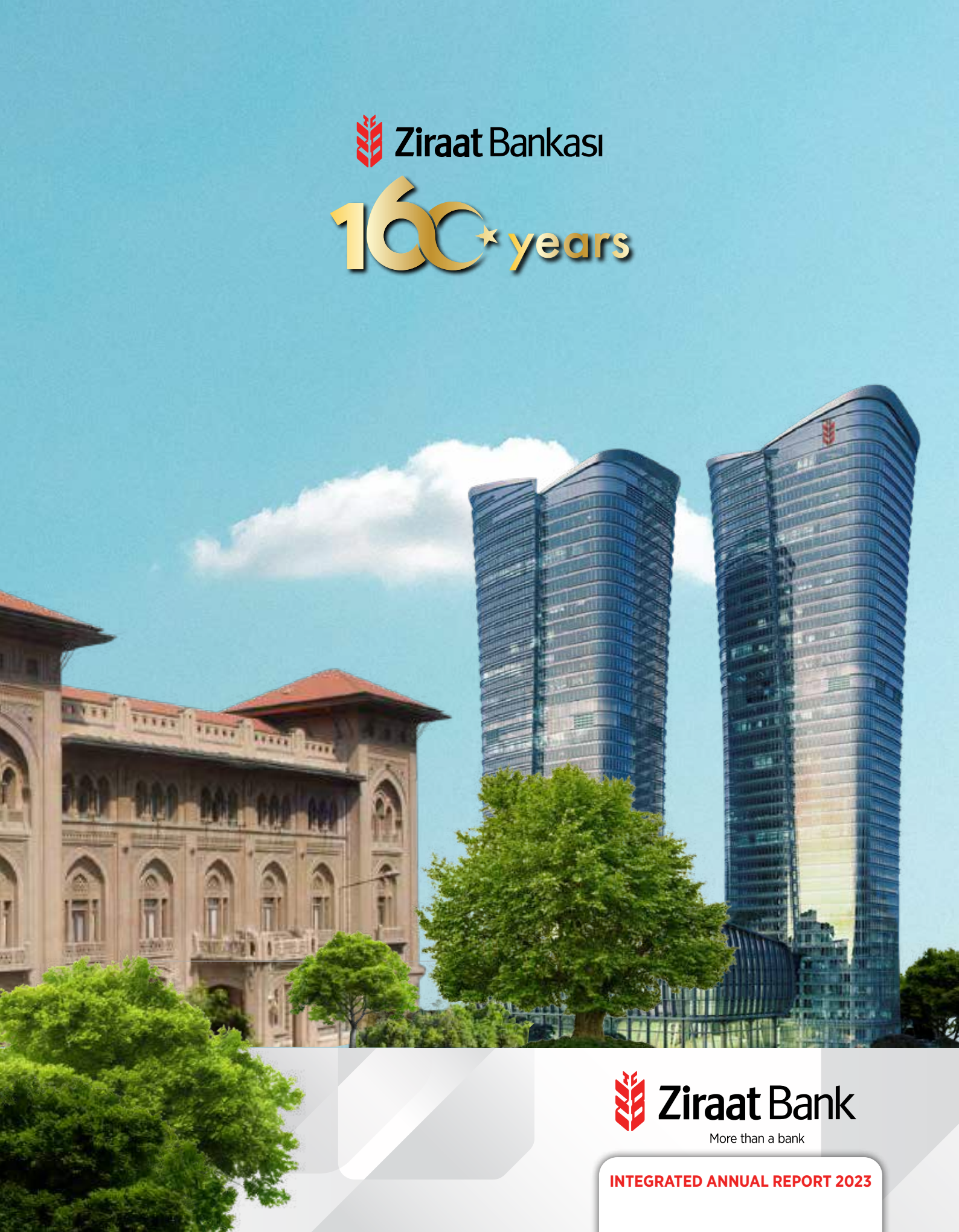
Ziraat Bankası

160 years



Ziraat Bank

More than a bank

INTEGRATED ANNUAL REPORT 2023

Atatürk and Ziraat Bank

Mustafa Kemal Atatürk expressed many views about Ziraat Bank that reveal his deep interest in and appreciation for this cornerstone institution of the young Turkish Republic.

Charged with the noble duty of assisting our nation's farmers, Ziraat Bank has, in but four months' time, expanded its network of branches and funds from a mere one hundred and ten to upwards of three hundred. Within the past two months, the bank has secured nigh on two million liras in capital and has forthwith commenced extending considerable credit, most notably to recipients in territories liberated from enemy hands.

Proud to be a part of the realization of Atatürk's vision of modernizing agriculture and supporting farmers' cooperatives, Ziraat Bank also led the way in the sector's institutionalization and finance.

In the early days of the Republic, Ziraat Bank played a crucial role in modernizing Turkish agriculture by financing the purchase of seventy tractors. These tractors were distributed among farmers across the country in direct support of Ministry of Agriculture policies.

Atatürk played an undeniably influential role in shaping the regulations and practices of the farmers cooperatives of his day by spearheading the first major initiatives to institutionalize them. He even took the lead in organizing one agricultural cooperative, becoming one of its founding members. Identifying himself as a farmer, Atatürk along with thirty-six others from the village of Tekir in İçel applied to the Ziraat Bank Silifke branch to form a cooperative on 30 June 1936 subject to the provisions of Statute 2836, a new law providing the legal framework for the formation and operation of farmers' co-ops that parliament had passed the year before. In a telegram sent in reply to then-Prime Minister İsmet İnönü about the cooperative's establishment, Atatürk said:

It gladdened my heart to learn that the formalities surrounding the establishment of the Tekir Cooperative, our nation's first agricultural credit cooperative, have reached their successful conclusion. I am most obliged for your gracious recollection of my membership as this esteemed society's inaugural member. We confidently anticipate that your steadfast endeavors will result in the spread of Agricultural Credit Cooperatives throughout the length and breadth of our land.

Following Atatürk's passing, Ziraat Bank stored some of his personal belongings and papers in its headquarters vault, where they were retained until their transfer to the General Staff in 1964.

Ankara Ziraat Bankası Müzesi Atatürk Köşesi

A WITNESS TO THE BIRTH OF THE REPUBLIC AND A STEADFAST COMPANION EVER SINCE

160 years

THERE'S ONLY ONE BANK...

THAT'S BEEN A PART OF OUR LIVES FOR OVER A CENTURY AND A HALF...

THAT STOOD SHOULDER-TO-SHOULDER WITH THE NATION THROUGHOUT THE WAR OF INDEPENDENCE...

THAT'S ALWAYS BEEN AT THE FOREFRONT OF OUR COUNTRY'S DEVELOPMENT...

THAT HAS THE PRIDE OF BEING THE FOREMOST BANK POWERING TÜRKIYE'S LEAP INTO THE FUTURE...

THAT HAS ALWAYS BEEN THERE, A WITNESS TO THE BIRTH OF THE REPUBLIC AND A STEADFAST COMPANION EVER SINCE...

ZİRAAT BANK

MORE THAN JUST A BANK...

GRI 2-1, 2-2, 2-3

İzmir - 1919

GRI 3-3

İstanbul - 1920

HOW MANY BANKS DO YOU THINK HAVE BEEN OCCUPIED BY ENEMY FORCES?

The Great War that began in Europe and engulfed the whole world in the early 20th century ultimately led to the 600-year-old Ottoman Empire's demise as well. The empire's capital city was under the occupation of the Entente Powers. In 1919, a national struggle led by Mustafa Kemal Pasha began in Anatolia that would last for about three years. In the midst of these hardships, Ziraat Bank also embraced another noble mission while continuing to fulfil its statutory obligation to assist Turkish farmers. Ziraat Bank mobilized all its resources in support of that sacred struggle. During the War of Independence, Ziraat Bank proved its dedication to the National Struggle in multiple ways. It supplied essential financial support to the Treasury, secretly relocated its gold reserves from İstanbul to Ankara at Mustafa Kemal's directive, and even sent many of its employees to fight on the front lines

GRI 3-3

Atatürk Orman Çiftliği - 1929

Çubuk Barajı - 1936

GRI 3-3

HOW MANY BANKS DO YOU THINK REACHED OUT TO EVERY CORNER OF THE COUNTRY TO CONTRIBUTE TO THE PROGRESS OF THE YOUNG REPUBLIC?

The Declaration of the Republic and the victorious conclusion of the War of Independence in 1923 marked the beginning of a massive effort to reconstruct a country whose means of production had been laid waste and whose people had been impoverished by nine years of war. To help overcome these challenges, Ziraat Bank expanded its network of branches and funding resources in a remarkably short time, devoting attention especially to lending in parts of the country that had been liberated from enemy occupation. Ziraat Bank also played a vital role in helping the country get through both the 1929 global economic crisis and in the aftermath of World War II. Its constructive contributions to restructuring the financial system, promoting savings, and increasing agricultural productivity were instrumental in minimizing the damage caused by these events.

As the country began to recover and embarked on a renewed development offensive, Ziraat Bank was also busy transforming itself into a more robust and efficient financial institution while expanding its reach.

GRI 3-3

GRI 3-3

HOW MANY BANKS DO YOU THINK ARE STRIVING TO SUPPORT THE FARMERS WHO ARE THE LIFEBLOOD OF THIS COUNTRY?

Ziraat Bank's resources and capabilities were always treated as core elements of every government plan and national initiative to empower farmers after 1950.

Leading the way in the mechanization of Turkish agriculture and ushering in a new era, Ziraat Bank provided financial support for the domestic production of agricultural machinery and equipment. Beside supplying affordably-priced credit to finance their purchase, Ziraat Bank also stood by farmers to finance their investments in increasing soil fertility, seed and land improvement, and irrigation systems. Projects to improve pasturage and to support meat and dairy farming and transform it into an industry were all achieved with Ziraat Bank's financial support. Deeply rooted in its country's economy and with the benefit of solid management principles and experienced, skilled staff, Ziraat Bank has always helped Türkiye overcome the challenges that confronted it and been in the vanguard of its progress into the future.

GRI 3-3

GRI 2-1, 2-6

ZİRAAT BANK: A WITNESS TO THE BIRTH OF THE REPUBLIC AND A STEADFAST COMPANION THAT'S CONTINUED TO GROW STRONGER EVER SINCE

Steadily expanding its financial product and service offerings over time in its efforts to be a bank capable of serving everybody and every undertaking, Ziraat Bank has always focused on creating even more added value for the national economy. Ziraat Bank today is a constantly growing and evolving financial institution with branches in every corner of its home market as well as domestic and international subsidiaries.

An enduring ally of Türkiye's agricultural and livestock producers, Ziraat Bank also plays an important role in financing manufacturers and exporters and in supplying credit for mega projects that power Türkiye's future. As a cornerstone asset contributing to national social progress and development as well, the value of that role extends far beyond purely economic considerations.

Ziraat Bank entered this world in 1863 as a kind of "community chest", a mutual assistance fund for Türkiye's farmers. Since then it has continued to make great strides, acquiring financial, technological, digital, human, unrivalled market knowledge and experience, and visionary assets capable of sustainably financing its own and its country's future.

GRI 2-1, 2-6

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ABOUT THE INTEGRATED ANNUAL REPORT

SCOPE OF THE REPORT

The integrated annual report addresses the economic, environmental and social performance of Ziraat Bank for the period between 1 January 2023 and 31 December 2023 under a holistic approach. The report includes information regarding the Bank's banking activities and its domestic and international subsidiaries.

The report sets out Ziraat Bank's corporate strategy, foresight and goals for the future, and its ability to create long-term value in a multifaceted and integrated perspective.

The report is in compliance with the minimum annual reporting requirements of Banking Regulation and Supervision Agency (BRSA) and Turkish Commercial Law legal frameworks.

The 2023 integrated activity report has been prepared in compliance with the International Integrated Reporting Framework recommended by the International Integrated Reporting Council (IIRC) and "In accordance with" option of GRI Standards published by Global Reporting Initiative (GRI). Content of the report is compiled in accordance with the content determination methods described in GRI Standards, mainly with materiality analysis. Performance indicators are presented mainly in the context of "GRI Standards" disclosures.

The 2023 integrated annual report includes detailed information on Ziraat Bank's governance approach, sustainability approach, interaction with its stakeholders, priority issues and the economic, social and the environmental value which it generates. In the report, the Bank's activities are covered within the framework of six different capital items in parallel with the classification of capital items proposed by the IIRC. Furthermore, within the scope of the United Nations Sustainable Development Goals (SDGs), elements directly or indirectly contributed by the Bank have been identified and reflected in the report.

The financial indicators in the report are derived from data disclosed in Ziraat Bank's independently audited financial statements.

PERIOD OF THE REPORT

This report, unless otherwise stated, covers the period between 1 January 2023 and 31 December 2023.

The data contained in this report constitutes benchmarking criteria for the integrated annual reports which Ziraat Bank will publish in the coming periods.

REPORTING CYCLE

Ziraat Bank publishes its integrated annual report on an annual basis. The Bank plans to report its activities annually in the following years.

FEEDBACK

We would like to continue disclosing transparent and reliable information for our stakeholders. Your views on how we can further improve our report in the future willguide us. Please share your ideas via:
sustainability@ziraatbank.com.tr

For more:

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EVALUATION OF THE CHAIRMAN OF THE BOARD

Dear stakeholders,

The year 2023 was marked by central banks raising interest rates within the scope of tackling global inflation, with tight monetary policies implemented, while the slowdown in global economic growth continued, geopolitical risks remained very much on the agenda and the possibility of a hard landing for the world's economies receded.

The spotlight was on inflation in 2023.
Although inflation declined more swiftly than expected in many countries due to the decline in energy and commodity prices, it remained above long-term averages and the targets set out by central banks.

In spite of the tight monetary policy in place in the USA, along with the difficulties affecting some banks and the debt ceiling crisis, economic growth gained momentum when compared to 2022 thanks to the strong course of private consumption expenditures and the labor market.

In the Eurozone economy, a combination of low consumer confidence, the negative effects of high energy prices and weakness in the manufacturing sector and investments served to put the brakes on economic activity throughout the region. In particular, the German economy, Europe's largest manufacturing industry and export-oriented economy, recorded a contraction - albeit a limited one - in 2023 for the first time since the pandemic in 2020.

Having hiked interest rates in the first three quarters of last year, the US Federal Reserve (Fed) and the European Central Bank (ECB) left interest rates on hold in the last quarter. The Fed may start cutting interest rates in 2024, while the ECB is set to keep interest rates at elevated levels for some time.

Looking towards Asia, the Chinese economy, which leads the region, posted a surprisingly strong recovery in 2023 thanks to the government's comprehensive monetary and fiscal loosening steps, despite the slowdown in the global economy, the debt problems facing local governments and the ongoing issues surrounding debt in the real estate sector.

The delayed effects of monetary tightening steps implemented within the scope of tackling global inflation and geopolitical risks are expected to put pressure on global economic growth in 2024. Global economic growth is expected to be supported if inflation continues to ease and global central banks start to reduce interest rates.

The Turkish economy demonstrated a strong performance despite the negative geopolitical developments and the devastating earthquakes.
The Turkish economy exhibited a strong growth performance in 2023, despite the challenges facing the global economy and the negative effects of the earthquakes which struck in February. The recovery in net exports and investments along with a buoyant performance in the tourism sector were the main factors supporting growth.

