151.903 | 187.059 |
| Housing Loans | - | 16.210 | 16.210 |
| Vehicle Loans | - | 3.741 | 3.741 |
| Consumer Loans | 35.156 | 131.952 | 167.108 |
| 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 | 15.566 | - | 15.566 |
| With Installment | 6.196 | - | 6.196 |
| Without Installment | 9.370 | - | 9.370 |
| Personnel Credit Cards-FC | - | - | - |
| With Installment | - | - | - |
| Without Installment | - | - | - |
| Overdraft Account-TRY (Real Person) | - | - | - |
| Overdraft Account-FC (Real Person) | - | - | - |
| Total (*) | 684.022 | 11.209.163 | 11.893.185 |

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

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EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
(Continued)

I. EXPLANATIONS AND NOTES RELATED TO 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.

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EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
(Continued)

I. EXPLANATIONS AND NOTES RELATED TO ASSETS (Continued)

6. Information related to loans (Continued)

d) Information on installment commercial loans and corporate credit cards

| Current Period 31 March 2024 | Short-Term | Medium and Long-Term | Total |
|---|----------------|-------------------------|------------------|
| Installment Commercial Loans-TRY | 531.430 | 1.271.211 | 1.802.641 |
| Business Loans | - | 17.189 | 17.189 |
| Vehicle Loans | 531.430 | 1.254.022 | 1.785.452 |
| Consumer Loans | - | - | - |
| Other | - | - | - |
| Installment Commercial Loans-Indexed to FC | - | - | - |
| Business Loans | - | - | - |
| Vehicle Loans | - | - | - |
| Consumer Loans | - | - | - |
| Other | - | - | - |
| Installment Commercial Loans -FC | - | 89.677 | 89.677 |
| Business Loans | - | - | - |
| Vehicle Loans | - | 89.677 | 89.677 |
| Consumer Loans | - | - | - |
| Other | - | - | - |
| Corporate Credit Cards -TRY | 4.045 | - | 4.045 |
| With Installment | - | - | - |
| Without Installment | 4.045 | - | 4.045 |
| Corporate Credit Cards -FC | - | - | - |
| With Installment | - | - | - |
| Without Installment | - | - | - |
| Overdraft Account-TRY (Legal Entity) | - | - | - |
| Overdraft Account-FC (Legal Entity) | - | - | - |
| Total | 535.475 | 1.360.888 | 1.896.363 |

| 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 |

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EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. EXPLANATIONS AND NOTES RELATED TO ASSETS (Continued)

6. Information related to loans (Continued)

e) Breakdown of domestic and international loans

| | Current Period 31 March 2024 | Prior Period 31 December 2023 |
|------------------|---|--|
| Domestic Loans | 204.894.200 | 206.980.128 |
| Foreign Loans | 2.186.376 | 2.042.560 |
| Total (*) | 207.080.576 | 209.022.688 |

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

f) Loans granted to subsidiaries and participations

As of 31 March 2024, there are no loans given to subsidiaries and affiliates (31 December 2023: None).

g) Provision for default (Stage 3 / Specific Provision)

| | Current Period 31 March 2024 | Prior Period 31 December 2023 |
|--|---|--|
| Loans and receivables with limited collectability | 98.830 | 38.715 |
| Loans and receivables with doubtful collectability | 50.288 | 27.959 |
| Uncollectible loans and receivables | 1.379.757 | 1.615.332 |
| Total | 1.528.875 | 1.682.006 |

h) Information on lease receivables

h.1) Analysis of Investments Made in Financial Leasing by Remaining Maturity

| | Current Period 31 March 2024 | | Prior Period 31 December 2023 | |
|-------------------|---|-------------------|--|-------------------|
| | Gross | Net | Gross | Net |
| Less than 1 year | 147.425 | 139.708 | 224.845 | 214.022 |
| 1-5 year | 59.348.344 | 43.736.644 | 59.978.540 | 41.201.771 |
| More than 5 years | 11.785.793 | 9.328.451 | 13.243.798 | 11.229.911 |
| Total | 71.281.562 | 53.204.803 | 73.447.183 | 52.645.704 |

h.2) Information on Net Investments in Financial Leasing

| | Current Period 31 March 2024 | Prior Period 31 December 2023 |
|--|---|--|
| Gross Financial Lease Receivable | 71.281.562 | 73.447.183 |
| Unearned Financial Income from Financial Lease (-) | (18.076.759) | (20.801.479) |
| Canceled Rental Amounts | - | - |
| Total | 53.204.803 | 52.645.704 |

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

EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. EXPLANATIONS AND NOTES RELATED TO ASSETS (Continued)

6. Information related to loans (Continued)

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

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

As of 31 March 2024, the sum of the Bank's non-performing loans and other receivables restructured by the bank or rescheduled is TRY 138.005 (31 December 2023: TRY 130.382).

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

| Current Period 31 March 2024 | Group III: | Group IV: | Group V: |
|---|---|--|---|
| | Loans and other receivables with limited collectability | Loans and other receivables with doubtful collectability | Uncollectible loans and other receivables |
| Ending balance of prior period | 136.753 | 68.734 | 1.735.463 |
| Additions in the current period (+) | 322.318 | 35.759 | 93.818 |
| Transfers from other categories of non-performing loans (+) | - | 57.422 | 20.686 |
| Transfers to other categories of non-performing loans (-) | 57.422 | 20.686 | - |
| Collections in the current period (-)* | 79.837 | 2.448 | 382.243 |
| Write offs (-)** | - | - | - |
| Corporate and commercial loans | - | - | - |
| Retail loans | - | - | - |
| Credit cards | - | - | - |
| Other | - | - | - |
| Ending balance of the current period | 321.812 | 138.781 | 1.467.724 |
| Expected Loss Provision (Stage 3) (-) | 98.830 | 50.288 | 1.379.757 |
| Net balance on balance sheet | 222.982 | 88.493 | 87.967 |

(*) Includes transfers to first and second group loans amounting to TRY 10.908.

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

| Prior Period 31 December 2023 | Group III: | Group IV: | Group V: |
|---|---|--|---|
| | Loans and other receivables with limited collectability | Loans and other receivables with doubtful collectability | Uncollectible loans and other receivables |
| 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.

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EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
(Continued)

I. EXPLANATIONS AND NOTES RELATED TO ASSETS (Continued)

6. Information related to loans (Continued)

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

| | Group III: Loans with limited collectability | Group IV: Loans with doubtful collectability | Group V: Uncollectible Loans |
|---|---|---|------------------------------------|
| Current Period 31 March 2024 | | | |
| Ending balance of the current period | - | 191 | 336.090 |
| Provision for Expected Loss (Stage 3) (-) | - | 60 | 335.474 |
| Net balance on balance sheet | - | 131 | 616 |

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

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

| | Group III: Loans and other receivables with limited collectability | Group IV: Loans and other receivables with doubtful collectability | Group V: Uncollectible loans and other receivables |
|--|--|--|---|
| Current Period (Net) | 222.982 | 88.493 | 87.967 |
| Loans to Real Persons and Legal Entities (Gross) | 321.812 | 138.781 | 1.467.724 |
| Specific Provisions (-) | 98.830 | 50.288 | 1.379.757 |
| Loans to Real Persons and Legal Entities (Net) | 222.982 | 88.493 | 87.967 |
| 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) | 24.468 | 11.010 | 16.078 |
| Profit Share Accrual and Valuation Differences Provision | 35.473 | 16.765 | 237.707 |
| Provision Amount (-) | 11.005 | 5.755 | 221.629 |
| 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 |

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NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2024

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

EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. EXPLANATIONS AND NOTES RELATED TO ASSETS (Continued)

6. Information related to loans (Continued)

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

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

l) Explanations on write-off policy:

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

7. Financial assets at amortized cost:

a) Information on government debt securities measured at amortized cost

| | Current Period 31 March 2024 | Prior Period 31 December 2023 |
|------------------------------|---------------------------------|----------------------------------|
| Debt Securities | 24.759.151 | 21.830.293 |
| Quoted in Stock Exchange | - | - |
| Not Quoted in Stock Exchange | 24.759.151 | 21.830.293 |
| Provision of Impairment (-) | - | - |
| Total | 24.759.151 | 21.830.293 |

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 March 2024, government debt securities measured at amortized cost is TRY 24.759.151 (31 December 2023: TRY 21.830.293).

| | Current Period 31 March 2024 | Prior Period 31 December 2023 |
|---|---------------------------------|----------------------------------|
| Balances at Beginning of Period | 21.830.293 | 5.323.943 |
| Foreign Currency Differences on Monetary Assets | 351.323 | 1.862.347 |
| Purchases during the Period ^(*) | 2.631.886 | 14.644.003 |
| Disposals through Sales/Redemptions | 54.351 | - |
| Provision of Impairment (-) | - | - |
| Balances at End of Period | 24.759.151 | 21.830.293 |

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

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EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. EXPLANATIONS AND NOTES RELATED TO ASSETS (Continued)

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

As of 31 March 2024, the Bank's assets held for sale are TRY 495.138 (31 December 2023: TRY 427.229).

| | Current Period 31 March 2024 | Prior Period 31 December 2023 |
|---------------------------------|---------------------------------|----------------------------------|
| Beginning Balance (Net) | 427.229 | 274.644 |
| Changes During the Period (Net) | 67.909 | 152.585 |
| Amount of Depreciation | - | - |
| Provision for Impairment | - | - |
| Period End Balance (Net) (*) | 495.138 | 427.229 |

(*) The Bank has fiduciary rights over TRY 197.860 (31 December 2023: TRY 197.860) of assets held for sale.

As of 31 March 2024, the Bank 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 45.000. 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 45.000 will be paid within 2 years. There is a member of the board of directors in the company to represent the Bank's shares.

| | Name | Address (City/Country) | Bank's share percentage - if different voting percentage (%) | Risk share percentage of other shareholders (%) |
|---|-----------------------------|---------------------------|--|---|
| 1 | Katılım Finans Kefalet A.Ş. | İstanbul / TÜRKİYE | 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).

b) Information on subsidiaries (Net):

b.1) Information on unconsolidated subsidiaries:

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

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

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

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

EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. EXPLANATIONS AND NOTES RELATED TO ASSETS (Continued)

9. Equity Investments (Continued)

b) Information on subsidiaries (Net) (Continued)

b.1) Information on unconsolidated subsidiaries (Continued)

| | 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 ^(*) | 26.298.407 | 685 | - | 1.185.930 | - | 156 | 469 | - | - |
| 2 ^(*) | 216.569 | 356 | - | 124 | - | (53) | 357 | - | - |

(*) 31 March 2024 interim unreviewed financial statements are used.

| | Current Period 31 March 2024 | Prior Period 31 December 2023 |
|--|---------------------------------|----------------------------------|
| Balance at the beginning of the year | 938 | 515 |
| Movements during the year | 103 | 423 |
| Included in the scope of consolidation | - | - |
| Purchases | - | - |
| Bonus Share | 103 | 423 |
| Dividends from current year income | - | - |
| Transfers to available for sale financial assets | - | - |
| Sales | - | - |
| Revaluation increase | - | - |
| Balance at the end of the year | 1.041 | 938 |
| Capital commitments | - | - |
| Share percentage at the end of the year (%) | %100 | %100 |

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

| | Current Period 31 March 2024 | Prior Period 31 December 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).

