

ASSESSMENT ON THE FINANCIAL POSITION, PROFITABILITY, AND SOLVENCY OF THE BANK

Ziraat Bank defined its targets as consistent growth, loan-weighted balance sheet structure, sustainable profitability, and productivity. In 2024, the Bank continued to sustain the strength of its equity-compatible balance sheet structure through the asset & liability management strategies that it adhered to. The Bank's capital adequacy ratio stands at 18.6%.

Ziraat Bank continues to contribute to the country's sustainable growth by meeting the financing needs of individuals and companies with its determined and effective financial intermediation approach and responsible and sustainable banking understanding. The Bank's total cash loans increased by 45% to TL 2.866 trillion at the end of 2024, and its share in assets was 53%.

The share of securities portfolio in assets is approximately 25%. While Ziraat Bank makes its balance sheet increasingly customer-oriented, it proactively manages credit quality through effective credit processes, prioritizes effective use of resources and expense management through its selective credit policy.

The Bank's non-performing loans ratio stood at 1.3% in 2024. The Bank's consistent ability to maintain an NPL ratio below the industry average without selling off any of its assets is an indication of the high quality of its asset structure.

Ziraat Bank plans its interaction with its customers in line with customer expectations and habits, and constantly develops its customer-oriented business model. Ziraat Bank continued to contribute to the real sector and the country's savings balance with the resources it provided, while continuing to develop the right solutions by correctly understanding the financial needs of its customers, and continued to offer products and services which bring ease to the lives of its customers with its investments in digital banking and increased productivity.

In line with Ziraat Bank's approach of contributing to the country's overall level of savings and goal of making funds available to a widespread customer base, total deposits reached TL 3.760 trillion. Ziraat Bank maintained its industry leadership in

deposits in 2024 as well as in loans. Deposits accounted for 70% of the Bank's liabilities, while non-deposit sources made up 17%. In 2024, the Bank enhanced its funding structure through new collaborations aligned with its management strategy aimed at ensuring diverse and robust resources. Alongside the syndication loan and DPR program, the Bank also utilized alternative sources, including bilateral loans from correspondent banks and post-financing.

The Bank prioritized building a strong financial equity structure, resulting in a 42% increase in shareholders' equity in 2024, which amounted to TL 472 billion.

In 2024, Ziraat Bank's primary source of income was interest income, totaling TL 946 billion. The share of interest income from loans in total interest income was 65% as a result of the credit activities carried out during the year. Net fee commission income- another important income item- was increased in 2024, and the income was diversified.