While the improvement in employment became evident by the end of the year, the budget deficit remained within the Maastricht Criteria and the Medium Term Plan (MTP) target, excluding the effects of earthquakes and one-off payments.

We deeply mourn our many fellow citizens and colleagues who lost their lives in the earthquakes that affected 11 provinces. Our bank has provided the necessary contribution to mitigate the negative effects of the earthquakes by implementing the support and facilities needed in this process. We would like to take this opportunity to once again thank our employees, whose voluntary and devoted work in earthquake regions made it possible for our activities to continue uninterrupted.

Our economic authorities continues to tackle inflation with determination through the harmonious monetary and economic policies which they implement, and take steps to ensure that growth reaches a balanced and sustainable structure while directing resources to productive and efficient areas. In this context, gradual increases in interest rates were implemented in monetary policy, with macroprudential regulations simplified and decisions taken on selective credit and quantitative tightening.

International credit rating agencies responded to the effective economic policy with a series of upward revisions in Turkey's country credit rating outlook, paving the way for significant reductions in the country's CDS risk premium. In addition, there were significant increases in foreign capital inflows, with an expansion in the CBRT's reserves.

Ziraat Bank continued to increase the added value it generated for the stable growth of our country in 2023.
Our bank continues to finance the real sector with the resources it provides domestically and abroad, focusing primarily on areas such as production, agriculture and SME financing.

In addition to the delight and honor of celebrating the 100th anniversary of the foundation of the Republic of Turkey in 2023, it has been a great source of pride to have completed our 160th year of operation as a bank. Ziraat Bank is determined to provide effective financial services wherever and whenever it is present, in line with the strategies it has determined, and to generate added value for our country and all our stakeholders.

On behalf of myself and our Board of Directors, I would like to thank all of our stakeholders, especially our employees, who have contributed so valuably to our bank's successful performance this year.

2023 was a year in which the slowdown in global economic growth continued while the threat of a hard landing for economies decreased.

Burhaneddin TANYERİ

Chairman of the Board

MESSAGE FROM THE CEO

Dear stakeholders,

2023 was a year in which central banks turned to tight monetary policies as they grappled with inflation and mounting geopolitical risks. Against a backdrop of high inflation in our country, the CBRT not only raised the policy interest rate but also tightened the monetary policy through a raft of macroprudential measures.

Tragically, our country was struck by a devastating earthquake in 2023, a year marked by negative developments abroad and a worsening geopolitical backdrop. We are still all deeply saddened by the February 6 earthquakes, which affected Kahramanmaraş and 10 surrounding provinces, wreaking massive damage and the heartbreaking loss of life of many of our citizens and dear colleagues.

In the wake of this painful incident, we unwaveringly maintained our Bank's activities in the region by establishing container branches as we sought to heal our wounds and support the rapid recovery of the region. In addition to the financial contribution we provided to the "Turkey One Heart" campaign and relevant institutions, we also provided convenience to the local people and our customers by offering deferments, grace periods and loans with preferential conditions.

Ziraat Bank continues to effectively provide the financial support necessary for the development of our country.

Our bank maintained its position as the sector's leading bank in 2023 with assets reaching TL 3.8 trillion, cash loans approaching TL 2.0 trillion and non-cash loan size of approximately TL 0.8 trillion.

More than 70% of our cash loans consist of TL denominated loans, with 77% of our TL denominated loans used to finance the real sector. We continue to prioritize the fields of agriculture, exports, manufacturing, investment and SME financing in the financing of the real sector.

Approximately 43% of the TL loans we have provided to finance the real sector consist of agricultural loans. In line with our strategy of being an effective bank in financing the agricultural ecosystem, we achieved an expansion of approximately 90% in our agricultural loan volume in 2023.

Our Bank, which attaches particular importance to the financing of agricultural investments, follows a policy aimed at increasing added value and productivity in agriculture, reducing imports, improving industrialization and resolving structural problems. While financing the agricultural sector widely, we provide sustainable and accessible financing through effective structuring practices.

In addition, we design financing solutions to contribute to our country's sustainable growth through investment, employment, production and exports. We continue to focus on financing SMEs, which represent an important element in employment and production, by preparing product packages in cooperation with strategic institutions. We also continue to contribute to the current account balance through import substitution and support packages for high value-added product manufacturers and exporters.

Deposits remain the main source of financing of our Bank's balance sheet, with a 77% share.
We diversify our resource base with the non-deposit funds we obtain from abroad and use these resources to finance economic activity in our country. The total volume of these resources now exceeds USD 11 billion.

Approximately 43% of the TL loans we have provided to finance the real sector consist of agricultural loans. In line with our strategy of being an effective bank in financing the agricultural ecosystem, we achieved an expansion of approximately 90% in our agricultural loan volume in 2023.

Faced with high inflation, the CBRT raised the policy interest rate and tightened its monetary policy with a series of macroprudential measures.

Alpaslan ÇAKAR

CEO

MESSAGE FROM THE CEO

We successfully renewed our syndicated loan at a rate of 103% in 2023. We provided USD 0.6 billion of financing through the DPR program. We also extended resources through products such as the FX repo, Eurobond, post financing and bilateral agreements.

We offer non-banking products and services to our customers through our digital ecosystem development and platform banking activities.
We offer our country's largest branch and ATM network. With an awareness that the future of banking lies in digital banking, we maintain our investments and development efforts in this area, with our number of active digital banking customers reaching 22 million. We constantly undertake innovations and improvements in terms of convenience and security in our Internet Branch and mobile banking applications.

The number of customers using the Super Branch - our Bank's digital branch - which offers individual customers simple, reliable, fast and easier access to all banking transactions through digital channels, has reached 750,000.

Within the scope of our digital ecosystem development and platform banking efforts, we have launched the Super Platform, where we offer non-banking products and services to our customers by collaborating with companies from various sectors, and the Z-Transformation Platform, which aims to contribute to the digitalization of our SMEs.

We received the establishment permit for our digital bank, Ziraat Dinamik Banka A.Ş., and brought the organizational structuring, process and system development to the final stages of completion. In addition, we received an operating license for Ziraat Finansal Teknolojiler Elektronik Para ve Ödeme Hizmetleri A.Ş. at the beginning of 2024.

We help our customers carry out their transactions much more easily and advantageously with the innovations we perform in the fields of credit cards, debit cards and member businesses.

Within the scope of our digital ecosystem development and platform banking efforts, we have launched the Super Platform, where we offer non-banking products and services to our customers by collaborating with companies from various sectors, and the Z-Transformation Platform, which aims to contribute to the digitalization of our SMEs.

We meet the financial needs of our customers as a whole with integrated solutions, backed by the synergy we have developed in line with our subsidiary strategy.
We provide financial services to both our local and global customers through our subsidiaries in domestically and our affiliate banks and branches abroad to meet their different financial needs. We continue to work on expanding the branch network in the countries we operate in abroad, as well as system and process improvements, converting some of our foreign branches into subsidiary banks and adding new countries to our portfolio.

We also took important steps in our Bank's sustainability efforts in 2023. By updating our Sustainability Policy and establishing our organizational structure in this field, we started to report on the CDP (Carbon Disclosure Project) for the first time and accelerated our work in this direction. Our bank will maintain its practices in this field by closely keeping abreast of national and international developments in the coming period.

Aware of the responsibility that comes with being our country's leading bank, Ziraat Bank is focused on stable growth. Our bank will step up its financial support to its customers in the coming periods, offer financial solutions that will provide high added value to our economy and our customers and will continue to operate with the devoted work of its personnel, which it views as its most important asset. While drawing strength from our past successes, we stand ready for the second century of our Republic by adhering to the principles that brought us this success.

Happy 100th anniversary for our Republic, and a happy 160th anniversary of our Bank!

Alpaslan ÇAKAR
CEO

We also took important steps in our Bank's sustainability efforts in 2023. By updating our Sustainability Policy and establishing our organizational structure in this field, we started to report on the CDP (Carbon Disclosure Project) for the first time and accelerated our work in this direction.

CORPORATE PROFILE

Ziraat Bank, which has always been the pioneer of economic development at different stages of Turkey's history, has uninterruptedly transferred resources to the agricultural sector, traders, industrialists, entrepreneurs, retirees and employees.

With its strong financial structure and the trust placed in it by its customers, Ziraat Bank is the most important building block of the Turkish banking sector. The Bank continues widen the diversity and increase the quality of the products and services to all segments of society.
Standing as the leader of the banking sector with the policies it has implemented since its establishment in 1863, Ziraat Bank has gradually strengthened its presence in the business lines it has focuses on, generated increasing employment and become the symbol of reputation and high added value in the eyes of all its stakeholders.

The Bank carries out its activities in a structure that uses its resources effectively in line with its strategy based on the principle of multifaceted efficiency, transfers a significant amount of resources to the public, directly contributes to our country's monetary policy with its practices and attaches importance to its duty to support the real sector.

The Bank, which has always been the pioneer of economic development at different stages of Turkey's history, has uninterruptedly transferred resources to the agricultural sector, traders, industrialists, entrepreneurs, retirees and employees.

The companies which make up Ziraat Bank's wide portfolio of domestic and international affiliates operate in the fields of banking, investment services, portfolio management, venture capital, real estate investment trusts and financial technologies.

With the competence to provide end-to-end financial services all over the country, the Bank produces effective banking solutions that aim to meet the full financial needs of a wide customer base.

With the support provided by its strong technological and operational infrastructure, the Bank offers high quality banking products and services in the fields of corporate, commercial and retail banking.

In the current conjuncture of reshaping global socioeconomic balances, Ziraat Bank is determined to use change effectively and focused on generating increasing added value for Turkey.

Offering the most widespread service network in the Turkish banking sector, Ziraat Bank serves as the only bank in 363 districts and towns in Turkey.

Ziraat Bank realized asset growth of 64.4% in 2023, despite the challenging economic conditions. The Bank succeeded in expanding its total asset base to TL 3,800 billion.

Ziraat Bank offers its ever-increasing variety of products and high-quality services to its customers with;

- 1,769 branches (1,744 in Turkey and 25 abroad),
- 25,904 employees,
- 7,491 ATMs (7,487 in Turkey and 4 abroad)
- Internet Banking services (Retail and Corporate Internet Banking),
- Mobile Banking services (Ziraat Mobile, Ziraat Tablet),
- Ziraat Super Branch

Operating in 17 countries around the world, the Bank has a broad service network, consisting of 9 international banks and 6 domestic subsidiaries, administrative offices in 3 countries, and 25 foreign branches.

Ziraat Bank realized asset growth of 64.4% in 2023, despite the challenging economic conditions. The Bank succeeded in expanding its total asset base to TL 3,800 billion.

Ziraat Bank will work intensively to achieve its corporate goals in the coming period and continue to reflect the growth potential offered by our country and the surrounding region to its performance.

Ziraat Bank Website
The corporate website at www.ziraatbank.com.tr plays an important role in informing the public with the most up-to-date information. Ziraat Bank presents the necessary information and documents on its website in Turkish and English to its stakeholders within the scope of compliance with the Corporate Governance Principles.

Ziraat Bank's Shareholder Structure
The Turkey Wealth Fund is the Bank's sole shareholder. Neither the Chairman or the Members of the Board of Directors, nor the members of the Audit Committee or the CEO or Deputy Chief Executives have any shareholding in the Bank.

OUR VISION-OUR MISSION-OUR STRATEGIES

OUR VISION

To be a leading bank which is respected and commands a high market value

To be a bank that is universal, respected and has high market value; a bank that provides extensive, reliable service everywhere in Turkey and the world at the same quality, and meets the needs of every segment; a bank that sees its customers and human resources as its most valuable asset; a bank that continuously makes a difference and creates value in a way that befits its deep-rooted past; a bank that promises more from a bank at every stage and serves as a model for its competitors.

OUR MISSION

To be a bank that values customer satisfaction above all else

To be a bank that understands customer needs and expectations, thereby offering them the best solutions and value recommendations from the most appropriate channel; a bank that brings to every segment of society a wide range of products and services in the fastest, most effective way through its extensive network of branches and alternative distribution channels; a bank that operates with sustainable profitability and productivity at global standards by recognizing its ethical values and social responsibility; a bank that holds customer satisfaction to be more important than anything else.

OUR STRATEGIES

- To continue to be a pioneer in the banking sector with its selective credit policy and effective use of resources.
- To provide digital solutions to its customers.
- To continue to work with advanced technological infrastructures
- To continuously enhance the employee experience and organizational efficiency by constantly improving business practices and investing in the professional development of employees.
- Maximizing customer satisfaction by producing integrated financial solutions in all countries where it operates as Ziraat Finance Group.
- To provide services to its customers, which will be available to the customers at any time and on every platform, within the framework of the service models of the future.
- Integrating environmental and social risk governance principles into the business model.

MILESTONES IN THE HISTORY OF ZIRAAT BANK

Ziraat Bank's foundations were laid down with the Homeland Funds, established in 1863, which went down in history as one of the first examples of National Banking. Since then, the Bank has served as the driving force of Turkey's economic growth with its rapid development and widespread service process since its establishment.

1863-1888

- On 20 November 1863, Mithat Paşa spearheads the establishment of Memleket Sandıkları (Homeland Funds) in the town of Pirot, which later served as the core from which Ziraat Bank grew.
- Turkey's first statutorily regulated credit system is launched.
- Mithat Paşa's Homeland Funds are reconstituted as Menafi Sandıkları (Benefit Funds) to become stronger and more sustainable.
- Ziraat Bank's Headquarters are opened in İstanbul.

1889-1913

- Ziraat Bank extends credit to the Imperial Treasury for the first time.
- Ziraat Bank supplies credit to supply grain to needy refugees and others in drought-stricken İzmit.
- A project to fund purchases of European agricultural equipment using Ziraat Bank's capital is studied.
- Ziraat Bank offices are opened in Kerek, İpek, Prizren, Timişoara and Karacasu.
- Ziraat Bank provides drought-stricken Kosovo farmers with low-cost credit on convenient terms.
- Ziraat Bank opens a branch in Medina.
- Ziraat Bank branches open in Baghdad and Basra.
- Ziraat Bank branches provide earthquake-stricken farmers with loans.

1914-1938

- Ziraat Bank begins lending to commercial enterprises.
- The Ziraat Bank Banking School begins instruction in order to keep the Bank supplied with the qualified human resources that it needs.
- The first seed-finance loans are provided.
- First general deferment is granted on agricultural loans.
- With the opening of the Grand National Assembly in Ankara, the city's Ziraat Bank branch is made responsible for the administration and oversight of all Bank branches and offices in localities controlled by the Nationalists.
- Control of Ziraat Bank's İzmir and İstanbul operations are given to Ankara.

1939-1963

- Work is completed on the set of operational regulations called for by Statute 3202. Consisting of 198 articles, the regulations governing the operations of Ziraat Bank go into effect.
- Ziraat Bank becomes a member of Confédération Internationale du Crédit Agricole (CICA), a non-profit worldwide association of banks and other entities interested and involved in rural financial processes.
- Under Statute 7052, Ziraat Bank is authorized to restructure agricultural loan repayments.

1964-1988

- Ziraat Bank's representative office opens in Hamburg.
- Ziraat Bank opens its Lefkoşa, Gazi Mağusa and Güzelyurt branches in the Turkish Republic of Northern Cyprus.
- Ziraat Bank's representative office in New York is transformed into a branch while new offices are opened in Duisburg, Berlin, Munich, Stuttgart and Rotterdam.
- Under the Ziraat Bank 86 project, the first steps to adapt improvements in technology to banking services so as to deliver them faster, more efficiently and at better quality are taken with the automation of a total of 7 branches located in Ankara and İstanbul.
- Ziraat Bank ranks 452nd among "The World's 500 Biggest Banks as Measured by Equity" according to Euromoney, a magazine.