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NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2024

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EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. EXPLANATIONS AND NOTES RELATED TO ASSETS (Continued)

10. Explanations on property and equipment

| | Immovable | Right of Use of Immovable | Movable | Right of Use of Movable | Operational Leasing Development Costs | Other Tangibles | Total |
|--|-----------|---------------------------|----------------|-------------------------|---------------------------------------|-----------------|------------------|
| Prior Period End: | | | | | | | |
| Cost | - | 805.383 | 671.298 | 175.266 | 1.094.452 | - | 2.746.399 |
| Accumulated Depreciation (-) | - | 204.013 | 154.653 | 49.793 | 172.241 | - | 580.700 |
| 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 |
| Change During the Period (Net) | - | 58.737 | 59.312 | 3.188 | 320.303 | - | 441.540 |
| Cost | - | 94.893 | 95.984 | 16.310 | 391.953 | - | 599.140 |
| Amortization (Net) (-) | - | 36.156 | 36.672 | 13.122 | 71.650 | - | 157.600 |
| Provision for Impairment (-) | - | - | - | - | - | - | - |
| Net Currency Translation from Foreign Subsidiaries (-) | - | - | - | - | - | - | - |
| Cost at Period End | - | 900.276 | 767.282 | 191.576 | 1.486.405 | - | 3.345.539 |
| Accumulated Depreciation at Period End (-) | - | 240.169 | 191.325 | 62.915 | 243.891 | - | 738.300 |
| Provision for Impairment (-) | - | - | - | - | - | - | - |
| Closing Net Book Value | - | 660.107 | 575.957 | 128.661 | 1.242.514 | - | 2.607.239 |

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

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

11. Information on intangible assets

| | Current Period 31 March 2024 | | | Prior Period 31 December 2023 | | |
|------------------------|---------------------------------|--------------------------|----------------|----------------------------------|--------------------------|----------------|
| | Book Value | Accumulated Depreciation | Net Value | Book Value | Accumulated Depreciation | Net Value |
| Leasehold Improvements | - | - | - | - | - | - |
| Establishment Costs | - | - | - | - | - | - |
| Goodwill | - | - | - | - | - | - |
| Intangible Rights | 964.429 | 154.462 | 809.967 | 825.160 | 132.526 | 692.634 |
| Total | 964.429 | 154.462 | 809.967 | 825.160 | 132.526 | 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 unconsolidated: Not applied to the financial statements with consolidation.
- Information on goodwill: None.

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EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. EXPLANATIONS AND NOTES RELATED TO ASSETS (Continued)

12. Information on the investment properties

As of 31 March 2024, the Bank has no investment property (31 December 2023: None)

13. Information on deferred tax asset:

The Bank has deferred tax assets of TRY 2.405.348 in the financial statements by netting deferred tax liabilities of TRY 2.491.422 (31 December 2023: TRY 1.909.078) and deferred tax assets of TRY 4.896.770 (31 December 2023: TRY 4.387.183). (31 December 2023: TRY 2.478.105, deferred tax asset).

14. Information on other assets:

As of 31 March 2024 and 31 December 2023, the Bank's other assets do not exceed 10% of the balance sheet total, excluding off-balance sheet commitments.

II. EXPLANATIONS AND NOTES RELATED TO LIABILITIES

1. a) Information on funds collected:

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

| Current Period 31 March 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 | 2.729.725 | - | - | - | - | - | - | - | 2.729.725 |
| II. Real persons participation accounts non-trade TRY | - | 1.000.445 | 20.320.775 | 2.388.296 | 2.029.866 | 85.600 | 29.043.445 | - | 54.868.427 |
| III. Other current accounts-TRY | 10.506.411 | - | - | - | - | - | - | - | 10.506.411 |
| Public sector | 489.555 | - | - | - | - | - | - | - | 489.555 |
| Commercial sector | 6.067.825 | - | - | - | - | - | - | - | 6.067.825 |
| Other institutions | 396.868 | - | - | - | - | - | - | - | 396.868 |
| Commercial and other institutions | 5.185 | - | - | - | - | - | - | - | 5.185 |
| Banks and participation banks | 3.546.978 | - | - | - | - | - | - | - | 3.546.978 |
| Central Bank of Republic of Türkiye | - | - | - | - | - | - | - | - | - |
| Domestic banks | 2.954 | - | - | - | - | - | - | - | 2.954 |
| Foreign banks | 3.543.719 | - | - | - | - | - | - | - | 3.543.719 |
| Participation banks | 305 | - | - | - | - | - | - | - | 305 |
| Others | - | - | - | - | - | - | - | - | - |
| IV. Participation accounts-TRY | - | 16.549.603 | 72.416.379 | 17.816.273 | 661.715 | 33.844 | 8.863.600 | - | 116.341.414 |
| Public sector | - | 8.956.826 | 3.103.628 | 9.988.710 | 1.264 | - | 78.511 | - | 22.128.939 |
| Commercial sector | - | 7.391.954 | 62.004.059 | 6.373.662 | 548.311 | 33.844 | 8.650.075 | - | 85.001.905 |
| Other institutions | - | 198.826 | 4.182.402 | 447.972 | 112.140 | - | 135.014 | - | 5.076.354 |
| Commercial and other institutions | - | 1.997 | 10.715 | - | - | - | - | - | 12.712 |
| Banks and participation banks | - | - | 3.115.575 | 1.005.929 | - | - | - | - | 4.121.504 |
| V. Real persons current accounts non-trade FC | 17.566.327 | - | - | - | - | - | - | - | 17.566.327 |
| VI. Real persons participation accounts-FC | - | 2.067.523 | 23.283.736 | 429.999 | - | 453.118 | 2.175.431 | - | 28.409.807 |
| VII. Other current accounts-FC | 20.742.280 | - | - | - | - | - | - | - | 20.742.280 |
| Commercial residents in Türkiye | 19.339.723 | - | - | - | - | - | - | - | 19.339.723 |
| Commercial residents in Abroad | 1.268.742 | - | - | - | - | - | - | - | 1.268.742 |
| Banks and participation banks | 133.815 | - | - | - | - | - | - | - | 133.815 |
| Central Bank of Republic of Türkiye | 111.075 | - | - | - | - | - | - | - | 111.075 |
| Domestic banks | 1 | - | - | - | - | - | - | - | 1 |
| Foreign banks | 22.739 | - | - | - | - | - | - | - | 22.739 |
| Participation banks | - | - | - | - | - | - | - | - | - |
| Others | - | - | - | - | - | - | - | - | - |
| VIII. Participation accounts- FC | - | 3.463.210 | 21.677.155 | 3.831.709 | 947 | 1.610 | 24.647 | - | 28.999.278 |
| Public sector | - | - | 603.589 | - | - | - | - | - | 603.589 |
| Commercial sector | - | 3.373.231 | 19.916.281 | 3.831.644 | 836 | 1.610 | 5.758 | - | 27.129.360 |
| Other institutions | - | 89.979 | 1.100.865 | 65 | 111 | - | 7.327 | - | 1.198.347 |
| Commercial and other institutions | - | - | 56.420 | - | - | - | 11.562 | - | 67.982 |
| Banks and participation banks | - | - | - | - | - | - | - | - | - |
| IX. Precious metal funds | 12.854.156 | - | 6.878.724 | 716.839 | 108.697 | - | 153.571 | - | 20.711.987 |
| 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) (*) | 64.398.899 | 23.080.781 | 144.576.769 | 25.183.116 | 2.801.225 | 574.172 | 40.260.694 | - | 300.875.656 |

(*) As of 31 March 2024, it includes amounts of TRY 34.065.266 for CBRT Exchange Rate Hedged Participation Account, TRY 12.782.087 for Treasury Exchange Rate Hedged Participation Account, and TRY 4.676.752 for Yuvam Account.

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EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. EXPLANATIONS AND NOTES RELATED TO LIABILITIES (Continued)

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

(*) As of 31 December 2023, 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 UNCONSOLIDATED FINANCIAL STATEMENTS AS OF
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**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

II. EXPLANATIONS AND NOTES RELATED TO LIABILITIES

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

a.2) Exceeding Amounts of Insurance Limit:

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

| | Under the guarantee of saving deposit insurance | Exceeding the limit of saving deposit | Under the guarantee of saving deposit insurance | Exceeding the limit of saving deposit |
|--|--|---|--|---|
| | Current Period 31 March 2024 | Prior Period 31 December 2023 | Current Period 31 March 2024 | Prior Period 31 December 2023 |
| Real persons current and profit sharing accounts that are not subject to commercial activities | 28.967.553 | 21.915.098 | 93.334.535 | 93.404.253 |
| TRY accounts | 11.538.644 | 10.549.941 | 46.059.499 | 50.387.918 |
| FC accounts | 17.428.909 | 11.365.157 | 47.275.036 | 43.016.335 |
| Foreign branches’ deposits under foreign authorities’ insurance | - | - | - | - |
| Off-shore banking regions’ under foreign authorities’ insurance | - | - | - | - |

(*) Pursuant to the Regulation Amending the Regulation on Deposits and Participation Funds Subject to Insurance and Premiums to be Collected by the Savings Deposit Insurance Fund, published in the Official Gazette dated 27 August 2022 and numbered 31936, All deposits and participation funds, except for those, are covered by insurance. In line with this change, commercial deposits amounting to TRY 4.541.822 (31 December 2023: TRY 3.239.462) within the scope of insurance are not included in the table. The portion of the said deposits exceeding the insurance limit is TRY 143.378.442. (31 December 2023: TRY 156.727.806).