1989-2012

- The first investment fund (Fund I) was established.
- Gold sales were initiated under the name of Ziraat Gold. The first consumer loan was issued, along with the first credit card. The Bingöl-Muş Rural Development Project was initiated.
- As well as ATM machines, foreign currency exchange machines were brought into service for the first time in Turkey, along with self-service information terminals, voice messaging systems and the Bingöl-Muş Rural Development Project, which included a branch not requiring human staffing, aiming to provide uninterrupted 24-hour service.
- Ziraat Bank Moscow, Kazkommerts Ziraat International Bank (KZI Bank), Turkmen Turkish Commercial Bank (TTC Bank) and Uzbekistan Turkish Bank (UT Bank) were established and entered operation.
- Ziraat Bank was ranked 202nd in Euromoney's "Top 500 Banks", 41st in terms of net profit, and the world's first in terms of its return on equity. Moreover, the Bank ranked 12th in the "World's 50 Most Rapidly Developing Banks" listing.
- The Sofia Branch entered operation.
- The Stuttgart, Hannover, Frankfurt and Duisburg representative offices began to operate as branches. Newly-launched banking software makes it easier to create and offer new products and services.
- Turkish-Ziraat Bank Bosnia DD receives Visa and Europay International licenses and begins processing Visa acquiring and issuing transactions for the first time in Bosnia- Herzegovina in coordination with Ziraat Kart A.Ş.
- The Law numbered 4603 passed on 25 November 2000 paved the way for Ziraat Bank to be transformed into a joint-stock company.
- The scope of the banking software centralization project (Fin@rt) is expanded.
- In Greece, the Athens and Komotini branches entered operation.
- The Bank announced TL 3,511 million net profit, the highest profit ever announced by a Turkish company until 2009.
- Branches were opened in Baghdad, Erbil and Jeddah.
- Ziraat Bank purchases the rights to the Turkish Cup name.
- Ziraat Bank launches its "Together, to a Better Future" Change & Transformation Project.

2013-2016

- Ziraat Bank celebrates its first century and a half in business with its employees.
- On September 30, 2014, the Board of Directors approved and announced the Sustainability Policy which summarizes Ziraat Bank's sustainability vision, goals and approach and defines the Bank's stance on the pillars of the environment, society and products and services.
- Ziraat Bank published its first sustainability report, which was GRI rated at A+ standards.
- Ziraat Bank tops the 2014 corporate income tax league table.
- Ziraat Participation commences operations.
- The Bank's Pristina Branch opens in Kosovo.
- Ziraat Bank Azerbaijan ASC commences operations.
- Ziraat Bank is designated "Europe's 2nd Most Robust Bank".
- Ziraat Bank Montenegro AD commences operations.
- In keeping with its principle of sustainable profitability, Ziraat Bank reports 2015 profits amounting to TL 5,162 million, the highest of Turkish banking sector.
- The Marneuli Branch in Georgia and the Bahrain Branch in Manama/Bahrain were opened.
- Ziraat REIT joined the Ziraat Finance Group and began operations.
- Ziraat Bank wrote a net profit of TL 6,576 million in 2016, while reporting TL 358 billion of assets at the end of 2016.

2017

- In 2017, the Georgia branch was restructured into a new bank and JSC Ziraat Bank Georgia was established.
- The name of the subsidiary bank in Uzbekistan, in which Ziraat Bank's share in the capital increased to 100%, was changed to Ziraat Bank Uzbekistan JSC.
- Ziraat Bank reached an asset size of TL 434 billion in 2017.

2018

- The Bank's own brand Bankkart was launched in the first quarter of 2018.
- Young Farmers Academy project, which was developed by the Bank to bring a new perspective

MILESTONES IN THE HISTORY OF ZIRAAT BANK

to agricultural production and agricultural banking, was launched with the objectives of increasing young population's interest in farming, teaching specific topics in agricultural production and investment, raising conscious young farmers and creating an awareness of agricultural entrepreneurship.

- Ziraat Girişim Sermayesi Yatırım Ortaklığı A.Ş. (Ziraat Venture Capital Investment Trust) has been established as a subsidiary of the Bank and transactions related to establishment were completed with its registration notice published in the Turkish Trade Registry Gazette on November 14, 2018.
- The asset size of Ziraat Bank reached TL 537 billion in 2018 exceeding the half trillion mark.

2019

- Ziraat Bank's asset volume increased by 21% compared to 2018 to reach TL 650 billion.
- Ziraat Bank became the bank to have the highest brand value in Turkey.
- Ziraat Bank was named as the most loved bank brand in Turkey for the fourth time in a row.
- Ziraat Leasing was merged with Ziraat Participation Bank.
- Asset management companies owned by three state banks merged under the name Ziraat Portföy Yönetim A.Ş.

2020

- Ziraat Bank's paid-in capital raised to TL 13.1 billion from TL 6.1 billion.
- Ziraat Bank's asset volume grew by 45% compared to its 2019 level to reach TL 943 billion.
- The number of locations providing services abroad reached 113.
- Within the scope of the project to bring insurance/life-pension companies owned by public banks under a single roof, Ziraat Sigorta A.Ş. (Insurance) and Ziraat Hayat ve Emeklilik A.Ş. (Life and Pension) were transferred to the Turkey Wealth Fund.
- The Bank continued to provide financing support for the agricultural sector under the project "Köyümde Yaşamak İçin Bir Sürü Nedenim Var (I Have Many Reasons To Live In My Village)", which it put into practice in September 2020.
- The Green, Social, Sustainable Finance Framework was prepared and published on the Bank's website.

2021

- Ziraat Bank's asset volume reached TL 1,371 billion, an increase of 45% compared to 2020.
- Turkey's real estate giant, Ziraat GYO (Real Estate Investment Trust), was offered to the public.
- Ziraat Bank issued its first Sustainability Bond in international markets.
- Ziraat Bank's 5th branch in Bulgaria was opened in Burgas, while its subsidiary, Ziraat Bank Uzbekistan JSC, opened its 5th branch in Fergana. Ziraat Bank Azerbaijan ASC's 6th branch opened in Azadlık.

2022

- Ziraat Bank's asset volume increased by 68.6% compared to 2021 to reach TL 2,312 billion.
- The seventh branch of Ziraat Bank Azerbaijan ASC opened its doors in Baku and the sixth branch of Ziraat Bank Uzbekistan JSC entered service in Andijan.
- Ziraat Bank secured the first sustainability themed syndicated loan, with the USD 1.3 billion loan being the largest sustainability themed syndicated loan provided by a bank in a single tranche.
- Within the scope of "Financing the Agricultural Ecosystem", the Young Farmer's Loan, the Women Farmer's Loan, Gold Hive Loan, Loan for Solar Powered Agriculture, Producer Cooperative Loan and Agricultural Transfer Loan were offered to customers.
- With the new organizational structuring carried out at the Bank, work on the coordination and development of sustainability activities in the environmental, social and governance area were initiated under the Project Finance and Sustainability Department.
- Within the scope of Zero Waste Project, the Zero Waste Certificate was obtained for 1,365 facilities from the Ministry of Environment, Urbanization and Climate Change.
- Ziraat Bank obtained the international I-REC certificate by procuring 50,000 MWh of its 2022 electricity consumption from renewable energy sources.
- Ziraat Bank initiated its Open Banking activities,
- Ziraat Super Branch commissioned as Ziraat Bank's Digital Branch service model.

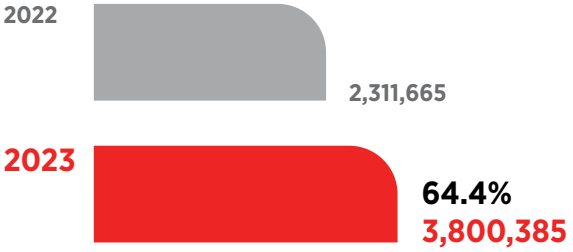
2023

- Ziraat Bank's asset base reached TL 3,800 billion in 2023, an expansion of 64.4% over its 2022 level.
- Ziraat Bank conducted its first sustainability reporting by reporting to the Carbon Disclosure Project (CDP) with the first sustainability score announced in January 2024. As a result of the evaluation carried out by CDP-Carbon Disclosure Project, the Bank achieved a significant success by receiving an A- grading in the Water Security category and a B grading in the Climate Change category.
- The Sustainability Committee was established and chaired by a Board Member.
- Ziraat Bank updated its sustainability policy in accordance with national and international developments.
- Ziraat Bank secured a sustainability themed syndicated loan of USD 1.3 billion in total (USD 418 million and EUR 784 million) with a maturity of 367 days.
- Ziraat Bank completed the establishment of the Remittance Flows Based Securitization Program (Diversified Payments Rights - DPR) and issued a total of USD 1 billion under the program, with a 2-year grace period and a 5-year maturity.
- Ziraat Bank launched the 2023 KGF Support and Investment Support Packages within the scope of the Investment Incentive Certificate (YTB) for all SME and non-SME customers who require collateral support for investment or working capital financing.
- Within the framework of the cooperation protocol signed with the Turkish Exporters Assembly (TİM), the Vade(SİZ) Export Credit Package was offered to exporters.
- The establishment preparations of Ziraat Finansal Teknolojiler Ödeme Hizmetleri ve Elektronik Para A.Ş (ZiraatPay) have been completed, and the system is planned to become operational in due course.
- The permit to establish Ziraat Dinamik Banka A.Ş., the first digital bank established under the ownership of a financial group in our country, was received from the BRSA.
- Ziraat Super Branch had reached a customer base of 750,000 by the end of the year.
- The Ziraat Super Platform, which offers special advantages for Ziraat Super Branch customers in non-banking products and services, was put into practice.
- The Live Response Customer Representative was activated.
- A Cyber Security Center structure was established within the Ziraat Finance Group.
- Following the integration of power of attorney inquiry with the Notaries Union of Turkey (TNB), integrations for "Signature Circular Inquiry" and "Inheritance Certificate Inquiry" transactions were completed.
- With the systematic improvements carried out, the Land Registry Secure Account application can also be implemented through the Ziraat Bank Internet Branch and Mobile Banking channels.
- The "Credit Monitoring Module" launched within the scope of Credit Risk Monitoring activities did away with messaging traffic involving approximately 1 million or more e-mails each month.
- Ziraat Bank has gradually expanded the Key Global Project, which it developed for the use of foreign units.
- Mobile Banking applications were introduced in Kosovo, Iraq and Bulgaria.

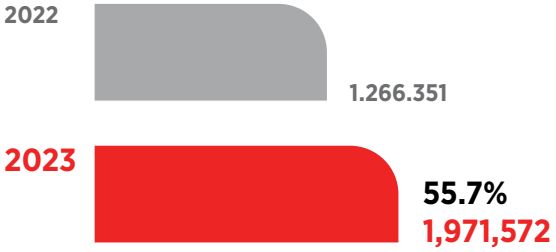
KEY INDICATORS (ECONOMIC, ENVIRONMENTAL, SOCIAL)

Economic Indicators (TL million)

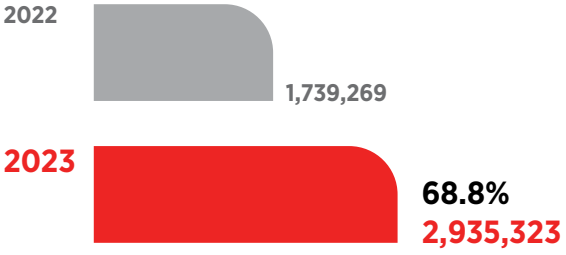
TOTAL ASSETS



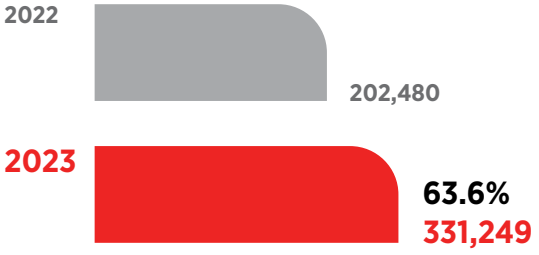
CASH LOANS*



DEPOSITS



SHAREHOLDERS' EQUITY



(TL million)	2022	2023	Change (%)
Liquid Assets	391,244	731,312	86.9
Securities Portfolio	588,320	981,219	66.8
Cash Loans*	1,266,351	1,971,572	55.7
Deposits	1,739,269	2,935,323	68.8
Non-deposit Sources	251,986	377,360	49.8
Shareholders' Equity	202,480	331,249	63.6
Interest Income	220,630	427,255	93.7
Interest Expense	99,147	297,658	200.2
Net Profit	41,092	89,851	118.7
Total Assets	**2,311,665**	**3,800,385**	**64.4**

*Excludes expected loss provisions.

GRI 201-1

Ziraat Bank's Market Shares

TOTAL ASSETS
16.1%

SECURITIES PORTFOLIO
21.3%

CASH LOANS
15.8%

DEPOSITS
18.7%

NON-DEPOSIT SOURCES
9.5%

SHAREHOLDERS' EQUITY
15.4%

Market Share (%)	2022	2023
Total Assets	16.1	16.1
Securities Portfolio	21.1	21.3
Cash Loans	15.9	15.8
Deposits	18.7	18.7
Non-deposit Sources	10.0	9.5
Shareholders' Equity	14.4	15.4

GRI 201-1

KEY INDICATORS (ECONOMIC, ENVIRONMENTAL, SOCIAL)

Environmental Indicators

GHG EMISSIONS INTENSITY
(tCO_2e/Net Interest Income)

0.00000121

WASTE PAPER SENT FOR RECYCLING
(tons)

853

GREENHOUSE GAS EMISSIONS
(tCO_2e)

Scope 1

44,733.85

Scope 2

60,908.87

Scope 1 3

51,166.73

WASTE IT PRODUCTS SENT FOR RECYCLING
(tons)

72

TOTAL EMISSIONS
In contrast with 2022, Ziraat Bank included its foreign branches in its scope of work during 2023. In addition to the previous year, purchased goods and services, fixed assets, upstream transportation, product use and end-of-life emissions of products were also added to the 2023 greenhouse gas inventory.