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

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

| | Current Period 31 March 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 | 3.988 | 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 | - | - |

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EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. EXPLANATIONS AND NOTES RELATED TO LIABILITIES (Continued)

2. Information on funds borrowed:

a) Information on the type of borrowing

| | Current Period 31 March 2024 | | Prior Period 31 December 2023 | |
|--|---------------------------------|-------------------|----------------------------------|-------------------|
| | TRY | FC | TRY | FC |
| Syndicated Loans | - | 1.628.088 | 4.711.292 | 1.255.451 |
| Proxy Loans | - | 2.192.994 | - | - |
| Funds from Issued Lease Certificates (Sukuk) | 9.605.532 | 16.683.618 | 5.059.316 | 14.918.648 |
| Other | 1.563.019 | 8.842.531 | 2.316.964 | 6.627.307 |
| Total | 11.168.551 | 29.347.231 | 12.087.572 | 22.801.406 |

b) Information on banks and other financial institutions

| | Current Period 31 March 2024 | | Prior Period 31 December 2023 | |
|--|---------------------------------|-------------------|----------------------------------|-------------------|
| | TRY | FC | TRY | FC |
| Borrowings from the CBRT | 1.206.486 | - | 1.206.486 | - |
| From Domestic Banks and Institutions | 9.962.065 | 19.082.134 | 10.881.086 | 17.251.464 |
| From Foreign Banks, Institutions and Funds | - | 10.265.097 | - | 5.549.941 |
| Total | 11.168.551 | 29.347.231 | 12.087.572 | 22.801.405 |

c) Information on maturity structure of borrowings

| | Current Period 31 March 2024 | | Prior Period 31 December 2023 | |
|----------------------|---------------------------------|-------------------|----------------------------------|-------------------|
| | TRY | FC | TRY | FC |
| Short-term | 9.760.111 | 2.552.856 | 10.752.997 | 1.256.521 |
| Medium and Long-term | 1.408.440 | 26.794.375 | 1.334.575 | 21.544.884 |
| Total | 11.168.551 | 29.347.231 | 12.087.572 | 22.801.405 |

d) Explanations 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:

78,17% of Bank’s liabilities consists of current and share profit account (31 December 2023: 79,31%).

3. Funds provided under repurchasing agreements

| | Current Period 31 March 2024 | | Prior Period 31 December 2023 | |
|------------------------|---------------------------------|------------------|----------------------------------|-------------------|
| | TRY | FC | TRY | FC |
| Domestic | 1.676.049 | 7.975.698 | 435.678 | 10.528.455 |
| Financial Institutions | 1.676.049 | 7.975.698 | 435.678 | 10.528.455 |
| Abroad | - | - | - | - |
| Financial Institutions | - | - | - | - |
| Total | 1.676.049 | 7.975.698 | 435.678 | 10.528.455 |

4. Information on securities issued:

None (31 December 2023: None).

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

None (31 December 2023: None).

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EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. EXPLANATIONS AND NOTES RELATED TO LIABILITIES (Continued)

6. Information on derivative financial liabilities:

| | Current Period 31 March 2024 | | Prior Period 31 December 2023 | |
|----------------------|---------------------------------|----------|----------------------------------|----------------|
| | TRY | FC | TRY | FC |
| Forward transactions | - | - | - | - |
| Swap transactions | 55 | - | - | 153.095 |
| Futures transaction | - | - | - | - |
| Options transaction | - | - | - | - |
| Other | - | - | - | - |
| Total | 55 | - | - | 153.095 |

7. Information on financial lease obligations

| | Current Period 31 March 2024 | | Prior Period 31 December 2023 | |
|-------------------|---------------------------------|----------------|----------------------------------|----------------|
| | Gross | Net | Gross | Net |
| Less than 1 year | 11.319 | 11.070 | 17.264 | 16.604 |
| Between 1-5 years | 153.829 | 120.662 | 152.835 | 118.660 |
| More than 5 years | 1.425.385 | 724.358 | 1.210.600 | 650.595 |
| Total | 1.590.533 | 856.090 | 1.380.699 | 785.859 |

8. Information on provisions:

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

As of 31 March 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 23.225 (31 December 2023: TRY 23.032).

c) Information on other provisions:

c.1) Information on free provisions for possible risks

Free provision amounting to TRY 500.000 thousand which was provided by the Bank management in prior periods outside of the requirements of BRSA Accounting and Financial Reporting Legislation, is reversed in the current period (31 December 2023: A free provision amounting to TRY 500.000 thousand which consist of TRY 1.004.000 thousand provided in prior periods, TRY 96.000 thousand recognized in the current year and TRY 600.000 thousand reversed in the current year by the Bank management which is not within the requirements of BRSA Accounting and Financial Reporting Legislation).

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EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. EXPLANATIONS AND NOTES RELATED TO LIABILITIES (Continued)

8. Information on provisions (Continued)

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

As of 31 March 2024 TRY 1.406.919 of other provisions (31 December 2023: TRY 1.548.811) was allocated from profits to be distributed to participation accounts, TRY 2.618 (31 December 2023: TRY 4.248) was made from provisions for foreign currency purchases and sales, TRY 3.116 The portion amounting to (31 December 2023 TRY 2.180) consists of the provision for promotional practices regarding credit cards and banking services.

c.3) Information on litigations provisions

A provision of TRY 26.250 has been made in the financial statements for the lawsuits that are likely to be concluded against the Bank but are not yet finalized (31 December 2023: TRY 89.976).

d) Information on provisions for employee benefits:

d.1) Employment termination benefits and unused vacation rights

The Bank accounts for its obligations related to severance pay and leave rights in accordance with Turkish Accounting Standard 19, 'Accounting for Benefits Provided to Employees.' It has calculated the future obligations arising from severance and notice pay at their net present value and reflected them in the financial statements. As of 31 March 2024, an amount of TRY 78.950 for leave provision (as of 31 December 2023: TRY 44.385) and TRY 227.861 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 March 2024 | Prior Period 31 December 2023 |
|-------------------|---|--|
| Discount Rate (%) | %24,60 | %24,60 |
| Inflation | %22,16 | %22,16 |

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

| | Current Period 31 March 2024 | Prior Period 31 December 2023 |
|---|---|--|
| Balance at the 1 January | 202.704 | 125.764 |
| Paid during the period | 25.157 | 46.941 |
| Severance Pay | - | (3.549) |
| Actuarial loss/(gain) | - | 33.548 |
| Balance at the end of the period | 227.861 | 202.704 |

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EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. EXPLANATIONS AND NOTES RELATED TO LIABILITIES (Continued)

8. Information on provisions: (Continued)

d.2) Retirement Benefits

Based on the results of the actuarial report, which is calculated with the actuarial ratio 9,80% as determined in the Law numbered 5754, published on the Official Gazette dated 8 May 2008 and numbered 26870, as of 31 December 2023, no technical deficit has been reported.

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

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

The Bank has 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 March 2024, the remaining corporate tax liability after deducting temporary taxes paid for the period is TRY 536.382(As of 31 December 2023, the remaining corporate tax liability after deducting temporary taxes paid for the period is TRY 536.382).

b) Information on taxes payable:

| | Current Period 31 March 2024 | Prior Period 31 December 2023 |
|---|---|--|
| Corporate Tax Payable | 536.382 | 536.382 |
| Taxation on Income From Securities | 159.640 | 142.164 |
| Property Tax | 3.064 | 1.818 |
| Banking Insurance Transactions Tax (BITT) | 166.931 | 102.122 |
| Foreign Exchange Transactions Tax | 15.470 | 3.662 |
| Value Added Tax Payable | 42.328 | 48.906 |
| Other | 28.254 | 27.199 |
| Total | 952.069 | 862.253 |

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EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. EXPLANATIONS AND NOTES RELATED TO LIABILITIES (Continued)

9. Explanations on tax liability (Continued):

c) Information on premiums:

| | Current Period 31 March 2024 | Prior Period 31 December 2023 |
|--|---------------------------------|----------------------------------|
| Social Security Premiums – Employee | 523 | 529 |
| Social Security Premiums – Employer | 726 | 734 |
| Bank Social Aid Pension Fund Premium – Employee | - | - |
| Bank Social Aid Pension Fund Premium – Employer | - | - |
| Pension Fund Membership Fees and Provisions – Employee | - | - |
| Pension Fund Membership Fees and Provisions – Employer | - | - |
| Unemployment Insurance – Employee | 1.752 | 1.153 |
| Unemployment Insurance – Employer | 3.497 | 2.299 |
| Other | - | - |
| Total | 6.498 | 4.715 |

10. Information on deferred tax liabilities, if any:

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 March 2024 | | Prior Period 31 December 2023 | |
|----------------------------------|---------------------------------|------------------|----------------------------------|------------------|
| | TRY | FC | TRY | FC |
| From Domestic Banks | 1.375.399 | - | 1.341.987 | - |
| From Other Domestic Institutions | - | 4.806.488 | - | 4.451.686 |
| From Foreign Banks | - | - | - | - |
| From Other Institutions Abroad | - | - | - | - |
| Total | 1.375.399 | 4.806.488 | 1.341.987 | 4.451.686 |

| | Current Period 31 March 2024 | | Prior Period 31 December 2023 | |
|--|---------------------------------|------------------|----------------------------------|------------------|
| | TRY | FC | TRY | FC |
| Debt instruments to be included in the additional capital calculation: | - | 4.806.488 | - | 4.451.686 |
| Subordinated Loans (*) | - | 4.806.488 | - | 4.451.686 |
| Equity-like Debt Instruments | - | - | - | - |
| Debt instruments to be included in Contribution Capital Calculation: | 1.375.399 | - | 1.341.987 | - |
| Subordinated Loans | 1.375.399 | - | 1.341.987 | - |
| Equity-like Debt Instruments | - | - | - | - |
| Total | 1.375.399 | 4.806.488 | 1.341.987 | 4.451.686 |

(*) The Bank, from the Türkiye Wealth Fund Market Stability and Balance Sub-Fund, with the approval of the BRSA on 22 April 2019, in the amount of EUR 100.000 on 24 April 2019; With the approval of the BRSA on 9 March 2022, on 9 March 2022, a subordinated loan amounting to EUR 57.039 is provided within the scope of demand and non-profit additional capital. The Bank calculated the fair value of the loan amount and reflected it to the financial statements by using the prices of similar financial instruments on the date it was included in the balance sheet within the scope of TFRS 9 and TFRS 13 standards.

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**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF
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**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

II. EXPLANATIONS AND NOTES RELATED TO LIABILITIES (Continued)

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

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

14. Information on shareholders’ equity:

a) Presentation on paid-in capital

| | Current Period 31 March 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 interim 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 any uncertainty related to profitability and liquidity according to the prior period’s indicators (31 December 2023: None).

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

As of 31 March 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 March 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 | (994.284) | (66.474) | (761.298) | (31.758) |
| Revaluation Difference | (1.680.400) | (66.474) | (1.331.619) | (31.758) |
| Deferred Tax Effect | 686.116 | - | 570.321 | - |
| Foreign Exchange Difference | - | - | - | - |
| Total | (994.284) | (66.474) | (761.298) | (31.758) |

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NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2024

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

1. Information on off-balance sheet liabilities:

a) Nature and amount of irrevocable loan commitments:

| | Current Period 31 March 2024 | Prior Period 31 December 2023 |
|--|---------------------------------|----------------------------------|
| Commitments for Credit Card Expenditure Limits | 3.754.689 | 1.798.821 |
| Other Irrevocable Commitments | - | - |
| Payment Commitments for Cheques | 2.728.535 | 1.708.702 |
| Loan Granting Commitments | 392.621 | 296.293 |
| Asset Purchase Commitments | 3.099.132 | 2.342.967 |
| Tax and Fund Liabilities from Export Commitments | 2.060.375 | 1.304.223 |
| Promotion Commitment Regarding Credit Card and Banking Services | 2.704 | 2.276 |
| Total | 12.038.056 | 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 626.301 (31 December 2021: TRY 534.833).

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

| | Current Period 31 March 2024 | Prior Period 31 December 2023 |
|---------------------|---------------------------------|----------------------------------|
| Guarantee Letters | 82.933.353 | 69.092.049 |
| Bank Acceptances | 395.895 | 414.759 |
| Letter of Credits | 8.458.211 | 7.928.282 |
| Other Contingencies | 107.499 | 895.443 |
| Total | 91.894.958 | 78.330.533 |

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

| | Current Period 31 March 2024 | Prior Period 31 December 2023 |
|--|---------------------------------|----------------------------------|
| Letters of Temporary Guarantees | 4.367.206 | 2.285.988 |
| Letters of Certain Guarantees | 45.433.148 | 41.486.780 |
| Letters of Advance Guarantees | 9.890.005 | 8.893.988 |
| Letters of Guarantees given to Customs Offices | 995.408 | 794.150 |
| Other Letters of Guarantees | 22.247.586 | 15.631.143 |
| Total | 82.933.353 | 69.092.049 |

b.3) Total non-cash loans

| | Current Period 31 March 2024 | Prior Period 31 December 2023 |
|--|---------------------------------|----------------------------------|
| Non-Cash Loans for Providing Cash Loans | 22.241.959 | 15.625.859 |
| With Original Maturity of One Year or Less | 599.820 | 1.572.826 |
| With Original Maturity of More than One Year | 21.642.139 | 14.053.033 |
| Other Non-Cash Loans | 69.652.999 | 62.704.674 |
| Total | 91.894.958 | 78.330.533 |

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EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

1. a) Information on profit share received from loans

| | Current Period 31 March 2024 | | Prior Period 31 March 2023 | |
|--|---------------------------------|------------------|-------------------------------|----------------|
| | TRY | FC | TRY | FC |
| Profit share on loans (*) | 10.088.553 | 1.857.583 | 3.738.366 | 800.504 |
| Short term loans | 5.568.200 | 890.645 | 2.248.495 | 450.087 |
| Medium and long term loans | 4.482.388 | 966.938 | 1.476.438 | 350.417 |
| Profit share on non-performing loans | 37.965 | - | 13.433 | - |
| Premiums received from resource utilization support fund | - | - | - | - |

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

b) Information on profit share income from banks

| | Current Period 31 March 2024 | | Prior Period 31 March 2023 | |
|---|---------------------------------|----------|-------------------------------|---------------|
| | TRY | FC | TRY | FC |
| Central Bank of the Republic of Türkiye | - | - | - | - |
| Domestic Banks | 33.448 | - | 7.653 | 29.208 |
| Foreign Banks | - | - | - | 441 |
| Head Office and Branches | - | - | - | - |
| Total | 33.448 | - | 7.653 | 29.649 |

c) Information on profit share income from securities portfolio

| | Current Period 31 March 2024 | | Prior Period 31 March 2023 | |
|--|---------------------------------|----------------|-------------------------------|----------------|
| | TRY | FC | TRY | FC |
| Financial Assets at Fair Value through Profit and Loss | - | 30.866 | - | 13.564 |
| Financial Assets at Fair Value through Other Comprehensive Income | 1.431.713 | 56.112 | 1.068.787 | 44.141 |
| Investments Held-to-Maturity Financial Assets Measured by Amortized Cost | 921.901 | 102.643 | 84.521 | 44.432 |
| Total | 2.353.614 | 189.621 | 1.153.308 | 102.137 |

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

None (31 March 2023: None).

ZİRAAT KATILIM BANKASI A.Ş.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF
31 MARCH 2024**

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

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

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

2. a) Information on profit share expense on borrowing

| | Current Period 31 March 2024 | | Prior Period 31 March 2023 | |
|---|---------------------------------|----------------|-------------------------------|----------------|
| | TRY | FC | TRY | FC |
| Banks | 630.721 | 191.003 | 65.143 | 57.558 |
| Central Bank of the Republic of Türkiye | 58.788 | - | - | - |
| Domestic Banks | 571.933 | 81.800 | 65.143 | 34.429 |
| Foreign Banks | - | 109.203 | - | 23.129 |
| Head Office and Branches | - | - | - | - |
| Other Institutions | 580.565 | 505.902 | 269.855 | 47.480 |
| Total | 1.211.286 | 696.905 | 334.998 | 105.038 |

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

Profit share expenses given to affiliates and subsidiaries are TRY 976.543 (31 March 2023: TRY 269.855).

c) Information on profit share expense paid to securities issued:

None (31 March 2023: None).

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

| Current Period 31 March 2024 Account Name | Participation Accounts | | | | | Total |
|---|------------------------|-------------------|------------------|----------------|------------------|-------------------|
| | 1 month | 3 months | 6 months | 1 year | Over 1 year | |
| Turkish Lira | | | | | | |
| Funds Collected from Banks via Current and Participation Accounts | 4.726 | 294.210 | 15.712 | - | - | 314.648 |
| Real Person's Non Commercial Participation Accounts | 91.606 | 2.061.578 | 175.067 | 156.393 | 1.385.526 | 3.870.170 |
| Public Sector Participation Accounts | 1.469.158 | 421.797 | 692.347 | 72 | 6.749 | 2.590.123 |
| Commercial Sector Participation Accounts | 1.108.111 | 6.603.445 | 201.813 | 40.989 | 465.881 | 8.420.239 |
| Other Institutions Participation Accounts | 12.830 | 372.061 | 36.142 | 3.922 | 11.627 | 436.582 |
| Total | 2.686.431 | 9.753.091 | 1.121.081 | 201.376 | 1.869.783 | 15.631.762 |
| Foreign Currency | | | | | | |
| Funds Collected from Banks via Current and Participation Accounts | 1 | 386 | - | - | 98 | 485 |
| Real Person's Non Commercial Participation Accounts | 7.019 | 86.227 | 1.488 | 1.375 | 9.295 | 105.404 |
| Public Sector Participation Accounts | 3 | 2.679 | - | - | - | 2.682 |
| Commercial Sector Participation Accounts | 1.959 | 61.938 | 10.274 | 4 | 7 | 74.182 |
| Other Institutions Participation Accounts | 33.416 | 147.406 | 854 | 234 | 43 | 181.953 |
| Public Sector Participation Accounts | 4.198 | - | - | - | - | 4.198 |
| Total | 46.596 | 298.636 | 12.616 | 1.613 | 9.443 | 368.904 |
| Grand Total | 2.733.027 | 10.051.727 | 1.133.697 | 202.989 | 1.879.226 | 16.000.666 |

ZİRAAT KATILIM BANKASI A.Ş.

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

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

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

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

| Prior Period 31 March 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 | - | 55.245 | - | - | - | 55.245 |
| Real Person’s Non Commercial Participation Accounts | 34.629 | 690.160 | 76.907 | 74.122 | 219.596 | 1.095.414 |
| Public Sector Participation Accounts | 317.421 | 150.472 | 81.748 | 1.846 | - | 551.487 |
| Commercial Sector Participation Accounts | 267.134 | 1.758.826 | 387.064 | 138.088 | 21.854 | 2.572.966 |
| Other Institutions Participation Accounts | 3.467 | 101.227 | 583 | 499 | 18 | 105.794 |
| Total | 622.651 | 2.755.930 | 546.302 | 214.555 | 241.468 | 4.380.906 |
| Foreign Currency | | | | | | |
| Funds Collected from Banks via Current and Participation Accounts | 12 | 376 | - | - | - | 388 |
| Real Person’s Non Commercial Participation Accounts | 2.532 | 26.241 | 447 | 625 | 6.616 | 36.461 |
| Public Sector Participation Accounts | 1 | 3 | - | - | - | 4 |
| Commercial Sector Participation Accounts | 236 | 4.996 | 8.622 | 17 | 4 | 13.875 |
| Other Institutions Participation Accounts | 38.538 | 81.499 | 69.812 | 33 | 34 | 189.916 |
| Public Sector Participation Accounts | 2.035 | - | - | - | - | 2.035 |
| Total | 43.354 | 113.115 | 78.881 | 675 | 6.654 | 242.679 |
| Grand Total | 666.005 | 2.869.045 | 625.183 | 215.230 | 248.122 | 4.623.585 |

3. Information on dividend income

None (31 March 2023: None).

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

| | Current Period 31 March 2024 | Prior Period 31 March 2023 |
|--|---------------------------------|-------------------------------|
| Income | 4.052.154 | 1.580.181 |
| Foreign exchange gains | 387.656 | 4.416 |
| Gain on derivative financial instruments | 520.911 | 146.660 |
| Gain on capital market transactions | 3.143.587 | 1.429.105 |
| Losses (-) | 2.900.979 | 1.367.041 |
| Foreign exchange losses | 1.146 | 1.680 |
| Losses on derivative financial instruments | 154.804 | 80.278 |
| Losses on capital market transactions | 2.745.029 | 1.285.083 |
| Net | 1.151.175 | 213.140 |

ZİRAAT KATILIM BANKASI A.Ş.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF
31 MARCH 2024**

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

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

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

b. Information on profit/loss on derivative financial operations

| | Current Period 31 March 2024 | Prior Period 31 March 2023 |
|---|---|---------------------------------------|
| Effect of the change in exchange rates on profit/loss | 366.107 | 66.382 |
| Total | 366.107 | 66.382 |

5. Information on other operating income

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

| | Current Period 31 March 2024 | Prior Period 31 March 2023 |
|--|---|---------------------------------------|
| Correction Account for Previous Years Expenses | 2.224.259 | 1.239.691 |
| Income from the Sale of the Asset | 10.067 | 560 |
| Provision for Communication Expenses | 5.650 | 1.645 |
| Checkbook Fees | 1.435 | 188 |
| Other | 2.097 | 1.324 |
| Total | 2.243.508 | 1.243.408 |

(*) Adjustment to prior year expenses consists of reversal of provision for loan losses of TRY 587.488 (31 March 2023: TRY 180.136), reversal of free provision of TRY 500.000 (31 March 2023 : None), reversal of provision for participation accounts of TRY 1.071.885 (31 March 2023 : TRY 278.795) and reversal of provision for impairment on marketable securities of TRY 429 (31 March 2023 : TRY 21.610).