ZERO WASTE CERTIFICATE
(Number of facilities with certification)

1,476

Social Indicators

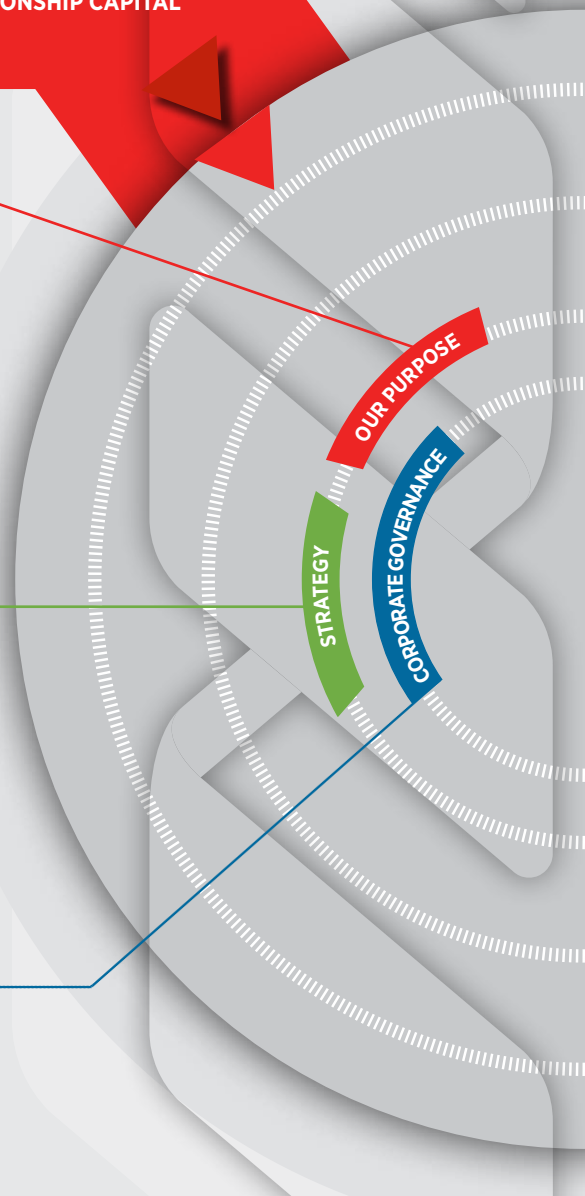
HUMAN RESOURCES AND TRAINING	
EMPLOYEES **25,904**	ZİRAAT FINANCE GROUP EMPLOYEES **36,549**
NEW HIRES IN 2023 **2,701**	UNIONIZATION RATE **90%**
AVERAGE CLASSROOM TRAINING PER PERSON (Hour) **24.24**	AVERAGE TRAINING PER PERSON (Hour) **34.59**
DIGITAL CATALOG CONTENTS more than **6,000** e-learning contents	

CORPORATE SOCIAL RESPONSIBILITY	
NUMBER OF ARTWORKS IN ZIRAAT BANK'S PAINTING COLLECTION **+2,500**	ZIRAAT BANK BANKING MUSEUM ZIRAAT BANK İZMİR ART MUSEUM MEDENİYET UNIVERSITY ZIRAAT BANK LIBRARY ZIRAAT TURKISH CUP ZIRAAT VOLLEYBALL TEAM
BRAND AND REPUTATION MANAGEMENT Numerous Corporate and Thematic Advertising Films Customer Satisfaction Survey	ZIRAAT BANK ON SOCIAL NETWORKS (as of 2023) More than 2.3 million likes and followers on Facebook More than 458,000 followers on Twitter More than 250,000 followers on Instagram

VALUE CREATION AT ZİRAAT BANK

Ziraat Bank focuses on constantly strengthening the capital elements it has classified according to the International <IR> Framework Principles, using durable and well-designed business models and strategies in global markets which are affected by a high level of risk and difficulties. The Bank creates value for its stakeholders in the short, medium and long term in line with its goal of guaranteeing a safe and sustainable future.

FINANCIAL CAPITAL
MANUFACTURED CAPITAL
INTELLECTUAL CAPITAL
HUMAN CAPITAL
SOCIAL AND RELATIONSHIP CAPITAL
NATURAL CAPITAL



OUR PURPOSE

Our purpose, which is summarized in our mission and vision, and is indeed our reason d'être, inspires us in all our work. Our intention to improve the lives of all our stakeholders is the driving force of our efforts. Our ability to add value to the life-cycle by providing innovative and personalized solutions in a complex and dynamic market enables people to reach the right decisions and build a safer future for themselves, their loved ones and their businesses.

Vision
To be a leading bank with a high market value

Mission
To be a bank which prioritizes customer satisfaction above all else

Vision-Mission 20

STRATEGY

Our strategies, which set out a clear vision for our bank, are structured under 8 basic headings. We unwaveringly improve our sustainability efforts by focusing on creating a positive environmental, social and managerial impact.

Strategy, 21

CORPORATE GOVERNANCE

We have a managerial structure in place that is fully compliant with the law and takes on the elements necessary to effectively implement our strategy and build sustainable success.

Corporate Governance 140-165

GRI 3-3

EXTERNAL FACTORS

The sector which Ziraat Bank operates in is affected by a number of issues such as geopolitical and financial instability, the digital revolution and cyber security, climate change and extreme climate events. These challenges also present the Bank with opportunities to offer new and personalized products and services to its customers.

Our Strategies, Sector Risks and Ziraat Bank's Responses 45-49

OUR BUSINESS MODEL

OUR STAKEHOLDERS

OUR BUSINESS MODEL

We are determined to create value in every field in line with our goal of building a safer and sustainable future for all of our stakeholders. We have a wide portfolio of domestic and international subsidiaries in the fields of banking, investment services, portfolio management, venture capital, real estate investment trusts and fintech. This strong structure which underpins the Ziraat Finance Group reinforces our ability to provide integrated financial services.

Product and Service Delivery Activities

A comprehensive range of products and services and processes shaped by digital change and innovation, aiming at solution-oriented sustainability

Marketing Activities

In the main segments of Individual, Entrepreneurial and Corporate banking, processes which deliver products, services and solutions to customers with a strong value proposition and which contribute towards building the financial future

Operational Activities

Processes that enable the provision of services to customers through Turkey's largest branch and ATM network and digital channels which offer 24/7 access

Supporting Activities

Processes that keep Ziraat Bank's Business Model functional, such as Human Resources, IT and the Supply Chain

Financial Sustainability 2023 62-103

OUR STAKEHOLDERS

Internal Stakeholders

- Shareholder
- Board of Directors
- Employees

External Stakeholders

- Customers
- Suppliers
- Regulatory bodies
- National and international banks and financial institutions
- Credit rating agencies
- Sectoral associations and organizations
- Media
- Society

Our Stakeholders 46-47

FINANCIAL CAPITAL
MANUFACTURED CAPITAL
INTELLECTUAL CAPITAL

HUMAN CAPITAL
SOCIAL AND RELATIONSHIP CAPITAL
NATURAL CAPITAL

GRI 3-3

STRATEGIES

As Turkey's most deeply rooted bank, Ziraat Bank's robust financial structure, vast experience, qualified human resources and its ability to provide integrated financial services ensure that its strategies are implemented seamlessly and flawlessly across the entire value chain, and that the business model delivers successful results.

Strategies	Definition	Summary of 2023	Section in the Report
Stable Growth	To remain a pioneer in the sector with a selective credit policy and effective use of resources	· Total assets: TL 3,800 billion · Cash loans: TL 1,972 billion · Deposits: TL 2,935 billion · Increase in cash loans: 55.7%	· Financial Indicators
The Business Model of Future	Continuous improvement of our business model to offer our customers the most advanced technology-oriented solution proposals	· Work to establish Ziraat Finansal Teknolojiler Ödeme Hizmetleri ve Elektronik Para A.Ş. · Ziraat Super Branch · Work to establish Ziraat Dinamik Banka A.Ş. · Including legal customers in the remote customer acquisition process · Live Answer Customer Representative · Secure verification of certain transactions with the new ID Card NFC feature	· Digital Banking
Advanced Technological Infrastructure	To continue to work with an advanced technological infrastructure	· Structuring of the Cyber Security Center · Software-based network infrastructure in branches · Standardization of analytical platforms · Anomaly detection studies with Machine Learning algorithms	· Digital Banking · Information Security Management

GRI 3-1, 3-2, 3-3

Strategies	Definition	Summary of 2023	Section in the Report
Efficient and Lean Processes	Continuous improvement of business processes by integrating with the latest technologies	· Robotic process automation application · The OPI application, which allows customers' transaction orders to be transmitted directly to the Operations Center through the Internet Branch and Mobile Banking. · Integration of Foreign Trade Transactions into the OPI · ZFG Mobile App for employees · The in-house Virtual Assistant, BİLGE · Mobile approval · Allowing electronic inquiry of inheritance documents and signature circulars in integration with the Turkish Notaries Union.	· Digital Banking · Retail Banking
Developing Organization and Satisfied Employees	Continuously increasing our organizational efficiency with happy employees who have a strong corporate culture by constantly improving our employee experience by focusing on our Development-Oriented Career and Talent Management approach	· E-learning content of over 6,000 items offered to employees · Banking School Graduate Program carried out in cooperation with Ankara University · Data Science with Artificial Intelligence Certificate Program · FRM Certificate Program · PMP Certificate Program · Scrum Master and Scrum Product Owner Certificate Program · Training to raise financial awareness on the bank's website	· Human Resources and Training

GRI 3-1, 3-2, 3-3

STRATEGIES

Strategies	Definition	Summary of 2023	Section in the Report
Platform Banking	To offer customers services which will be available to them at every moment and on every platform, within the framework of the service models of future	· Ziraat Super Platform · Integration into open banking systems	· Digital Banking
A Global Bank	To maximize customer satisfaction by creating integrated financial solutions in all countries where the Ziraat Finance Group operates	· The International service network was established with foreign branches and subsidiaries · The Key Global Project, initiated to bring the main banking applications used by foreign units to Ziraat Finance Group standards. · Internet Branch and Mobile Banking investments in foreign branches · Infrastructure projects carried out to monitor information systems continuity in foreign branches and subsidiaries	· International Banking
Responsible Banking	To integrate the principles of environmental and social risk governance into the business model	· Implementation of Environmental and Social Risk Assessment in investment projects, in line with the principle of Environmental and Social Impact Management being an integral part of the sustainability policy · First sustainability reporting to the Carbon Disclosure Project (CDP) · Sustainability themed syndicated loan · Sustainable loan product · Work on the Ziraat Bank Solar Power Plant · Support for social responsibility projects	· Financial Sustainability · Environmental Sustainability · Management of Environmental and Social Impacts · International Banking · Corporate Social Responsibility · Summary Board of Directors Report

GRI 3-1, 3-2, 3-3

OUR STRATEGIES, SECTOR RISKS AND ZIRAAT BANK'S RESPONSES

Ziraat Bank has a risk management mechanism in place based on international standards and domestic legislation, determined in line with its effective and sustainable business model and strategies.
Risk is a concept that encompasses a variety of factors creating uncertainty or deviation from an organization's objectives. This concept not only includes threats to the organization's strength or existence but also potential opportunities. The financial services sector which Ziraat Bank operates in is shaped by various components ranging from economic and geopolitical developments to changing regulations and global trends, as well as societal issues. As it navigates an environment of constant change to achieve its goals and create long-term value for stakeholders, the Bank faces various risks.

In line with its effective policies and strategies, Ziraat Bank closely monitors existing and potential risks and implements proactive risk management practices to contribute to the sustainability of the ecosystem.

The following table provides a general overview of the key risks aligned with Ziraat Bank's strategy and the Bank's responses to them:

Strategic Foundations	Risks	Ziraat Bank's Responses
Steady Growth	· Being affected by adverse economic developments such as high inflation, slowing GDP growth, volatility in exchange rates and interest rates, and global economic uncertainty, · The Banking sector may be subjected to additional obligations brought about by new regulations in national and international laws, regulations and directives, resulting in an increase in workload, · The increased sensitivity of certain sectors to sectoral risks due to selective credit policies and the customers in the Bank's credit portfolio experiencing difficulty in completing payments	· Implementing strategies that enhance resilience against economic uncertainties, such as tracking macroeconomic developments and creating necessary scenarios, · Maintaining long-term sustainability through effective control of resources and costs, · Strengthening the robust funding structure through new partnerships, · Ensuring the organizational structure can rapidly respond to all regulatory changes in both quantity and quality, and maintaining this structure continuously, · Improving credit assessment processes to proactively manage credit quality and diversify focus sectors.

GRI 3-1, 201-2

OUR STRATEGIES, SECTOR RISKS AND ZIRAAT BANK'S RESPONSES

Strategic Foundations	Risks	Ziraat Bank's Responses
Business Model of the Future	· The rapid change and advancement in digital technologies pose challenges for adapting the Bank's business model to new technologies and the potential loss of customers and stakeholders. · Delays in structural transformation processes leading to increased investment costs, · Failure to accurately identify customer needs, · The competitive environment created by other banks and fintech companies investing in digitization	· To ensure rapid integration of digital transformation into business processes by designing innovative financial products and services, · To diversify and enhance transactions offered through digital channels, · To invest in updating technological infrastructure and keeping abreast of innovations, · To maintain the Bank's reputation among internal and external stakeholders with a fast and solution-oriented service approach, · To reach data-driven decisions and proactively meet customer needs, · To improve data governance processes to ensure end-to-end corporate management of data, · To develop new products and services to offer customized financial solutions to customers.
Advanced Technological Infrastructure	· The increasing the risk of cyber-attacks in parallel with advancing technology, posing data security risks, · Anomalies undetectable by Artificial Intelligence algorithms, · The prolonged setup time of technological infrastructure to meet the rapid change in customer needs, · The increasing variety of sources of information rendering access to accurate and reliable information more difficult, · The high cost associated with the setup and integration of advanced technological infrastructure.	· Positioning as a reliable bank through implemented high-level security measures, · Strengthening the structure of the Cyber Security Center, · Stepping up investments in cybersecurity and raising employee awareness, · Standardizing technology integration and management processes, and enhancing automation, · Continuously modernizing and standardizing data security processes, · Achieving cost reductions as a result of conducting the Bank's analytical and operational transactions in a technological manner, · Embracing a flexible approach to adapt to the pace of technology and adopting new marketing strategies to increase the return on investment.

GRI 3-1, 201-2

Strategic Foundations	Risks	Ziraat Bank's Responses
Efficient and Lean Processes	· The inability of lean processes and automation to sufficiently focus on each customer's specific needs and requests, · Rapid changes in technology necessitating continuous investment and system updates by the Bank, · The challenge of lean and efficient processes in quickly adapting to evolving customer needs and market conditions, · The potential security vulnerabilities posed by institutional system integration processes.	· Focusing on providing personalized products and services by leveraging technologies such as data analysis and Artificial Intelligence, · Keeping a finger on the pulse of technological changes and performing necessary updates in a timely manner, · Documenting processes in a clear and transparent manner to ensure understanding by all stakeholders, · Increasing new customer acquisition with efficient and lean digital solutions, · Reducing operational burdens at branches by including more operational processes under OPİM (Operations Management and Information Systems), · Implementing strong security measures during integration processes and adopting a proactive approach towards tackling cyber-attacks, · Providing customers with alternative communication channels and options, embracing a people-focused approach in customer service.
Developing Organization and Happy Employees	· Failure to recruit a sufficient number of competent employees in line with the updated organizational structure, · Inability to ensure equal opportunity in organizational restructuring, · Potential disruptions in business processes, loss of efficiency and weakening of competitiveness due to the inability to address any lack of competency that may arise in employees due to constantly evolving technology, · Weakness in corporate knowledge accumulation and innovation due to insufficient sharing of information and skills between different departments and teams, · Diminished adherence to corporate values, lack of communication and the emergence of an atmosphere of distrust, undermining the strong corporate culture, · Potential negative perceptions due to disputes related to unionization and collective bargaining agreements, · Incidents such as accidents resulting from inadequate occupational health and safety practices for employees and reputational damage.	· Implementing an in-house continuous training culture aimed at increasing the competencies of employees, taking into account equality of opportunity, · Establishing communication channels that encourage open and transparent communication between different departments and teams, · Preserving corporate values and traditions, promoting open and transparent communication and fostering a culture of trust, · Developing training programs aimed at increasing financial literacy among all stakeholders, · Continuously improving the employee experience through investments in both professional and personal development and motivation-enhancing practices, · Maintaining high levels of internal stakeholder communication through the implementation of a Satisfaction Barometer, · Organizing comprehensive and ongoing training programs to ensure that employees are proficient in current technologies.