6. Provision expenses for impairment on loans and other receivables

| | Current Period 31 March 2024 | Prior Period 31 March 2023 |
|--|---|---------------------------------------|
| Expected Credit Loss | 1.548.977 | 944.015 |
| 12 month expected credit loss (stage 1) | 744.160 | 522.175 |
| Significant increase in credit risk (stage 2) | 563.165 | 193.923 |
| Non-performing loans (stage 3) | 241.652 | 227.917 |
| Marketable Securities Impairment Expense | - | - |
| Financial Assets at Fair Value through Profit or Loss | - | - |
| Available-for-sale Financial Assets Fair Value Through Other Comprehensive Income | - | - |
| Investments in Associates, Subsidiaries and Held-to-maturity Securities Value Decrease | - | - |
| Investments in Associates | - | - |
| Subsidiaries | - | - |
| Joint Ventures | - | - |
| Other | 60.454 | 22.469 |
| Total | 1.609.431 | 966.484 |

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2024

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

EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

7. Information on other operating expenses

| | Current Period 31 March 2024 | Prior Period 31 March 2023 |
|--|---------------------------------|-------------------------------|
| Provision of Employee Termination Benefits | 25.157 | 11.628 |
| Bank Social Aid Provision Fund Deficit Provision | - | - |
| Impairment Expenses of Tangible Assets | - | - |
| Depreciation Expenses of Tangible Fixed Assets | 160.833 | 41.232 |
| Impairment Expenses of Intangible Assets | - | - |
| Goodwill Impairment Expense | - | - |
| Amortization Expenses of Intangible Assets | 21.904 | 9.235 |
| 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 | 278.251 | 141.361 |
| Leasing Expenses Related to TFRS 16 Exceptions | 3.026 | 728 |
| Maintenance Expenses | 35.615 | 21.459 |
| Advertisement Expenses | 31.644 | 19.209 |
| Other Expenses | 207.966 | 99.965 |
| Loss on Sales of Assets | 56 | - |
| Other (*) | 303.635 | 731.884 |
| Total | 789.836 | 935.340 |

(*) The balance of constituting the other item, TRY 108.811 (31 March 2023: TRY 65.582) consists of SDIF premium and audit and consultancy service expenses, while TRY 110.747 (31 March 2023: TRY 34.856) consists of taxes, fees, funds and other service expenses. (31 March 2023, the amount of TRY 600.000 consists of a donation payment to AFAD made in February due to the earthquake disaster in Kahramanmaraş and surrounding provinces).

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

As of 31 March 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 March 2024 | Prior Period 31 March 2023 |
|---|---------------------------------|-------------------------------|
| Net Profit Share Income | 184.949 | 1.497.327 |
| Net Fees and Commissions Income | 306.661 | 167.603 |
| Dividend Income | - | - |
| Trading Income/Expense (Net) | 1.151.175 | 213.140 |
| Other Operating Income | 2.243.508 | 1.243.408 |
| Expected Loss Provision (-) | 1.548.977 | 944.015 |
| Other Provision Expense (-) | 60.454 | 22.469 |
| Personnel Expense | 848.704 | 414.361 |
| Other Operating Expenses (-) | 789.836 | 935.340 |
| Income/(Loss) from Continuing Operations | 638.322 | 805.293 |

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2024

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

EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

9. Information on tax provision for continued and discontinued operations

As of 31 March 2024, the Bank has no tax provision expense (31 March 2023: TRY 403.888),
Deferred tax expense TRY 188.550 (31 March 2023: TRY 192.787 income).

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

Net profit of the Bank from continuing operations is TRY 449.772 (31 March 2023: TRY 998.080
net profit).

11. Information on net profit/loss:

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

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

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

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

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

None (31 March 2023: None).

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

Notprepared in compliance with the Article 25 of the Communiqué Financial Statements and Related
Disclosures and Footnotes to be Announced to Public by Banks .

VI. EXPLANATIONS AND NOTES RELATED TO THE CASH FLOWS STATEMENT

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

VII. EXPLANATIONS AND NOTES RELATED TO THE RISK GROUP OF THE 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 | - | - | 5.154.068 | - | - | - |
| Profit share and commission income | - | - | - | - | - | - |

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF
31 MARCH 2024

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

EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
(Continued)

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

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

Prior Period

| Risk group of the Bank | Subsidiaries, Associates and Entities Under Common Control (Joint Ventures) | | Direct and indirect shareholders of the Bank | | Other real or legal persons included in the risk group | |
|---|---|----------|--|----------|--|----------|
| | Cash | Non-Cash | Cash | Non-Cash | Cash | Non-Cash |
| Loans and other receivables | - | - | - | - | - | - |
| Balance at the beginning of the period | - | - | 2.374 | - | - | - |
| Balance at the end of the period | - | - | 6.184.984 | - | - | - |
| Profit share and commission income | - | - | - | - | - | - |

- 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 profit sharing accounts | | | | | | |
| Balance at the beginning of period | 1.740 | - | - | - | - | - |
| Balance at the end of period | 1.057 | 1.740 | - | - | - | - |
| Participation Accounts Profit Share Expenses | - | - | - | - | - | - |

- c) Information on loans received from the Bank’s risk group

| Risk group of the Bank | Subsidiaries, Associates and Entities Under Common Control (Joint Ventures) | | Direct and indirect shareholders of the bank | | Other real or legal persons included in the risk group | |
|---|---|--------------|--|--------------|--|--------------|
| | Current Period | Prior Period | Current Period | Prior Period | Current Period | Prior Period |
| Funds Borrowed | | | | | | |
| Balance at the beginning of period | 19.510.499 | 5.200.000 | 112.751 | 284.791 | - | - |
| Balance at the end of period | 25.279.491 | 19.510.499 | 103.355 | 112.751 | - | - |
| Participation Accounts Profit Share Expenses | 976.543 | 1.442.455 | 11.464 | 72.040 | - | - |

- 2) Information on forward transactions, option agreements and similar transactions between the Bank’s risk group

| Risk Group of the Bank | Subsidiaries, Associates and Entities Under Common Control (Joint Ventures) | | Direct or Indirect Shareholders of the Bank | | Other Real and Legal Persons in the Risk Group | |
|--|---|--------------|---|--------------|--|--------------|
| | Current Period | Prior Period | Current Period | Prior Period | Current Period | Prior Period |
| The Fair Value Differences Through Profit and Loss | - | - | - | - | - | - |
| Opening Balance | - | - | 14.844.411 | 5.928.040 | - | - |
| Closing Balance | - | - | 5.596.134 | 14.844.411 | - | - |
| Total Profit/Loss | - | - | - | - | - | - |
| Risk Protection Oriented Processes | - | - | - | - | - | - |
| Opening Balance | - | - | - | - | - | - |
| Closing Balance | - | - | - | - | - | - |
| Total Profit/Loss | - | - | - | - | - | - |

ZİRAAT KATILIM BANKASI A.Ş.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF
31 MARCH 2024**

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

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

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

3) Information on remunerations provided to top management:

The total amount of benefits provided to the Bank's Senior Management is TRY 10.714
(31 December 2023: TRY 29.269).

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

None.

ZİRAAT KATILIM BANKASI A.Ş.

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

SECTION SIX

EXPLANATIONS ON AUDITOR’S REVIEW REPORT

I. EXPLANATIONS ON INDEPENDENT AUDITOR’S REVIEW REPORT

The unconsolidated financial statements for the period ended 31 March 2024 have been reviewed by PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. The auditor’s review report dated 14 May 2024 is presented preceding the unconsolidated financial statements.

II. EXPLANATIONS AND NOTES PREPARED BY THE INDEPENDENT AUDITORS

None.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF
31 MARCH 2024**

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

SECTION SEVEN

INTERIM ACTIVITY REPORT

I. Assessment of Chairman

Among the key highlights of the global economy in the first quarter of 2024 were the fight against inflation and the increase in geopolitical risks. Escalating tensions in the Middle East and potential new developments on the Russia-Ukraine front have led to strong performance in commodity markets as of the end of February. This situation is expected to continue.

Driven by strong consumer spending, the US economy recorded growth exceeding expectations in the last quarter of 2023. In the first quarter of this year, the US Federal Reserve (FED) kept the policy interest rate unchanged, maintaining it within the range of 5.25% to 5.50%. However, within the anticipated market scenario, two interest rate cuts are expected in 2024. Despite the strong performance of the US economy, the FED has indicated that restrictive policies will remain in place until there is confidence that inflation is sustainably moving towards the targeted level. More assurance is needed that inflation is on a downward trend. Meanwhile, despite the FED's policy interest rate being at its peak, central banks have increased their gold reserves in response to geopolitical risks, leading to record pricing in gold, the most precious of metals.

In the latest meeting on monetary policy in 2024, the main refinancing interest rate in the Eurozone was kept unchanged at 4.50%. With the annual inflation rate coming in below expectations in March, expectations that the European Central Bank (ECB) will cut interest rates in the second quarter of the year have strengthened in line with the data to be released in the coming months.

In the first quarter of the year, emerging market economies focused on efforts to maintain financial stability. Despite weakening demand in the real estate market, the Chinese economy grew by an annual rate of 5.3% in the first quarter of 2024, exceeding expectations. However, economic indicators falling short of expectations suggest that the economy is cooling again after initial signs of recovery at the beginning of the year. Additionally, due to geopolitical risks and expectations of a interest rate cut by the FED, the People's Bank of China has increased its reserves to mitigate risks. As a result, China's official reserves have reached their highest point since 2015. This trend is expected to continue in the coming period.

In the first quarter of the year, the Turkish economy continued its policy of supporting the Turkish Lira and managing risks and expectations related to inflation. Additionally, the gradual exit from exchange rate -protected deposits persisted during this period. The Monetary Policy Committee raised the policy interest rate from 45% to 50%. The Committee stated that a tight monetary policy would be maintained until a clear and lasting decline in the main trend of monthly inflation is achieved and inflation expectations converge towards the projected range. In the coming period, current policies are expected to be refined and continued to reduce inflation before it becomes persistent and entrenched. Despite geopolitical risks and ongoing efforts to combat inflation, the Turkish economy has continued to grow in line with the Medium-Term Program (OVP).

As of January 2024, the share of participation banking in the financial sector reached 8.70%. Maintaining this positive performance is of great importance for the deepening of our country's financial system and enhancing its resilience against risks.

As of January 2024, Ziraat Katılım Bankası share in the participation banking sector was 19%. In the upcoming period, Ziraat Katılım Bankası will continue to support the economy with a customer-oriented approach, in line with the principles of profitability and efficiency, as well as expanding its service network.

Alpaslan ÇAKAR
Chairman of the Board

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2024

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

INTERIM ACTIVITY REPORT (Continued)

II. Assessment of General Manager

In the first quarter of 2024, Ziraat Katılım Bankası's total assets reached 384.8 billion TRY, while collected funds amounted to 300.9 billion TRY. Cash funds extended reached 260.3 billion TRY, and the total cash and non-cash financing provided by Ziraat Katılım Bankası to the entire sector was 352.2 billion TRY.

Ziraat Katılım, which has rapidly expanded its branch network throughout Türkiye, has reached 194 branches as of the first quarter of 2024, 196 branches in the country and 2 abroad.

OUR LEASE CERTIFICATE ISSUES REACHED 78.7 BILLION TRY TOTAL

Ziraat Katılım Bankası A.Ş. has successfully completed 7 lease certificate issuances in the first quarter of 2024. Ziraat Yatırım Menkul Değerler A.Ş. While 8.7 billion TRY of funding was obtained from these issuances made through the Bank, all of the lease certificate issuances received a high demand from investors above the issuance amount.

Ziraat Katılım, Türkiye's first participation bank with public capital, has reached a total volume of 78.7 billion TRY with the issuance of 160 lease certificates to investors since its inception in 2015.

COMMERCIAL CREDIT CARD LAUNCHED

In line with the Corporate Loans Implementation Principles and Procedures of our Bank, aimed at contributing to our country's economy, a "Commercial Credit Card" has been introduced, allowing customers to procure goods and services and make payments within allocated limits without the need for cash usage. Our product, which offers a special limit management feature, also provides convenience to our commercial customers in optimizing the tracking of company expenses.

WE CONTINUE TO SUPPORT OUR COUNTRY'S ECONOMY WITH EXPORT READINESS SUPPORT FINANCING

We launched our "Export Preparation Support Financing" product in order to increase the competitiveness of companies in the export preparation phase and to meet their financing needs. Our product contains innovations that provide financing for our exporter customers' raw materials, finished goods, semi-finished goods and other expenses subject to production, regulate the financial processes of the exporter before the export price reaches the exporter and accordingly enable the exporter to continue its production processes financially smoothly.

WE LAUNCHED THE KFK EQUITY FINANCIAL LEASING SUPPORT PACKAGE

Our "KFK Equity Leasing Support Package" products were developed and put into the service of our customers in order to support access to financing for companies that want to expand and modernize their existing facilities, operate in new production areas or invest in energy saving.

OUR STATE-BACKED RECEIVABLES INSURANCE (DDAS) BASIC PLAN PRODUCT IS NOW AVAILABLE TO SMEs

Pursuant to the regulation made by the Insurance and Private Pension Regulatory and Supervisory Authority (SEDDK), in the first quarter of 2024, the State-Supported Receivables Insurance (DDAS) Basic Plan product was developed and made available to Small and Medium-Sized Enterprises (SMEs) by our Bank.

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2024

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

INTERIM ACTIVITY REPORT (Continued)

II. Assessment Of General Manager (Continued)

SUPPLIER FINANCING PRODUCT LAUNCHED

The initial phase development work related to the Supplier Financing product, which offers early payment options for suppliers, has been completed and launched.

A PROTOCOL SIGNED WITH MONEYGRAM INSTITUTION

A protocol has been signed with MoneyGram institution, enabling our customers to send and receive money transfers from 200 countries worldwide through Ziraat Katılım branches. The system is targeted to be made available to our customers within this year

OUR CARD AND MERCHANT VOLUME CONTINUES TO INCREASE

Ziraat Katılım's card and merchant volume continued to increase in the first quarter of 2024. Accordingly, while our merchant network continued to grow, our number of POS terminals increased by 20% compared to the first quarter of the previous year, and our POS turnover tripled compared to the first quarter of the previous year. Compared to the previous quarter, our debit card count increased by 7%, and our debit card turnover increased by 20%. Similarly, compared to the previous quarter, our credit card count increased by 8%, and our credit card turnover increased by 26%.

As Ziraat Katılım, we continue to work devotedly to increase our contribution to the real economy in line with our values and ethical principles, which are the reflections of our deep-rooted corporate culture.

Best Regards,

Metin ÖZDEMİR
General Manager

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2024

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

INTERIM ACTIVITY REPORT (Continued)

III. Shareholding Structure

The paid in capital of Ziraat Katılım Bankası A.Ş. is TRY 10.350.000.000 and this capital is divided into 10.350.000.000 shares, each of which is worth 1.00 Turkish Liras. The Chairman and Members of the Board of Directors, the Members of the Audit Committee, and the General Manager and his Deputies do not own shares in the Bank.

| Title | Share Amounts | Number of Shares |
|--|----------------|------------------|
| T.C. Ziraat Bankası A.Ş. | 10.349.999.996 | 10.349.999.996 |
| Ziraat Gayrimenkul Yatırım Ortaklığı A.Ş. | 1 | 1 |
| Ziraat İşletme Yönetimi ve Gayrimenkul Geliştirme A.Ş. | 1 | 1 |
| Ziraat Teknoloji A.Ş. | 1 | 1 |
| Ziraat Yatırım Menkul Değerler A.Ş. | 1 | 1 |

IV. Amendments to the Articles of Association

No amendments were made to the articles of association during the period.

V. Main Financial Indicators

Among the Bank’s Assets, Loans with TRY 258.244.693 Thousand with 67%, Cash Values and Cash Equivalents with TRY 67.164.127 Thousand with 18%, Securities with TRY 50.289.268 Thousand with 13%, Other Assets with TRY 9.070.737 Thousand with 2%. gets a share.

| Assets (Thousand TRY) | 31 March 2024 | 31 December 2023 | Variance (%) |
|----------------------------------|--------------------|--------------------|--------------|
| Cash Values and Cash Equivalents | 67.164.127 | 73.659.078 | (9) |
| Securities | 50.289.268 | 43.136.449 | 17 |
| Loans | 258.244.693 | 259.770.687 | (1) |
| Other Assets | 9.070.737 | 7.690.391 | 18 |
| Total Assets | 384.768.825 | 384.256.605 | - |

Funds Collected in Bank Liabilities with TRY 300.875.556 Thousand with 78%, Funds Other than Funds Collected with TRY 56.349.416 Thousand with 14%, Shareholders' Equity with TRY 20.013.978 Thousand with 5% and Other Liabilities with TRY 7.529.775 Thousand with 2%. takes.

| Liabilities (Thousand TRY) | 31 March 2024 | 31 December 2023 | Variance (%) |
|----------------------------|--------------------|--------------------|--------------|
| Deposit | 300.875.656 | 304.372.374 | (1) |
| Non- Deposit Resources | 56.349.416 | 51.646.783 | 9 |
| Other Liabilities | 7.529.775 | 8.405.901 | (10) |
| Equity | 20.013.978 | 19.831.547 | 1 |
| Total Liabilities | 384.768.825 | 384.256.605 | - |

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2024

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

INTERIM ACTIVITY REPORT (Continued)

V. Main Financial Indicators (Continued)

| Selected Income-Expenses (Thousand TRY) | 31 March 2024 | 31 March 2023 |
|--|----------------------|----------------------|
| Profit Share Income | 18.372.205 | 6.662.866 |
| Profit Share Expense | 18.187.256 | 5.165.539 |
| Net Profit Share Income | 184.949 | 1.497.327 |
| Net Fee and Commission Income | 306.661 | 167.603 |
| Dividend Income | 1.151.175 | 213.140 |
| Other Operating Income | 2.243.508 | 1.243.408 |
| Other Operating Expense | 789.836 | 935.340 |
| Expected Loss Provision | 1.548.977 | 944.015 |
| Other Provision Expense | 60.454 | 22.469 |
| Personel Expense | 848.704 | 414.361 |
| Profit / Loss Before Tax | 638.322 | 805.293 |
| Tax Provision | (188.550) | (192.787) |
| Net Profit/Loss | 449.772 | 998.080 |

| RATIOS (%) | 31 March 2024 | 31 December 2023 |
|------------------------------------|----------------------|-------------------------|
| Capital Adequacy Ratio | 12,9 | 15,1 |
| Equity / Total Assets | 5,2 | 5,2 |
| Total Loans / Total Assets | 66,3 | 66,0 |
| Borrowings/Total Assets | 78,2 | 79,2 |
| Non-Performing Loans (Gross)/Loans | 0,8 | 0,8 |

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

VI. 2024 I. Interim Activities

CORPORATE BANKING

CORPORATE BRANCH BANKING

"Commercial Credit Card", which provides the opportunity to make payments with the supply of goods and services without the need to use cash within the limits allocated in line with the Bank's Corporate Credits Implementation Principles and Procedures in line with our goal of contributing to our country's economy;

"Export Preparation Support Financing" that provides financing for exporter customers' raw materials, finished goods, semi-finished goods and other expenses related to production;

"KFK Equity Leasing Support Package" to support access to finance for companies that want to expand or modernize their existing facilities, operate in new production areas, or make energy saving investments;

Marketing activities were carried out for the use of the products by our customers in our Corporate Branches

What We Achieved in the 1st Quarter of 2024:

- As the Corporate Branch Banking Department, new Advantage Cost Packages were created and put into operation in this period in order to increase the profitability of our Bank
- As a result of the actions we took in financial leasing transactions, which were awaiting finalization for more than a year on average, approximately TRY 1.3 Billion worth of projects were finalized in our Corporate Branch Banking Branches
- New DBS agreements were signed between our Corporate Banking customers and our Bank and collections were realized from our close follow-up customers.