GRI 3-1, 201-2

OUR STRATEGIES, SECTOR RISKS AND ZIRAAT BANK'S RESPONSES

Strategic Foundations	Risks	Ziraat Bank's Responses
Platform Banking	· Failure to establish an adequate infrastructure to address threats in information security and cybersecurity, · Costs associated with implementing security systems to prevent potential data breaches and unauthorized transactions, · Low platform usage due to the time required for customers to adapt to new platforms.	· Providing customers with services that are available anytime, anywhere across various platforms within the framework of service models of the future, · Enriching service platforms with Ziraat Super Branch and Ziraat Dinamik Banka A.Ş., · Ensuring that the platform banking system positively impacts the customer experience, · Offering customers the necessary support and feedback mechanisms for platform usage, continuously improving platforms based on customer expectations, · Having the potential for product diversification and inclusive product development, · Maintaining the Bank's reputation by developing user-friendly platforms for external stakeholders.
Global Bank	· Country risks that may arise in locations where international subsidiaries and branches are located, · Difficulties in complying with regulations in countries within the Global Bank network, · Failure to achieve digital integration with subsidiaries and branches within the Global Bank network, · Increased operational risks due to different infrastructures associated with operating in different regions.	· To maximize customer satisfaction by producing integrated financial solutions in all countries where Ziraat Finance Group operates, · To produce the same high-technology solutions in all domestic and foreign subsidiary banks, branches and financial companies, · To become a global financial hub, · To efficiently deliver financial services to customers leveraging a global and extensive branch network and economies of scale, · To establish a robust system for monitoring legal and regulatory changes and updating compliance procedures, · To establish a strong risk management and control system, · To standardize and automate operational processes.

GRI 3-1, 201-2

Strategic Foundations	Risks	Ziraat Bank's Responses
Responsible Banking	· The need for swift action regarding the integration of sustainability approaches and management principles into the Bank's processes, · The reputation and market risks arising from potential environmentally harmful practices of financed companies, · The differentiation in sectors' business models due to climate change and uncertainties it may bring in the near future, · Loss of reputation that may occur as a result of ineffective management of climate change risks.	· To be a bank that applies responsible banking principles in green and inclusive economic growth, · To simultaneously monitor and take action on national and international regulations, · To ensure effective environmental and social risk management through the policies followed in the lending processes, · To report to the Carbon Disclosure Project (CDP), · To increase the share of green transformation and sustainability-focused financial products in the portfolio.

POLICIES APPLIED AT ZIRAAT BANK

Ziraat Bank attaches the highest importance to correctly managing its impacts on the economy, environment and society in its policies and practices which reflect its corporate governance approach and sustainability strategy.
Ziraat Bank has incorporated the universally accepted principles of sustainability into its corporate strategies, policies and business model with a holistic approach. The Bank measures and shares its Environmental, Social and Governance (ESG) performance through its policies focused on fully complying with these principles, and monitors its results through audits and control mechanisms.

Ziraat Bank also aims to meet the expectations of its local and global stakeholders more effectively with its managerial policies shaped in accordance with its responsibilities to its employees, the environment, customers and society.

Ziraat Bank has established its corporate policies within the framework of applicable national and international laws and regulations, as well as strategies and procedures defined within the Bank. These policies, which are publicly disclosed on the website, may be accessed from the links below.

Disclosure Policy
https://www.ziraatbank.com.tr/en/Investor-Relations-ZB/Corporate-Governance/Documents/DisclosurePolicy.pdf

Anti-Money Laundering, Countering the Financing of Terrorism and the Proliferation of Weapons of Mass Destruction Policy
https://www.ziraatbank.com.tr/en/Investor-Relations-ZB/Corporate-Governance/Documents/AMLPolicy.pdf

Sustainability Policy
https://www.ziraatbank.com.tr/en/Investor-Relations-ZB/Corporate-Governance/Documents/Sustainability-Policy.pdf

Environmental and Social Impact Management Policy in Lending Activities
https://www.ziraatbank.com.tr/en/Investor-Relations-ZB/Corporate-Governance/Documents/esimp.pdf

GRI 2-23, 2-24, 3-1, 201-2

SUSTAINABILITY AT ZİRAAT BANK

IN THIS CHAPTER

- SUSTAINABILITY APPROACH
- SUSTAINABILITY POLICY
- SUSTAINABILITY MANAGEMENT STRUCTURE
- STAKEHOLDERS OF ZIRAAT BANK
- INITIATIVES THAT ZIRAAT BANK IS A MEMBER OR SUPPORTS
- THE SUSTAINABLE DEVELOPMENT GOALS AND ZIRAAT BANK
- IMPACT FRAMEWORK OF STRATEGIES
- MANAGEMENT OF ENVIRONMENTAL AND SOCIAL IMPACTS

Ziraat Bank develops and implements projects with the aim of integrating the universally accepted principles of sustainability into its business model and processes.

In all its decisions regarding its activities, the Bank; It prioritizes a common value solution that includes environmental, social and economic dimensions, as well as the goal of creating value for its stakeholders.

GRI 2-12, 2-13, 2-14

Sustainability Policy updated in 2023

Sustainability Committee established in March 2023

Contribution to the Sustainable Development Goals
Direct contribution to 9 SDGs and indirect contribution to 5 SDGs

Environmental and Social Impact Management Policy
25 projects evaluated in 2023

Sustainable and comprehensive communication with stakeholders

Membership and support to Non-Governmental Organizations

GRI 2-12, 2-13, 2-14

SUSTAINABILITY APPROACH

Ziraat Bank's sustainability approach is shaped in light of its responsibilities as a financial services provider, of its obligations to the environment and the community, and of its duties as an employer.

Within the framework of its sustainability approach, Ziraat Bank carries out the following;

- Determines and implements its targets in the field of economic sustainability from a short, medium and long-term corporate, environmental and social sustainability perspective.
- Manages its resources and service infrastructure by carefully considering environmental and social issues as well as potential risks and opportunities.
- Considers environmental sustainability as a priority issue, including efforts to tackle the climate crisis and the transition to a zero-carbon economy.
- Develops its service processes with a focus on sustainability and offers banking products and services to all customers in practical, understandable, accessible and digitally focused formats.
- Contributes to the implementation of investments to eliminate the pressures and negative impacts that the efforts to tackle the climate crisis and transition to a zero carbon economy will have on the value chains of productive sectors, while also deploying its resource structure to turn technological developments in the fields of energy efficiency, renewable energy, efficient mobility and the circular economy into opportunities.
- Develops and implements projects with the aim of integrating universally accepted principles of sustainability into the business model and processes. In this context, focusing on areas where it contributes to the UN Sustainable Development Goals (SDGs).
- Aims to take part and play an active role in multilateral sustainability initiatives and cooperation platforms on a national and international scale.

Sustainability Vision

To use the unrivaled experience and knowledge that we have built up in 160 years and to utilize our resources efficiently within the framework of responsible banking principles, for the benefit of the economy, the environment, and the community; to produce enduring value for our stakeholders; to be a bank which embraces all parts of the society by improving our customer-oriented business model.

Sustainability Goal

To further develop the Bank's strong position in the national market and its global competitiveness with corporate, environmental and social sustainability practices to be implemented within the scope of this policy.

GRI 2-12, 2-13, 2-14, 2-22

SUSTAINABILITY POLICY

In line with its focus on spreading, developing and sustaining sustainability throughout the value chain, Ziraat Bank contributes to Turkey's achievement of the sustainable development goals with its implementation of economic, environmental, social and governance (ESG) practices.
Within the general framework determined in the sustainability policy, Ziraat Bank continues to achieve healthy growth as a competitive, strong, high market value, globally integrated bank, guided by the principles of efficiency and responsible banking.

In this context, the Bank is determined to be "more than just a bank" in the field of sustainability, as in other areas, by constantly improving its sustainability performance in line with the principles of transparency, accountability, legal compliance and ethical banking.

Adopting an approach based on the fair sharing of the value it generates and accumulates with its employees, customers, shareholders and other stakeholders, Ziraat Bank transparently shares its economic performance as well as its developments in corporate, environmental and social issues.

Ziraat Bank updated its sustainability policy in 2023 and disclosed its updated policy to the public on its website.

https://www.ziraatbank.com.tr/en/Investor-Relations-ZB/Corporate-Governance/Documents/esimp.pdf

A summary of the topics which comprise Ziraat Bank's sustainability policy is provided below.

Stakeholders* and Ziraat Bank
Ziraat Bank recognizes diversity in its workforce as a key component of its intellectual capital.

The Bank rejects any discrimination and inequality which would disrupt equal opportunity based on gender, physical disability, cultural views, social class or differences of opinion and thought. The Bank views training and development as an important element of the progress it aims to achieve in the field of sustainability and implements investments to promote the continuous development of our employees.

Aiming to deliver products and services with a strong customer-oriented value proposition to all segments of society with the principle of financial inclusion and improving customer satisfaction and loyalty, Ziraat Bank implements measures to improve financial literacy and raise awareness of sustainability.

The Bank prioritizes the development and maintaining of relationships with suppliers based on mutual benefit, respect and honesty.

*Employees, customers and suppliers

GRI 2-12, 2-13, 2-14

SUSTAINABILITY POLICY

The Environment and Ziraat Bank
Ziraat Bank aims to control its direct and indirect environmental impacts, to manage the risks resulting from the climate crisis with the right strategies and technologies, and provides continuous improvements.

With its activities to measure and reduce greenhouse gas emissions, the Bank supports Turkey's 2053 Net-Zero target, the National Contribution Declaration and the efforts to maintain global warming to be within 2°C, as set out in the Paris Climate Agreement, of which it is a stakeholder, and, if possible, to 1.5°C. Its commitment reveals its direct contribution to its global cause.

Ziraat Bank focuses on the efficient use of all natural resources which it consumes in its service cycle, especially energy, and prioritizes the use of renewable energy sources to meet its energy needs.

Considering the management of clean water resources as a key priority area, the Bank strives to ensure the accessibility and sustainable management of water and sanitary conditions for all.

Ziraat Bank and its contribution to Society
Ziraat Bank is focused on adding value to society, supporting social development with a multi-faceted approach, and continuing work that will bring about a wide ranging social impact.

Sustainability in Products, Services and Processes
Ziraat Bank also takes environmental and social issues into account in the processes of meeting changing customer demands and expectations, offering the right value proposition to the right customer at the right time, and efficiently evaluating new business opportunities provided by the markets.

The Bank generates integrated solutions with its domestic and foreign subsidiary banks, branches and financial companies in order to meet the financial needs of its customers as a whole.

It prepares financing packages to support SMEs, entrepreneurs, women and youth and increase employment.

Ziraat Bank aims the transition of its business processes to a digital environment at every possible point by utilizing sustainable technology solutions and developing them with a focus on sustainability. The Bank provides the best digital experience by offering products and services with high value proposition to meet the changing needs of its customers through the digital transformation.

GRI 2-12, 2-13, 2-14

SUSTAINABILITY MANAGEMENT STRUCTURE

Ziraat Bank has a management structure in place that approaches economic, environmental and social factors in a strategic and holistic framework and which aims to create long-term value.
Evaluating corporate sustainability from a strategic and integrated perspective, the sustainability strategy and road map structured under the Board of Directors at Ziraat Bank has been implemented within the framework of a simple and effective organization.

Sustainability policies at the Bank are developed, planned, implemented and overseen by the Sustainability Committee, which was established in March 2023 and operates under the chairmanship of a Board Member.

Although the Sustainability Committee was newly established, it convened twice in 2023 and made two decisions.

Activities related to sustainability are coordinated by the Bank's Project Finance and Sustainability Department. In addition, persons authorized in the field of sustainability in all units of the Bank have been selected and included in the process.

Ziraat Bank Sustainability Committee

Chairman
Fazlı KILIÇ
Board Member

Members
Süleyman YALÇIN
Executive Vice President for Financial Coordination

Berrin MAHMUTOĞLU
Head of Project Finance and Structuring Group

Dr. Ertan ALTIKULAÇ
Head of International Banking Group

Himmet AKSOY
Internal Operations Group

S. Şamil YILDIZ
Head of Internal Systems Group

Utku GÜNDES
Head of Project Finance and Sustainability Department

Gülbin ÇAKIR
Head of Financial Institutions and Investor Relations Department

Ahmet KÖSE
Head of Project and Company Analysis Department

GRI 2-12, 2-13, 2-14

STAKEHOLDERS OF ZIRAAT BANK

Stakeholder relations serve a crucial role in determining and implementing an effective sustainability strategy at Ziraat Bank.
The stakeholder audience refers to the groups that may be directly or indirectly affected by an organization's activities and value production process. The participation of these groups in the organization's corporate governance and operational processes helps determine the strategic priorities and develop relevant policies.

Ziraat Bank identifies the sustainable development opportunities offered by the economic environment with effective stakeholder management and enhances its corporate performance by developing multifaceted collaborations.

The Bank's shareholder, Board of Director and, employees, constitute Ziraat Bank's main stakeholder group. The Bank carries out its operations in constant communication and cooperation with its stakeholders in this group.

In addition to its internal stakeholders, the bank also maintains close relationships with its external stakeholders, including customers, suppliers, regulatory institutions, national and international banks and financial institutions, credit rating agencies, sectoral unions and organizations, media and society.

Internal Stakeholders
External Stakeholders

GRI 2-29

Stakeholder Communication

In addition to its main stakeholder group, Ziraat Bank is also in close contact with its other stakeholders including regulatory bodies, international banks, investors and credit rating agencies, the media, unions in various sectors, organizations and the broader society.

	Stakeholder Group	Interaction Frequency	Interaction Channels
Internal Stakeholders	Shareholder	Annual General Meeting and in other necessary situations	General Assembly Meeting (annual). Ziraat Bank also conducts studies to enlighten the public through the Financial Institutions and Investor Relations Unit. Annual reports and other presentations and statements posted on the Public Disclosure Platform come under this scope.
	Board of Directors	As part of the business cycle - when deemed necessary	Board of Directors meetings, the number and frequency of which are determined in accordance with the Turkish Commercial Code, Banking Law and other relevant legislation.
	Employees	As part of the business cycle - daily	Employment process, training programs for employees, performance evaluation meetings, internal communication channels, executive interviews and informing/sharing meetings.
External Stakeholders	Customers	As part of the service cycle - on a 24/7 basis	Ziraat Bank branches, alternative distribution channels (ATM, internet banking, mobile banking, call center), customer relations representatives, customer visits.
	Suppliers	As part of the business cycle - daily	The procurement process of all services outsourced by Ziraat Bank.
	Regulatory bodies	As part of the business cycle - when deemed necessary	Reports, correspondence and related meetings made in accordance with the legislation
	National and international banks and financial institutions	As part of the business cycle - daily	Meetings and contacts held with World Bank, European Investment Bank etc. and other financial institutions which the Bank is in cooperation with.
	Credit Rating Agencies	As part of the business cycle - when deemed necessary	Meetings, reporting, presentations, correspondence.
	Sectoral unions and organizations	As part of the business cycle - daily	Meetings, presentations and daily communication actions.
	Media	As part of the business cycle - when deemed necessary	Actions to enlighten the public with a transparent and quick approach (press meetings, press bulletins, interviews, responding to questions etc.).
	Society	As part of the social responsibility projects	Corporate social responsibility projects and donation activities.

GRI 2-29

INITIATIVES THAT ZIRAAT BANK IS A MEMBER OR SUPPORTS

- THE BANKS ASSOCIATION OF TÜRKİYE (TBB)
  www.tbb.org.tr/en/home
- FOREIGN ECONOMIC RELATIONS BOARD (DEİK)
  www.deik.org.tr
- INTERNATIONAL CHAMBER OF COMMERCE TÜRKİYE NATIONAL COMMITTEE (ICC)
  http://icc.tobb.org.tr/Index.php
- KREDİ KAYIT BÜROSU (KKB)
  www.kkb.com.tr/en
- TBB RISK CENTER
  www.riskmerkezi.org/en/home
- ECONOMIC RESEARCH FOUNDATION
  www.iav.org.tr
- BANKALARARASI KART MERKEZİ (BKM)
  https://bkm.com.tr/en/
- YATIRIMCI TAZMİN MERKEZİ
  http://www.ytm.gov.tr/
- TURKISH CAPITAL MARKETS ASSOCIATION
  https://tspb.org.tr/en/
- CALL CENTER ASSOCIATION
  www.cagrimerkezleridernegi.org
- BORSA İSTANBUL TÜRKİYE
  https://borsaistanbul.com/tr/

GRI 2-28

THE SUSTAINABLE DEVELOPMENT GOALS AND ZIRAAT BANK

Ziraat Bank defines the SDGs that it has deployed throughout the value chain with an integrated approach, according to its business model, priorities and stakeholder expectations.

The UN Sustainable Development Goals (SDGs)* create a broad sustainability agenda and determine universal criteria for sustainability. Structured to respond to global needs for a sustainable life and ensure long-term growth, SDGs aim to provide institutions and organizations with a new vision in transforming problems into solutions and help them develop more solid strategies.

By integrating the SDGs into its business processes, Ziraat Bank strengthens its strategies for both identifying and managing risks and opportunities and creating efficient business models that include innovative products and services. Thus, the Bank;
It harmonizes the expectations of its employees, customers and the society in which it operates with its strategies.

Ziraat Bank also attaches great importance to internal communication to ensure the successful integration of the SDGs into its strategies. The Bank supports this process through relevant training to encourage employee participation and decision-makers' ownership of the issue.

Considering the effects of its activities on the environment and society as one of its main duties, Ziraat Bank contributes directly to 9 SDGs and indirectly to 5 SDGs with the value it produces and shares within its service cycle.

*Adopted by 193 UN-member countries on 25 September 2015, the convention entitled "Transforming our World: The 2030 Agenda for Sustainable Development" covers 17 Sustainable Development Goals and 169 sub-headings.

SUSTAINABLE DEVELOPMENT GOALS

THE SUSTAINABLE DEVELOPMENT GOALS AND ZIRAAT BANK

SDGs TO WHICH ZIRAAT BANK DIRECTLY/INDIRECTLY CONTRIBUTES

	SDG	Sub-goal	Contributing Activities
Direct Contribution	4 QUALITY EDUCATION	**Target 4.1** By 2030, ensure that all girls and boys complete free, equitable and quality primary and secondary education leading to relevant and effective learning outcomes **Target 4.2** By 2030, ensure that all girls and boys have access to quality early childhood development, care and pre-primary education so that they are ready for primary education **Target 4.3** By 2030, ensure equal access for all women and men to affordable and quality-technical, vocational and tertiary education, including university **Target 4.4** By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship **Target 4.5** By 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples and children in vulnerable situations **Target 4.6** By 2030, ensure that all youth and a substantial proportion of adults, both men and women, achieve literacy and numeracy **Target 4.7** By 2030, ensure that all learners acquire the knowledge and skills needed to promote sustainable development, including, among others, through education for sustainable development and sustainable lifestyles, human rights, gender equality, promotion of a culture of peace and non-violence, global citizenship and appreciation of cultural diversity and of culture's contribution to sustainable development	Training and development programs offered to Ziraat Bank's human resources, support for educational projects that raise entrepreneurial awareness for customers and training on financial literacy
	5 GENDER EQUALITY	**Target 5.1** End all forms of discrimination against all women and girls everywhere **Target 5.5** Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life **Target 5.b** Enhance the use of enabling technology, in particular information and communications technology, to promote the empowerment of women	SME financing and guarantee products, inclusive banking services, sustainable agriculture financing Corporate governance practices, human resources management, remuneration policies, equal opportunity implemented at Ziraat Bank

GRI 203-1, 203-2

SDGs TO WHICH ZIRAAT BANK DIRECTLY/INDIRECTLY CONTRIBUTES

	SDG	Sub-goal	Contributing Activities
Direct Contribution	6 CLEAN WATER AND SANITATION	**Target 6.1** By 2030, achieve universal and equitable access to safe and affordable drinking water for all **Target 6.3** By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally **Target 6.4** By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity **Target 6.a** By 2030, expand international cooperation and capacity-building support to developing countries in water- and sanitation-related activities and programs, including water harvesting, desalination, water efficiency, wastewater treatment, recycling and reuse technologies	Project and application revisions in accordance with local government wastewater management directives for new or renovated branch locations. Selection of efficient irrigation systems in Ziraat Towers Preference for locally adapted plant species to enhance plant diversity in landscaping Utilization of condensation water from cooling systems for garden irrigation at Ziraat Towers Establishment of a recycling facility for grey water reuse to significantly reduce the reliance on mains water.
	7 AFFORDABLE AND CLEAN ENERGY	**Target 7.1** By 2030, ensure universal access to affordable, reliable and modern energy services **Target 7.2** By 2030, increase substantially the share of renewable energy in the global energy mix **Target 7.a** By 2030, enhance international cooperation to facilitate access to clean energy research and technology, including renewable energy, energy efficiency and advanced and cleaner fossil-fuel technology, and promote investment in energy infrastructure and clean energy technology	Financing provided for renewable energy and energy efficiency projects, efficiency investments in service buildings

GRI 203-1, 203-2

THE SUSTAINABLE DEVELOPMENT GOALS AND ZIRAAT BANK

SDGs TO WHICH ZIRAAT BANK DIRECTLY/INDIRECTLY CONTRIBUTES

	SDG	Sub-goal	Contributing Activities
Direct Contribution	8 DECENT WORK AND ECONOMIC GROWTH	**Target 8.2** Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labor-intensive sectors	SME financing and guarantee products, inclusive banking services, sustainable agriculture financing
		Target 8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services	Training and development programs offered to Ziraat Bank's human resources, support for educational projects that raise entrepreneurial awareness for customers, financial literacy training
		Target 8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value	Financing provided for infrastructure, SME and industrial investments, digital banking products and solutions, consumer-friendly financing and savings products, accessible banking
		Target 8.7 Take immediate and effective measures to eradicate forced labor, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labor, including recruitment and use of child soldiers, and by 2025 end child labor in all its forms	Corporate governance practices, human resources management, remuneration policies, equal opportunity implemented at Ziraat Bank
		Target 8.9 By 2030, devise and implement policies to promote sustainable tourism that creates jobs and promotes local culture and products	Special loan projects for priority regions in development
		Target 8.10 Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance, and financial services for all	

GRI 203-1, 203-2

SDGs TO WHICH ZIRAAT BANK DIRECTLY/INDIRECTLY CONTRIBUTES

	SDG	Sub-goal	Contributing Activities
Direct Contribution	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	**Target 9.1** Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human wellbeing, with a focus on affordable and equitable access for all **Target 9.2** Promote inclusive and sustainable industrialization and, by 2030, significantly raise industry's share of employment and gross domestic product, in line with national circumstances, and double its share in least developed countries **Target 9.3** Increase the access of small-scale industrial and other enterprises, in particular in developing countries, to financial services, including affordable credit, and their integration into value chains and markets **Target 9.4** By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities **Target 9.5** Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, including, by 2030, encouraging innovation and substantially increasing the number of research and development workers per 1 million people and public and private research and development spending	Financing provided for infrastructure, SMEs and industrial investments, digital banking products and solutions, consumer-friendly financing and savings products, accessible banking Financing provided to different sectors based on thematic resources, bilateral and multilateral collaboration efforts, operational activities, corporate governance practices and reporting efforts.
	10 REDUCED INEQUALITIES	**Target 10.3** Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard **Target 10.4** Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality **Target 10.5** Improve the regulation and monitoring of global financial markets and institutions and strengthen the implementation of such regulations **Target 10.6** Ensure enhanced representation and voice for developing countries in decision-making in global international economic and financial institutions in order to deliver more effective, credible, accountable and legitimate institutions	SME financing and guarantee products, inclusive banking services, sustainable agriculture financing Corporate governance practices, human resources management, remuneration policies, equal opportunity implemented at Ziraat Bank

GRI 203-1, 203-2

THE SUSTAINABLE DEVELOPMENT GOALS AND ZIRAAT BANK

SDGs TO WHICH ZIRAAT BANK DIRECTLY/INDIRECTLY CONTRIBUTES

	SDG	Sub-goal	Contributing Activities
Direct Contribution	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	**Target 12.2** By 2030, achieve the sustainable management and efficient use of natural resources **Target 12.4** By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment **Target 12.5** By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse **Target 12.6** Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle Target 12.8 By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature	SME financing and guarantee products, inclusive banking services, sustainable agriculture financing Financing provided for renewable energy and energy efficiency projects, efficiency investments in service buildings Carbon footprint measurement activities, waste management practices, environmental and social impact management system
	13 CLIMATE ACTION	**Target 13.1** Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries **Target 13.2** Integrate climate change measures into national policies, strategies and planning **Target 13.3** Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning	Carbon footprint measurement activities, waste management practices, environmental and social impact management system

GRI 203-1, 203-2

SDGs TO WHICH ZIRAAT BANK DIRECTLY/INDIRECTLY CONTRIBUTES

	SDG	Sub-goal	Contributing Activities
Indirect Contribution	1 NO POVERTY	**Target 1.4** By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance	SME financing and guarantee products, inclusive banking services, sustainable agriculture financing Special loan projects for priority regions in development
	2 ZERO HUNGER	**Target 2.5** By 2020, maintain the genetic diversity of seeds, cultivated plants and farmed and domesticated animals and their related wild species managed and diversified seed and plant banks at the national, regional and international levels, and promote access to and fair and equitable sharing of benefits arising from the utilization of genetic resources and associated traditional knowledge, as internationally agreed **Target 2.a** Increase investment, including through enhanced international cooperation, in rural infrastructure, agricultural research and extension services, technology development and plant and livestock gene banks in order to enhance agricultural productive capacity in developing countries, in particular least developed countries	SME financing and guarantee products, inclusive banking services, sustainable agriculture financing
	11 SUSTAINABLE CITIES AND COMMUNITIES	**Target 11.1** By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums **Target 11.2** By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons **Target 11.3** By 2030, enhance inclusive and sustainable urbanization and capacity for participatory, integrated and sustainable human settlement planning and management in all countries **Target 11.4** Strengthen efforts to protect and safeguard the world's cultural and natural heritage **Target 11.6** By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management	Financing provided to the housing sector through national-scale development and investment projects, support for the green economy, contribution to cultural heritage

GRI 203-1, 203-2

THE SUSTAINABLE DEVELOPMENT GOALS AND ZIRAAT BANK

SDGs TO WHICH ZIRAAT BANK DIRECTLY/INDIRECTLY CONTRIBUTES

	SDG	Sub-goal	Contributing Activities
Indirect Contribution	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	**Target 16.5** Substantially reduce corruption and bribery in all their forms **Target 16.6** Develop effective, accountable and transparent institutions at all levels Target 16.7 Ensure responsive, inclusive, participatory and representative decision making at all levels	Corporate governance practices, human resources management, remuneration policies, equal opportunity implemented at Ziraat Bank
	17 PARTNERSHIPS FOR THE GOALS	**Target 17.4** Assist developing countries in attaining long-term debt sustainability through coordinated policies aimed at fostering debt financing, debt relief and debt restructuring, as appropriate, and address the external debt of highly indebted poor countries to reduce debt distress **Target 17.16** Enhance the Global Partnership for Sustainable Development, complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology and financial resources, to support the achievement of the Sustainable Development Goals in all countries, in particular developing countries **Target 17.17** Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships Data, monitoring and accountability	Financing provided to the housing sector through national-scale development and investment projects, support for the green economy, contribution to cultural heritage Financing provided to different sectors based on thematic resources, bilateral and multilateral collaboration efforts, operational activities, corporate governance practices and reporting efforts.

GRI 203-1, 203-2

IMPACT FRAMEWORK OF STRATEGIES

Ziraat Bank creates economic, environmental and social value with its business model and strong management system, which is based on its corporate strategies. Continuing to grow and strengthen thanks to this cycle, the Bank also draws on its 160 years of experience and knowledge in this process.

Strategies	Related Capitals	Related Stakeholders	Associated SDGs*	GRI	SASB
Stable Growth	Financial Capital	Shareholder Customers	1, 2, 8, 9, 12, 17	3-3, 201-1, 201-2, 201-3, 201-4, 202-1, 202-2, 203-1, 203-2	●
The Business Model of Future	Financial Capital Manufactured Capital Intellectual Capital	Customers	1, 2, 8, 9, 17	3-3	
Advanced Technological Infrastructure	Financial Capital Intellectual Capital Human Capital	Customers Employees	8, 9, 10, 17	3-3, 410-1, 418-1	●
Efficient and Lean Processes	Financial Capital Intellectual Capital Human Capital	Customers Employees	8, 9, 10, 17	3-3, 410-1, 418-1	●
Developing Organization and Satisfied Employees	Human Capital	Employees	4, 5, 8, 10, 16	3-3, 401-1, 401-2, 401-3, 402-1, 403-1, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 404-1, 404-2, 404-3	
Platform Banking	Financial Capital Manufactured Capital Intellectual Capital Social and Relationship Capital	Customers	9, 17	3-3, 416-2, 417-1, 417-2, 417-3	●
A Global Bank	Financial Capital Manufactured Capital Intellectual Capital Human Capital Social and Relationship Capital Natural Capital	Customers Employees Suppliers Shareholder	8, 9, 10, 11, 12, 16, 17	3-3, 411-1, 414-1, 415-1	
Responsible Banking	Financial Capital Manufactured Capital Intellectual Capital Human Capital Social and Relationship Capital Natural Capital	Regulatory bodies International financial institution and investors Credit rating agencies Sectoral associations and organizations	10, 11, 12, 13, 16, 17	3-3, 205-1, 205-2, 205-3, 206-1, 207-1, 207-4, 302-1, 302-2, 302-3, 302-4, 302-5, 303-1, 303-2, 303-3, 303-4, 303-5, 305-1, 305-2, 305-3, 305-4, 305-5, 306-1, 306-2, 306-3, 306-4, 306-5, 308-2, 405-1, 405-2, 406-1, 407-1, 408-1, 409-1	●

*SDGs are added in the table according to their reference numbers. Dark colored ones indicate direct contribution, light colored ones indicate indirect contribution.