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2024

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

INTERIM ACTIVITY REPORT (Continued)

VII. 2024 I. Interim Activities

CORPORATE BANKING

CORPORATE BRANCH BANKING

What We Will Achieve in 2024:

- In 2024, in addition to our core banking activities, we will intensify our marketing activities with investment projects, treasury and cash management products that will support innovative, sustainable development and increase employment. On the other hand, support to the public and private sectors will continue through project and investment financing, financial leasing, import-export financing, financing from the Islamic Development Bank, KGF and PFI.
- Commercial flexible financing (TEDEF) and Consumer Financing System (TFS) sample applications have been started as of the 1st quarter, marketing activities will be carried out with full integration within the year, and new products will be introduced to the Bank in terms of alternative financing utilization.

COMMERCIAL BANKING

The Department of Commercial Banking, with 14 Commercial Branches in 9 different provinces, continues to be alongside our branches and customers with a Customer-Focused Service Approach, providing solutions tailored to the needs of all its customers in accordance with our Bank's Business Culture Principles.

What We Achieved in the 1st Quarter of 2024:

- As of Q1 2024, efforts have been initiated to open new commercial branches in 8 different locations.
- In November 2023, the Commercial Banking Value Proposition project was launched and 14 different personas were created. Of the personas created, Green Transformation, Construction and Building, Wholesale Trade and Information Intensive personas were prioritized. Within the scope of the commercial value proposition project, 25 different customer visits and one-on-one interviews totaling more than 40 hours were initiated

What We Will Achieve in 2024:

- Within the scope of the project, the design of value proposition houses for our customers has been completed, and product studies to meet the end-to-end needs of our customers will start in 2024.
- By the end of 2024, we target our total number of commercial branches to be 22.

PRIVATE BANKING

As stated in the Bank's 2022-2025 Strategy Plan, our Private Banking target is to differentiate from our competitors and become a dominant player in the sector.

What We Achieved in the 1st Quarter of 2024:

In 2023, within the scope of the Private Banking Value Proposition project we completed, we identified new personas and prioritized them by taking into account the characteristics, demographics, demands and needs of our customers.

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2024

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

INTERIM ACTIVITY REPORT (Continued)

VII. 2024 I. Interim Activities (Continued)

PRIVITE BANKING(Continued)

Among the products we have prepared for 4 priority personas and introduced to our Bank in the first quarter of 2024;

- "Rent Account" for real estate owners to monitor and manage their rent more easily,
- Sales of Individual Assurance Insurance product for our foreign customers,
- Specialized Financing Products (Boat/Yacht Financing and Education Financing),
- The introduction of the Family Banking service, which will enable the spouses and children of our private customers to benefit from private banking services,
- Foreign Currency Housing Loan Utilization,
- Customized Investment Products
- Intermediation of share purchase transactions on mobile
- Realization of the Special Fund setup
- Realization of private pool installation
- Publishing Weekly Financial Bulletins,
- There is a "Zakat Calculation" platform that allows our customers to calculate their zakat on a single platform.

In addition, Private Banking corner branches activities started in Istanbul/Osmanbey and Antalya/Alanya branches.

What We Will Achieve in 2024:

- Rental Financing Follow-up Account of our real estate owner customers,
- End-to-end renewal of the Mobile Application for our special customers,
- To ensure that share purchase transactions are intermediated through our mobile application,
- Provision and enhancement of privileged counseling services,
- Launch of the Private Banking Credit Card with mileage earning feature,
- Opening of Private Banking branches and representatives abroad,
- Our main targets include the utilization of Foreign Currency Housing Loans and emphasizing our Family Banking activities.

RETAIL BANKING

In Q1 2024, we continued to increase our support to the real sector with a focus on producers and exports. In addition, 6 new retail branches were opened, reaching 194 branches in 63 provinces.

The first phase of our SME Value Proposition project, which will meet the financial needs of SMEs 360 degrees with our products and services, has been completed and the second phase work has started.

The Kobi Katılım Digital product, which enables our customers to access all e-transformation products they need, was put into the service of our customers with Ziraat Katılım assurance.

By the Bankkart difference, our Commercial Credit Card, which offers card-specific limit management and ease of use in company expenditures, was put into the service of our customers.

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2024

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INTERIM ACTIVITY REPORT (Continued)

VII. 2024 I. Interim Activities (Continued)

RESOURCE AND CASH MANAGEMENT

What We Achieved in the 1st Quarter of 2024:

- Within the scope of e-transformation in SMEs, the SME Participation Digital Product was put into service for our customers.
- The first phase of development work on the Supplier Financing product, which offers early collection opportunities for suppliers, was completed and put into service.
- In 2024, in accordance with the regulation made by the Insurance and Private Pension Regulation and Supervision Agency (SEDDK), the State Supported Receivables Insurance (DDAS) Basic Plan product was developed and offered to Small and Medium-Sized Enterprises (SMEs) by our Bank among our insurance products.

What We Will Achieve in 2024:

- A protocol was signed with MoneyGram, a transfer system that can send money quickly from Ziraat Katılım branches to 200 countries of the world or collect money transfers from these countries. It is planned to be put into service in 2024.
- The first phase of development work on the Supplier Financing product, which offers early collection opportunities for suppliers, was completed and put into service. The second phase of Supplier Finance development work is planned to begin.
- Our new product, Savings Savings Account, will be launched in 2024 so that our customers can make their savings regularly in certain periods. Thus, our customers will be able to make savings in line with their purposes such as Hajj Account, Umrah Account, Education Account and Military Service Account.
- A new product will be offered to our customers, which our customers can use for their daily needs by keeping it in the Instant Account and at the same time utilize the remaining part of the balance with advantageous profit share return on a daily basis. With the Instant Account, our customers will be able to make deposits, withdrawals, bill payments, EFT/Transfer transactions without any loss of maturity when they need it, while having the opportunity to evaluate their savings with advantageous profit share returns.

FINANCING PRODUCTS MANAGEMENT

What We Achieved in the 1st Quarter of 2024:

Between KOSGEB and our Bank to provide financial support to businesses affected by natural disasters;

- Amasya, Kastamonu, Sinop and Samsun Provinces Emergency Support Financing Program,
- Bursa Inegöl Emergency Support Financing Program,
- Emergency Support Financing Program for Istanbul, Bursa, Düzce, Diyarbakır, Batman and Zonguldak Provinces,
- 2023 Earthquake Emergency Support Financing Program, protocols were signed and disbursements were completed.

The following sub-protocols were signed between Katılım Finans Kefalet A.Ş. and our Bank within the scope of the main protocol on equity guarantees;

- " Katılım Finans Kefalet A.Ş. Equity Surety Support Package" was established to support SME and non-SME companies' access to Finance.
- "Equity Export Support Package" was established to support the access of exporters or companies operating in the foreign currency earning services sector to financing.
- The "Financial Leasing Support Package" was established to support access to finance for companies wishing to expand or modernize their existing facilities, operate in new production areas, or make energy saving investments.

ZİRAAT KATILIM BANKASI A.Ş.

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INTERIM ACTIVITY REPORT (Continued)

VII. 2024 I. Interim Activities (Continued)

FINANCING PRODUCTS MANAGEMENT (Continued)

- Within the framework of the treasury guarantee provided by the Government of the Republic of Türkiye, resource allocation has been made in favor of our Bank by the management of the Islamic Development Bank (IsDB). In this context, to alleviate the ongoing adverse effects of the pandemic, a package called "Emergency Working Capital Financing" has been created to support SMEs in Türkiye.
- In line with the goal of contributing to the country's economy, our bank has continued to provide financing through the "Maturity-Free Export Financing" product to SMEs and non-SME businesses that are members of export unions, enabling them to access favorable profit-sharing rates and long-term finance.
- In order to meet the financing needs of our Private Banking customers within a privileged, advantageous, and prioritized service standard framework, the "Private Banking Education Financing" product has been created. This aims to finance education expenses for students of all schools (pre-school, primary, secondary, and high schools), courses authorized by the Ministry of National Education, private education and rehabilitation centers, etc., as well as undergraduate, graduate, and doctoral students.
- In order to meet the financing needs of our Private Banking customers within a privileged, advantageous, and prioritized service standard framework, the "Private Banking Boat/Yacht Financing" product has been created. This aims to finance the financing needs of customers who are passionate about marine transportation, such as buying boats, yachts, dinghies, sailboats, etc.
- Efforts continue to promote the widespread use of the "Instant Financing" product, which enables our individual customers to easily and quickly finance products they wish to purchase from businesses affiliated with our bank through digital channels without the need to visit a branch at any time of the day.
- In accordance with the cooperation agreement signed between Türkiye's Automobile Joint Venture Group Inc. (TOGG) and our bank, our branches continue to provide financing for individuals who want to purchase the national automobile brand TOGG through our "TOGG Vehicle Financing" product.
- Developments have been completed for our "Digital Vehicle Financing" product, where the financing application and disbursement process is entirely digital, allowing customers to complete the financing process easily by approving all necessary documents via the mobile application without visiting a branch. This product has been made available to customers who wish to purchase TOGG brand vehicles, enabling their financing requests to be entirely digital through our Participation Mobile application.
- The implementations of the "My First Home Mortgage Financing" and "Extended Home Financing" products, aimed at enabling our customers to become homeowners under favorable financing conditions, have continued.
- In order to finance real estate purchases in Türkiye by individuals residing abroad who do not have citizenship ties to the Republic of Türkiye, the "Home Financing for Foreign Residents" product has been created.
- Continuing the implementation of the "Home Insulation Financing" product within the framework of sustainability, aimed at increasing the efficiency of energy used for heating in areas with residential characteristics and reducing costs through insulation and roof insulation expenses financed under favorable conditions.
- In order to support efforts towards green transformation, which aims to finance sustainable development goals, reduce the country's dependence on energy sources, and minimize environmental damage, products such as "Environmental Financing and Leasing Products within the Scope of Sustainability" have been made available to our customers.
- The "Export Readiness Support Financing" product has been implemented to provide solutions for the financing needs of our exporter customers.

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2024

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INTERIM ACTIVITY REPORT (Continued)

VII. 2024 I. Interim Activities (Continued)

FINANCING PRODUCTS MANAGEMENT(Continued)

- In celebration of International Women's Day on March 8th, the "Women Entrepreneurs Support Financing Campaign" was launched to support our female entrepreneurs. Under this campaign, financing was provided with the "WESF-Equity" guarantee, and the package concluded on 31 March 2024.
- To meet the short-term business financing needs of commercial customers (such as procurement of goods/services, taxes, social security payments, payroll, etc.) quickly and to provide our bank with dynamic pricing flexibility for easier adaptation to changing market conditions, the Commercial Flexible Support Financing (CFSF) product has been developed.
- As part of the discussions held between Türkiye İhracat Kredi Bankası A.Ş. and our bank, an "EXIMBANK Financial Leasing Program" has been established to be made available for the use of SMEs (Small and Medium Enterprises) and non-SME companies.
- As Ziraat Katılım Bank, within the framework of a sustainable ecosystem, the aim is to promote the development of agriculture, mechanization, and modernization in our country, as well as to increase the efficiency and production of agricultural products. In this context, our "Agricultural Financing" product, subsidized and unsubsidized, addressing all agricultural needs in accordance with the principles of Participation Banking, has been completed to facilitate conscious, high-quality, and efficient production.

What We Will Achieve in 2024:

- Our participation in Agricultural Technologies and Livestock Fairs will continue, while our new product studies will continue within the scope of developing and realizing climate changes, needs and preferences in food consumption, and agricultural policies in the medium and long term.

PAYMENT SYSTEMS

What We Achieved in the 1st Quarter of 2024:

Our card and merchant volume continued to increase in the first quarter of 2024. Accordingly;

- Our merchant network continued to grow, with the number of POS terminals increasing by 20% compared to the first quarter of the previous year, and our POS turnover showing a threefold increase compared to the same period of the previous year.
- The number of debit cards increased by 7% compared to the previous quarter, while our debit card turnover increased by 20%.
- The number of credit cards increased by 8% compared to the previous quarter, while our credit card turnover increased by 26%.

What We Will Achieve in 2024:

- In addition to the Ziraat Katılım Mobile POS application, efforts are underway to implement the Ziraat Katılım Mobile POS Basic Sales Application, which can be offered to merchants subject to the provisions of Tax Procedure Law Circulars numbered 507 and 509, within the year 2024.
- Payment flow through the TR QR code infrastructure is supported by our cards and POS terminals, with efforts ongoing to expand the usage, particularly for the remaining portion of our widespread POS terminals.
- The issuance of Commercial Credit Cards, enabling business owners to finance their needs and easily track expenses, was completed on 2 March 2024. Efforts are ongoing to add new features to the card.
- Efforts to increase the usage of the domestic and national card scheme TROY in card payments are ongoing through the issuance of TROY credit cards.

ZİRAAT KATILIM BANKASI A.Ş.

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INTERIM ACTIVITY REPORT (Continued)

VII. 2024 I. Interim Activities (Continued)

DIGITAL BANKING

What We Will Achieve in 2024:

- Compliance efforts are ongoing to meet the criteria for Identity Verification and Transaction Security in Electronic Banking Services and Establishing Contractual Relationships in Electronic Environment.
- Development work continues to ensure the secure conduct of second-hand vehicle purchases and sales through secure payment services.
- Development efforts are underway to enable our customers to view accounts held in other banks, as well as their transaction histories and account details, in our Internet Branch and Mobile Application through Open Banking.
- Infrastructure for the API Developer Portal is being established to facilitate the provision of Service/Platform Banking-based services to our customers.

FOREIGN TRADE OPERATIONS

What We Achieved in the 1st Quarter of 2024:

- Within the scope of the Organizational Process Improvements Project, Import letter of credit process automation 2nd Phase study was carried out.
- Foreign Trade Summary Report based on Product/Branch/Customer/Quantity/Volume was prepared.
- KEP integration of intermediary bank notifications sent to our bank has been provided.
- IBKB Available Balance information has been added to the Incoming Transfer monitoring and report screens.

What We Will Achieve in 2024:

- Necessary systematic improvements will be made to enable import transfer transactions through digital channels.
- Necessary systemic improvements will be made to enable IBKB transactions to be carried out through digital channels.
- Artificial intelligence-supported MX compatible, user-friendly foreign exchange transfer screens work will be completed.
- Within the scope of the ISO 20022 SWIFT Integration in International Payments project, necessary work will be carried out to produce and send outgoing MX messages by the system.
- The end-to-end automation of the process between the Foreign Trade Operations department and the Compliance department will be ensured for foreign currency outgoing transfer transactions.
- Within the scope of the Organizational Process Improvements Project, Import Letter of Credit process automation 3rd Phase work will be carried out.

INFORMATION SYSTEMS MANAGEMENT

Within the scope of Information Systems activities, many projects and studies were completed in the first quarter of 2024.

Highlights of the work that ensures the smooth functioning of Ziraat Katılım's infrastructure and superstructure and the continuity of the service delivery platform are summarized below.

- With the Tarsim System Integration Project, the systemic integration for issuing TARSİM policies to the Bank's customers has been completed and policy production has started.
- The first phase development work on the Supplier Financing product has been completed and put into service.
- Functional improvements have been implemented for the TLREFK Indexed Leasing product.
- Austria Card Chip developments have been completed and possible risks have been prevented.
- The Supporting 8-Digit BINs project was completed and regulatory compliance was ensured.
- The efficiency of our digital channels has been increased with the Document Request from Our Customers Project via Katılım Mobile and Internet Branch.
- LGD Modeling/Macroeconomic Model Update Project was completed in the 1st Quarter.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF
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INTERIM ACTIVITY REPORT (Continued)

VIII. Expectations After 2024 I Interim Period

In the first quarter of 2024, the global economic agenda focused on the fight against inflation and the monetary policy actions taken by countries to this end. A period in which interest rate hikes paused for the US and the Euro zone has been left behind. In the upcoming period, it is expected that the current situation will be monitored and easing steps will be taken as of the second half of the year in line with the data, as opposed to additional tightening steps globally. The magnitude of tensions in the Middle East and the global impact of regional conflicts such as the Russia-Ukraine war remained on the agenda as the most important geopolitical events of the period. Geopolitical problems led commodity prices, which were at high levels, to continue to increase. Brent oil prices rose from USD 75 at the beginning of the year to USD 90 at the end of the first quarter due to the escalating tensions. On the other hand, central banks took new steps to increase their gold reserves, and the ounce price of gold broke new records and reached USD 2250 at the end of the quarter, up from USD 2058 at the beginning of the year. In the World Economic Outlook Report published by the International Monetary Fund (IMF), it was stated that the global economy is expected to grow by 3.1 percent in 2024. When the OECD (2.9 percent) and the World Bank (2.4 percent) growth forecasts for 2024 are analyzed, all expectations are for a growth rate that will remain below the average of the last 20 years.

2023 was a year of supply-side recovery for the US economy, struggles against inflation and high interest rates, with growth of 3.1% in the last quarter of the year. In the first quarter of 2024, interest rates remained at their highest level in 23 years. Having decided to keep interest rates unchanged at its January and March meetings, the FED kept interest rates unchanged for the fifth consecutive meeting, and the view that the time was not yet ripe for a interest rate cut prevailed. After the March meeting, the FED stated that more confidence in inflation was needed for a interest rate cut. On the other hand, despite the FED's 2 percent target, the annual inflation rate realized above expectations at 3.5 percent in March, the highest level since September. The year-end inflation expectation rose to 3.1 percent, the highest level in the last four months. Expectations for interest rates to remain high for a while, while the 10-year bond yield rose above 4.5 percent. Forecasts for the first interest rate cut point to September. Presidential elections to be held in November remain on the agenda as one of the most important topics to be followed by the whole world.

For the European economy, 2023 was characterized by efforts to combat inflation in line with the global economic conjuncture, and a similar outlook continued in the first quarter of 2024. In early 2022, cost inflation continued to rise significantly in Europe as a result of the ongoing Russia-Ukraine war and rising energy prices. The European Central Bank (ECB), which raised interest rates as part of the fight against inflation, stated that interest rates will remain at high levels until the 2 percent inflation target is reached and that the time has not yet come for interest rate cuts. With the decisions taken at its January and March meetings, the ECB left interest rates unchanged at a 22-year high for the fifth time in a row. On the other hand, the elimination of supply-side and supply problems is expected to take time due to global uncertainties and geopolitical problems.

In 2023, developing country economies were affected by problems such as regional wars, supply problems, and increases in energy and commodity prices around the world. The share of developing countries in world GDP is increasing rapidly compared to developed countries. The manufacturing PMI index, which is an indicator of the latest outlook of economic activity, was 51.1 above the threshold value in China in March. In addition, the service sector PMI index, which signals the course of activities of small and medium-sized companies, increased for the first time in the last three months and reached 52.7. The Chinese economy, which grew by 5.2 percent in 2023, grew above expectations with 5.3 percent in the first quarter of this year, despite the decline in the housing market and weak domestic demand. China's reserves, one of the countries that continue to increase its gold reserves, have reached the highest level since 2015. On the other hand, it is seen that foreign direct investment is moving away from China and towards countries such as Türkiye, India, Indonesia, Brazil, Mexico and Poland. In line with all these developments, the international credit rating agency S&P Global has increased the total economic growth forecast of developing countries from 4.1 percent to 4.2 percent for 2024 and from 4.5 percent to 4.6 percent for 2025. or increased it. On the other hand, in Japan, one of the developed countries, the Central Bank (BOJ) ended the negative interest rate policy that it started in 2016, and increased the interest rate for the first time in 17 years. The policy interest rate increased from the range of -0.1% to 0% to the range of 0% to 0.1%.

ZİRAAT KATILIM BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2024

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INTERIM ACTIVITY REPORT (Continued)

VIII. Expectations After 2024 I Interim Period (Continued)

Trkiye has left 2023 with a very busy agenda due to its geopolitical position as well as earthquakes and high inflation, while the fight against inflation was one of the most important topics of this year. The new economic policy, which started to be implemented in this period, continued to strengthen in the first quarter of 2024. In the MPC meetings held in the first quarter, the CBRT tightened its current monetary policy stance, maintained the upward trend in interest rates and continued to take decisions to stabilize aggregate demand. Interest rates, which were 42.5% at the start of the new year, reached 50% by the end of the quarter. In 2024, while no easing in the relevant policies is expected, it was stated that time is needed to see the results of the steps taken and that the long-term target is to reduce inflation to single digits. Steps to strengthen the Medium Term Program and structural reforms are expected to accelerate in the new period. Demand for gold continued to increase in Türkiye, as was the case on a global scale. In the related period, consumer confidence increased and the unemployment rate was realized as 8.7%, the lowest level in the last four months. The World Bank's report on the economies of Europe and Central Asia included expectations that the Turkish economy would grow by 3% this year and 3.6% next year.

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