GRI 2-25, 203-1, 203-2

MANAGEMENT OF ENVIRONMENTAL AND SOCIAL IMPACTS

Continuing to support investment projects that will ensure the protection of the environment and reduce the negative effects of climate change, Ziraat Bank aims to minimize environmental and social risks by conducting specific evaluations of each project.

Environmental and social impacts and risks considered in the credit evaluation processes
Inadequate assessment and management of environmental and social impacts and risks can lead to reputational loss and financial risks for both banks and investing companies. Therefore, it is crucial that credit assessment processes consider and appropriately manage environmental and social impacts and risks alongside financial, technical, and economic issues.

With this awareness, Ziraat Bank has created the "Environmental and Social Impact Management Policy in Lending Activities" to integrate universally recognized sustainability principles into its business model. This policy sets out the principles of environmental and social impact management, aiming to ensure that the projects financed by the bank provide high environmental and social contributions.

Under this policy, requests for credit for projects with an investment amount exceeding USD 50 million are subject to environmental and social assessments. The results of annual environmental and social risk assessments and monitoring are presented to the Sustainability Committee in line with the Bank's Sustainability Policy.

Within the scope of the Environmental and Social Impact Management Policy in Lending Activities, 25 projects were evaluated from an environmental and social perspective during 2023, with no projects rejected due to being on the list of Non-Funded Activities.

Number of Projects Evaluated by Risk Category

A	14
B	5
C	6

Sectoral Distribution of Evaluated Projects

Sector	Number
Production	13
Energy	7
Trade	3
Tourism	1
Contracting	1

Contributing to sustainability through project financing
Through its financing activities, Ziraat Bank supports major infrastructure projects such as airports, highways, bridges and renewable energy projects, which create added value for the country's economy and play a significant role in increasing employment.

Considering the potential environmental and social impacts in project financing, the Bank requests information and documentation from investors to ensure that projects evaluated in line with the principle of responsible banking meet environmental and social standards.

Ziraat Bank evaluates each project individually in the multi-lateral project finance transactions it engages in, with the aim of mitigating environmental and social risks and minimizing their impacts. Within this framework, the Bank ensures compliance with internationally recognized environmental and social standards accepted by international financial institutions and recommended by project consultants.

GRI 2-25, 203-1, 203-2

In its project finance contracts, Ziraat Bank obtains declarations and commitments from customers regarding environmental and social issues within the framework of laws and regulations they are subject to, and considers any failure to comply with these declarations and commitments as a default. Customer commitments in this regard are regularly monitored through periodic reports obtained from environmental consultants or investors.

Interest advantages and restructuring opportunities for TOA (Uncollectible Receivables) customers affected by the earthquake

In order to support TOA customers who have been financially affected by the earthquakes which struck our country, Ziraat Bank drew up a directive dated 13 December 2023 on the Restructuring of Personal Credit Cards, Overdrafts and Consumer Loans in the Earthquake Zone-TOA.

Individual customers with consumer loans, individual credit card debts and individual overdraft debts residing in the first group of earthquake disaster areas (the provinces of Hatay, Kahramanmaraş, Adıyaman, Osmaniye and Malatya, as well as the İslâhiye and Nurdağı districts of Gaziantep) with a confirmed AKS (Address Registration System) address and contact information as of 6 February 2023 were eligible to benefit from this restructuring.

This campaign, encompassing 9,600 accounts and over TL 33 million in recorded balances, offers interest rates and restructuring options which are highly significant in terms of their environmental and social impacts.

The advantages offered within the scope of the campaign include:

1. Relieving the Financial Burden

- The directive aims to reduce the financial burden of customers affected by the earthquake by offering them the opportunity to restructure their debts with low interest rates.
- Low interest rates aim to alleviate the financial stress on customers by allowing them to manage their debt more sustainably.

2. Social Solidarity and a Fair Approach

- Restructuring opportunities which represent social solidarity and a fair financial approach strengthen equality and justice in society by helping customers access finance under more favorable conditions during a difficult period.

3. Risk Management and Long-Term Recovery

- Restructuring options assist customers in forming risk management strategies, thereby supporting sustainable and long-term financial recovery.
- This directive not only targets customer satisfaction but also a focus on social responsibility, with the aim of creating a positive environmental and social impact.

GRI 2-25, 203-1, 203-2

FINANCIAL SUSTAINABILITY

IN THIS SECTION

- IN OUR 160TH YEAR... MOVING FORWARD TO THE FUTURE
- IN 2023
- ZIRAAT BANK'S SUBSIDIARIES

In parallel with its effective policies and strategies, Ziraat Bank creates added value for both our country and all of its stakeholders with its activities aimed at contributing to the sustainability of the ecosystem.

The Bank implements a selective credit policy, where it continues to finance the agriculture, manufacturing, export, energy investment and technology sectors at an optimal resource cost.

Total Assets
TL 3,800 billion

Net Profit for the Period
~TL 90 billion

Deposits
TL 2.9 billion

Sustainability Themed Syndication Loan
USD 1.3 billion

Agricultural Loans
TL 437 billion

Green Home Loan
TL 593 million

Foreign Trade Volume
USD 98.4 billion

Issuance Transaction Within the Scope of Securitization Program Based on Remittance Flows
USD 1 billion

IN OUR 160TH YEAR... MOVING FORWARD TO THE FUTURE

As the pioneer and leader of change in the banking sector for 160 years, Ziraat Bank shapes its corporate policies, strategies and goals in a manner that takes account of the needs of the future.

STABLE GROWTH

Continuing to be a pioneer in the sector with its selective credit policy and effective use of resources
Ziraat Bank, which has gradually transformed its balance sheet into a customer-oriented structure, proactively manages credit quality through effective loan processes and always prioritizes effective resource use and cost control. Within the framework of its selective credit policy, the Bank continues to finance the agricultural, manufacturing, export, energy investment and technology sectors while optimizing resource costs. Placing importance on supporting growth with sustainable profitability, Ziraat Bank achieved a Return on Equity of 34.5% and a Return on Assets of 3.0% in 2023.

In 2023, Ziraat Bank provided the largest sustainability-themed syndicated loan provided by a bank in Turkey at any one time.
Fulfilling an important mission in sustainable development in Turkey with its responsible banking approach, Ziraat Bank provided loans totaling USD 1.3 billion, consisting of USD 418 million and EUR 784 million, with a maturity of 367 days.

This syndication loan, the Bank's tenth borrowing transaction obtained through syndication from international markets and its second sustainability-themed syndicated loan, involved the participation of 52 banks from 25 countries.

Ziraat Bank supports all segments of the economy with the financing opportunities it provides.
Ziraat Bank's strategy in the agricultural sector, which it classes as a priority area, is "Financing the Agricultural Ecosystem". This strategy is built on four main headings; "solution orientation", "strong communication", "sustainable financing" and "accessible financing". In this vein, the Bank has determined value-added production, economies of scale, cooperative banking, technology-intensive agriculture, integration of industry in agriculture, environmentally friendly loans and areas specific to women and the young as its main targets.

In this context, details of the work carried out in 2023 can be found on pages 76-85 of the report.

THE BUSINESS MODEL OF THE FUTURE

Continuously improving of our business model to offer the most advanced technology-oriented solution proposals

Ziraat Bank constantly renews and develops its business model in line with the needs of the digital world.

The bank is working to establish its own payment company in order to further advance its services in the field of payment systems. In this context, work is ongoing for the establishment of Ziraat Finansal Teknolojiler Ödeme Hizmetleri ve Elektronik Para A.Ş. (ZiraatPay), with the company expected to enter operation shortly.

In addition, the BRSA gave the go-ahead for the establishment Ziraat Dinamik Banka A.Ş., which will be the first digital bank to be established under the ownership of a financial group in our country. The process of obtaining an operating permit is ongoing.

Ziraat Bank considers digitalization as a whole in order to carry out the entire banking process digitally with the ecosystem logic. In line with this, Ziraat Super Branch, which was commissioned in 2022 as the Bank's Digital Branch service model, aims to provide the best customer experience by allowing retail customers to benefit from banking services through digital channels without going to the branch. The Ziraat Super branch had reached a customer base of 750,000 as of the end of 2023.

Striving to provide its customers with the best digital experience

Ziraat Investment's functions are offered to customers through the Ziraat Mobile app. Investment transactions which can be carried out in the ZBorsa application have also been integrated into the Ziraat Mobile app, allowing customers to easily manage their investments.

In addition to individual customers, companies were able to start the remote process of becoming a customer through the "I Want to Be a Ziraat Member" menu on the Ziraat Mobile app. Legal entities and sole proprietorships could therefore become Ziraat Bank customers through digital channels without needing to go to a branch. As one of the first banks in our country to launch such an app, Ziraat Bank has led the sector in the acquisition of legal customers through digital channels.

In order to safely carry out transactions offered through digital channels, customers may safely increase their financial transaction limits within the limits determined by the new ID card NFC feature.

It is possible to carry out written calls by connecting to a live answer customer representative over the Virtual Assistant on Internet Branch and Ziraat Mobile.

Ziraat Bank proactively identifies the needs of its customers through the effective use of data analytics in its efforts to improve the customer experience and differentiates its solutions on the basis of customer segment. Within the scope of the Digital Analytics and Personal Analytics projects carried out in 2023, work was carried out to ensure the right suggestions were presented to the right customer candidates, from the right channel and at the right time, and customer-focused campaigns were developed.

IN OUR 160TH YEAR... MOVING FORWARD TO THE FUTURE

Work continues on enhancing the analytical perspective and data-based processes in all processes at Ziraat Bank, and to modernize and standardize analytical platforms to meet new requirements.

ADVANCED TECHNOLOGICAL INFRASTRUCTURE

Continuous strengthening of technological infrastructure with flexible software development and comprehensive information security processes applied at all stages of the banking life cycle
A Cyber Security Center structure has been established within the Ziraat Finance Group (ZFG) which examines bank systems and alarm mechanisms seven days a week and without interruption, scans for weaknesses or vulnerabilities, collects intelligence and intervenes against cyber threats.

Siber Güvenlik Merkezi bünyesinde çalışan sistemlerin detaylarına raporun 81 sayfasından ulaşılabilir.

Ziraat Bank is improving its capabilities to identify anomalies and detect vulnerabilities through the use of Artificial Intelligence and machine learning, which is able to learn user behavior.

Software-based network infrastructure (SDWAN) was implemented in all branches. Accordingly, field operations were slimmed down by centralizing physical device configurations.

Work continues on enhancing the analytical perspective and data-based processes in all processes at Ziraat Bank, and to modernize and standardize analytical platforms to meet new requirements.

In systems which handle a high level of transactions, anomaly detection activities have been employed through the use of machine learning algorithms in order to detect transactions with potential risks or differences which users cannot detect with certain rules, and the effectiveness of central control systems has been increased.

EFFICIENT AND LEAN PROCESSES

Continuous improvement of business processes through integration with the latest technologies
Ziraat Bank continuously improves its business processes by integrating them with the latest technologies in order to provide excellence in the customer experience. Ziraat Bank unwaveringly pressed ahead in its work to develop and automate the operational processes of the Head Office and branches in 2023.

More than 258 million transactions were carried out through the Operations Center in the 2023 operating period, with employee productivity increased by reducing the operational intensity in the branches.

Within the scope of the project to centralize expropriation transactions, operational processes related to expropriation transactions currently carried out in the branches were brought under the OPİM and the operational intensity of the branches was reduced.

With the development studies in robotic process automation applications, the total number of processes became 85.

By offering Foreign Trade menus to customers through Ziraat Bank's Internet Branch and Mobile Banking applications, more than 200,000 transactions were carried out on foreign currency transfers, cash and goods-for-goods import transfers, IBKB regulation, IBKB monitoring, foreign trade files inquiry-monitoring and tracking of transfers with Swift GPI in 2023. Accordingly, the transaction intensity of the branches was reduced, and the digital customer experience in foreign trade was enhanced.

Streamlining its business processes through systematic integrations with institutions
Some of the systemic integrations carried out in 2023:

- Signature Circular Inquiry and Inheritance Certificate Inquiry integrations provided by the Notaries Union of Türkiye (TNB)
- Integration with the Turkish Ministry of Family and Social Services to centralize Social Economic Support, Disabled Home Care and Foster Family payments
- Transforming the Land Registry Reliable Account application, which works in integration with the General Directorate of Land Registry and Cadastre (TKGM), into a structure that can be used in the Internet Branch and Mobile Banking channels.

Bringing ease to the lives of employees with Mobile Applications and "Bilge", the in-house Virtual Assistant
Ziraat Bank simplifies the daily banking transactions of its employees through its ZFG Mobile platform, providing instant access to Ziraat Finance Group corporate applications and information on a 24/7 basis. The platform includes more than 32 applications which continued to be developed in 2023, and new applications are constantly being added in accordance with employee feedback.

The in-house Virtual Assistant, "Bilge", answers employees' questions under 84 main headings and 788 sub-topics such as basic banking information like a Legislative Information Bank. Bilge messaged employees 800,000 times in 2023. Bilge's knowledge repertoire continues to be improved, with the rate that it can answer questions rising to 83%.

With the Mobile Approval app, which was developed to facilitate business processes with mobile solutions, both branch managers and employees authorized to issue approval may quickly terminate transactions from their mobile devices. This contributed to the prompt delivery of customer approvals and the continuity of business processes. A total of 352,000 approvals were completed over the mobile approval application in 2023.

DEVELOPING ORGANIZATION AND HAPPY EMPLOYEES

Ziraat Bank is continuously increasing its organizational efficiency with happy employees with a strong corporate culture by constantly improving the employee experience with the focus of our Development-Oriented Career and Talent Management approach.
Ziraat Bank invests in the professional development of its employees in line with its Development-Oriented Career and Talent Management approach and continuously improves its employee experience with performance evaluation processes based on equal opportunity and motivation-enhancing practices. With these efforts, the Bank aims to ensure corporate loyalty with happy employees who are integrated with the strong corporate culture that has left their mark for centuries.

Work gets underway on the Ziraat Bank Finance and Technology University.
Ziraat Bank took measures to establish the Ziraat Bank Finance and Technology University with the support of the more than 100 years of technical knowledge and experience it has gained in the Banking School. Carrying its experience in banking education to its peak with this initiative, the Bank also aims to contribute to shaping the future of our country.

IN OUR 160TH YEAR... MOVING FORWARD TO THE FUTURE

Providing continuous professional and personal development opportunities to its employees, the Bank provided an average of 24.24 hours of in-class training and 34.59 hours of e-training per person in 2023.

The university, designed as a Business School, will have many different features including three faculties, a Vocational School, a Technopark and a Financial Behavior Laboratory. The aim of the university is not only to train the bankers of tomorrow, but also to ensure the formation of new companies that will shape the future.

Ziraat Bank attaches importance to training and development activities with the aim of improving the professional knowledge and skills of its employees as well as developing their personal abilities.
Providing continuous professional and personal development opportunities to its employees, the Bank provided an average of 24.24 hours of in-class training and 34.59 hours of e-training per person in 2023.

Ziraat Bank offered the following special certification programs to raise the competence of its employees in 2023:

- Data Science with Artificial Intelligence Certificate Program
- FRM Certificate Program
- PMP Certificate Program
- Scrum Master and Scrum Product Owner Certificate Program
- ISO/IEC 27001:2022 Information Security Management System Lead Auditor Training

Graduate education programs were initiated with Ankara University, one of our country's well-established universities, in 2021 and continued with a new intake of participants in 2023. The E-catalogue, which contains over 6,000 items, has been restructured in accordance with the Bank's basic, functional and managerial competencies and expanded with new content which will contribute to the professional development of employees.

The "Ziraatli-comment" blog, which increases in-bank sharing and allows their employees to share their knowledge and experience with each other, was used by 8,070 employees in 2023.

Ziraat Bank provides special training courses on its website in order to increase the financial awareness of children and customers.
"Special online training for kids" is offered to raise awareness of savings among children and introduce them to basic financial concepts. Providing fun-packed online tuition under the themes of "Money-Bank Island, Savings Island, Credit and Credit Card Island, Budget Island", children can enjoy learning about the relationship between money and banks, the functioning of banks, internet and telephone banking, credit and credit card awareness, and everything from money to electricity and water. They are provided with information on the economical use of all resources.

Within the scope of customer training, the Bank's website includes training on secure credit card use and agricultural insurance.

The first step was to implement a digital platform in order to contribute to the development of university students undergoing internships at Ziraat Bank and help them use the time they spent on their internships productively. More than 100 videos and items of e-learning content or reading materials covering a wide range of subjects were provided on the digital platform, with the content made available to students.

Ziraat Bank participated in the Career Summits and Regional Career Fairs in cooperation with the Presidential Human Resources Office, providing an opportunity to meet university students. In addition, around 2,000 university students were offered internship opportunities in various units at the Bank through the CBIKO Internship Mobilization, with the aim of increasing the career awareness of university students and attracting talented young people to the Bank through internships and the events attended.

PLATFORM BANKING

To provide services to customers at any time and on every platform within the framework of the service models of the future
Ziraat Bank offers new products and services in cooperation with the entire ecosystem in order to provide its customers with better banking and financial opportunities to meet their needs.

Within the scope of its digital financial ecosystem strategies, Ziraat Bank created the Ziraat Super Platform structure with the aim of adding value to the lives of customers and creating a positive customer experience. Ziraat Super Branch's customers benefit from easy access to non-banking products and services as well as unique opportunities through a specially designed platform infrastructure.

Through the Ziraat Super Platform, customers may participate in campaigns and access the advantageous products and services offered to them by reviewing the campaign details of the business partners which the Bank collaborates with in the ecosystem.

Within the scope of open banking activities, individual and corporate customers may view their account movements and balances in other banks and institutions and conduct money transfers on the Ziraat Mobile and Internet Branch. With the improvements made, customers may benefit from banking services more quickly and efficiently, and can easily monitor their accounts through Ziraat Bank's digital channels.

A GLOBAL BANK

Working to maximize customer satisfaction by producing integrated financial solutions in all countries where Ziraat Finance Group operates
Ziraat Bank's corporate participation strategy revolves around the Ziraat Finance Group producing integrated solutions in order to meet the financial needs of its customers as a whole.

In this context, Ziraat Bank sets out to carry out the following;

- In line with the vision of the Ziraat Finance Group, to create a dynamic and effective synergy between its domestic subsidiaries, which is complementary to its financial activities, and its foreign subsidiaries spread over a wide region,
- To ensure the continuation of sustainable profitability with a healthy and efficient balance sheet structure,
- To contribute to the development of commercial and economic relations between Turkey and other countries of operation, playing a strong role in the financing of foreign trade and capturing a high market share in this area thanks to its wide foreign subsidiary network,
- To be the global financial contact point for customers by paving the way for foreign buyers and/or sellers of their customers in Turkey to also become customers in international service points, and to ultimately add value to the Ziraat Finance Group,
- To provide its customers with a variety of products and services, in addition to securing time and cost advantages at a global level thanks to effective communication and fast business processes by contributing financially to the transaction flows of its customers around the world,
- To continue activities focused on bringing new and pioneering financial technologies to the regions it is operating in.

GRI 3-3

IN OUR 160TH YEAR... MOVING FORWARD TO THE FUTURE

Within the framework of its subsidiary policy built on the foundations of efficiency, the Bank maintains its activities with its foreign subsidiary banks in Germany, Bosnia and Herzegovina, Montenegro, Russia, Azerbaijan, Georgia, Uzbekistan, Kazakhstan and Turkmenistan, in addition to its domestic subsidiaries.

Ziraat Bank's activities in the field of Foreign Branch Banking are shaped in line with its international banking strategy and vision, and are carried out within the framework of its main objectives;

- To provide a fast, technology-oriented and high-quality service to our country's entrepreneurs and companies, as well as to all stakeholders in the regions we operate in,
- To support foreign trade between Türkiye and the countries in which we operate, to play an active role in financing international trade,
- To ensure the continuity of sustainable profitability with a healthy and efficient balance sheet structure,
- To become a global financial contact point by ensuring that buyers and/or sellers abroad of customers in Turkey are also customers of foreign service points,
- Creating effective synergy in line with the basic approach of the "Ziraat Finance Group"

Wide range of activities carried out by Ziraat Finance Group in 2023, including technological infrastructure projects

Ziraat Bank has gradually expanded its work on the Key Global Project, which it embarked upon with the aim of developing the main banking applications used by foreign units and harmonizing these applications with Ziraat Finance Group standards. Work on the software has got underway in the London Branch, with the work in the Bahrain Branch approaching completion.

Mobile Banking apps were introduced in Kosovo, Iraq and Bulgaria in 2023.

The project to "Transfer E-Mail Infrastructure to the Ziraat Data Center" project, which aims to maximize performance of services in the Ziraat Data Center, provide continuous accessibility, security and offer advanced messaging features has been completed in Georgia, Montenegro, Uzbekistan, Bosnia, London, Azerbaijan, Jeddah, Iraq, Bahrain, Bulgaria and Greece.

Integration work have been completed in Uzbekistan, London, Russia, Jeddah and Azerbaijan in order to bring the Foreign Units Monitoring and Warning systems to Ziraat Finance Group standards and manage them from Turkey. Credit risk reports which had been prepared manually by foreign units have now been automatically transferred to the main banking system in Bosnia and Herzegovina, Kazakhstan, Kosovo, Russia, Montenegro, Bulgaria, Germany, Azerbaijan and Greece with work continuing on transforming this process in Jeddah and Iraq. Accordingly, credit risk reports can be reported without user errors.

"Information Security Tests", initiated to comply with the security standards determined for Ziraat Finance Group, were completed in 2023 in Montenegro, Azerbaijan, Germany, Uzbekistan, Kosovo, Russia, Greece, Jeddah and London.

GRI 3-3

RESPONSIBLE BANKING

Integrating environmental and social risk governance principles into the business model
Ziraat Bank aims to create added value with the principle of respecting people and the environment, in line with its sustainability policy.

Environmental and social risk assessment implemented in Ziraat Bank's investment projects
From March 2022, Ziraat Bank started to consider loan applications for projects with an investment amount of more than USD 50 million from an environmental and social point perspective within the scope of its "Environmental and Social Impact Management Policy in Lending Activities".

Ziraat Bank considers customer risk and project risk as a whole in its Environmental and Social Risk assessment and examines all loan requests according to the List of Unfinanced Activities, which is an element of the Environmental and Social Impact Management Policy.

Ziraat Bank notified the Carbon Disclosure Project (CDP) in 2023 and completed its first sustainability reporting.
As a result of the evaluation conducted by the CDP-Carbon Disclosure Project, the world's most prestigious and wide-reaching environmental initiative, Ziraat Bank achieved considerable success by being awarded an A-rating in the Water Security category and a B rating in the Climate Change category.

Continued diversification of sustainability loans
Investment and Business Loans for Solar Power Plants, Roof-top Solar Power plants and Licensed solar power plants have also been added to the environmental loan products launched by Ziraat Bank within the framework of its sustainability policy.

Within the scope of green transformation and sustainability, Ziraat Bank continued to provide Green Home loans, Green Vehicle loans and Thermal Insulation loans for its Home range of products in 2023.

In order to support sustainable banking, a digital slip has been provided instead of a physical slip for transactions made with Ziraat Bank cards.
Ziraat Bank plans to establish a Solar Energy Plant (SPP) to provide the electricity it needs.

The aim of the facility, planned to be located in Pınarbaşı district of Kayseri, is to generate 110 million kWh of electricity per year. The aim of the SPP, which is still being established, is to meet all of the Bank's electricity needs through renewable energy sources.

Taking its mission in social responsibility one step further each year
Work on the construction of a school continues with the support of Ziraat Bank, which has undertaken projects to contribute to the cultural benefit of society, while work also continued in 2023 on improving schools in priority areas for development within the scope of the "Children on Holiday, Schools in Renovation" social responsibility project.

IN 2023

ECONOMIC OUTLOOK

The Global Economy

The year 2023 was marked by the slowdown in global economic activity, the restrictive effects of tight monetary policies on the economies of developed countries and geopolitical risks, which continued to have ramifications for the world economy.

Global economic activity exhibited a slowdown as central banks around the world continued to raise interest rates as they grappled with inflation, along with a tightening in financial conditions. Throughout the year, the restrictive effects of tightening monetary policies, especially on production in the manufacturing sector, became more apparent on the economies of developed countries, and geopolitical risks continued to affect economies around the world.

At the same time, the risk of a hard landing in the global economy receded as employment markets maintained their resilience despite the slowdown in global economic activity and high rates of inflation.

In addition to the monetary tightening steps taken last year, there was an easing in energy and commodity prices with inflation in many countries falling faster than expected from the peaks reached in 2022, as the supply chain issues encountered during the pandemic were resolved and supply-side problems eased. Inflation indicators improved in many countries, despite remaining above long-term averages and the targets set out by central banks.

The ongoing war between Russia and Ukraine in 2023, the comprehensive package of sanctions imposed by western countries against Russia, and the Russian government's announcement of its withdrawal from the Grain Corridor Agreement in July were among the geopolitical risks which caused concern throughout the world.

In addition, the tensions between the USA, Europe and China in the field of technology, developments related to Taiwan and the turmoil in the Middle East and Red Sea region with the conflict between Israel and Palestine in the last quarter of the year were also global focal points of attention.

In addition, despite the supply cut decisions by the OPEC+ cartel, which includes the Organization of Petroleum Exporting Countries (OPEC) and a number of other oil producers, oil prices fluctuated throughout the year due to the increases in production, the stocks of major oil producing countries such as the USA and a weak demand outlook. These indicators were very much in the spotlight during the year, given their pivotal impact on the course of global inflation.

Following the bankruptcy of a bank in the USA and moves to rescue a bank in Switzerland in the first quarter of the year, central banks and regulatory institutions moved rapidly and effectively to keep the risks that may arise in the banking sector under control, thus significantly alleviating downside risks to the global growth outlook.

Risks to global economic growth in 2023 deemed to be broadly balanced.
In its Global Economic Outlook Report published in January 2024, the IMF acknowledged the faster than expected fall in inflation in many regions in a period where global supply-side problems were resolved and restrictive monetary policies were in place. The report also emphasized that the decline in inflation and stable growth had reduced the threat of a hard landing in the global economy, with the risks to global economic growth generally being balanced.

Against this backdrop, the IMF estimated that global economic growth, which stood at 3.5% in 2022, had slowed only to a limited extent in 2023 thanks to the greater than expected resilience of the US economy as well as the economies of some major developing economies, as well the supportive impact of the Chinese economy. The IMF predicts growth of 3.1% for 2024, broadly in line with last year's growth, with growth of 3.2% in 2025.

However, the IMF emphasized that global growth forecasts for 2024 and 2025 remained below the historical average growth rate of 3.8% due to the impact of the interest rates hikes, implemented to bring down inflation globally, the reduction in the amount of financial support given the pressures created by high indebtedness on economic activity, and the underlying low growth in productivity.

Eurozone economy records a significant slowdown in 2023
There was a significant slowdown in the growth rate of Eurozone countries in 2023, which remained virtually stagnant on the back of weakening economic activity throughout the region.

The annual growth rate of the region's economy decreased from 3.4% in 2022 to just 0.5% in 2023. Feeble consumer confidence, the ongoing fallout of high energy prices, and weakness in the manufacturing sector and investments, which are highly sensitive to tightening financial conditions, were the main factors behind this slowdown.

The German economy, Europe's largest manufacturing industrial powerhouse and export-oriented economy, entered recession for the first time since the pandemic in 2020, although the contraction remained limited at 0.3% in 2023.

The IMF announced that it expected growth in the Eurozone to remain weak at 0.9% in 2024, below pre-pandemic levels, with a partial recovery. Likewise, the German economy is predicted to grow at a limited 0.5% in 2024.

Continued resilience for the US economy
A tight monetary policy was in place in the USA during 2023, with certain banks experiencing difficulties in first half of the year, along with a debt ceiling crisis. Despite these negative developments, the strong course of private consumption expenditures, the support of consumption, the continued tightness in the labor market and spending of savings accumulated by households during the pandemic enabled an acceleration in the US economy in 2023 when compared to 2022.

In this context, the US economy outperformed expectations, with 2.5% growth in 2023 following the 1.9% growth recorded in 2022. According to IMF forecasts, economic growth in the US is expected to reach 2.1% in 2024 - one of the highest rates among developed countries.

The year 2023 was marked by the slowdown in global economic activity, the restrictive effects of tight monetary policies on the economies of developed countries and geopolitical risks, which continued to have ramifications for the world economy.

IN 2023

Global inflation continued to trend downward in developed and developing countries in 2023, despite remaining elevated.

Global central banks pause monetary tightening steps amid apparent slowdown in inflation
Global inflation continued to trend downward in developed and developing countries in 2023, despite remaining elevated. In particular, the gradual relaxation in core inflation indicators highlighted expectations that rates of inflation may remain high in the coming period.

Despite the downward trend in inflation due to the positive impact of a global loosening in energy and commodity prices, the strong course of the employment markets ensured that wage-related pressures remained significant, while the more limited slowdown in core inflation indicators increased the expectations that central banks would maintain their tight stance for a longer time to come.

With core inflation indicators (which exclude food and energy prices) remaining elevated, global inflation may stubbornly remain above the targets set out by central banks in the short term. In fact, rates of inflation in many countries are not expected to return to their target levels until 2025. In this context, central banks in many countries have guided that they will keep policy rates at levels that will maintain monetary tightness for the time being.

In addition, with many countries now approaching the peak of their monetary tightening cycles, expectations have turned to additional but more limited tightening. The significant improvement in inflation in developed countries in the last quarter of last year raised expectations among market players that global central banks would start reducing interest rates in 2024, and even potentially bring forward prospective rate cuts.

After hiking interest rates by a total of 100 basis points in the first three quarters of last year, the US Federal Reserve (Fed) left interest rates on hold in line with expectations in the last three meetings of last year, including meetings held in November and December, starting from the September meeting, thus signaling that the interest rate increase cycle had come to an end.

The Fed's new interest rate path and macroeconomic projections, published in the year's last meeting in December, predicted rate cuts totaling 75 basis points in 2024, 100 basis points in 2025 and 75 basis points in 2026, with the members of the Fed thus planning a total of 250 basis points in interest rate cuts over three years.

In addition, in his speech following the December meeting, Fed Chairman Jermone Powell stated that although it would take time for inflation to fall to the 2% target, the Fed was of the view that the policy rate was probably at or near the peak in the tightening cycle and, for the first time, declared that the timing of a prospective cut in interest rates in 2024 was under discussion, a serious indication for the markets. This raised expectations that the proposed cuts to interest rates could be brought forward, with a larger cumulative cut in total interest rates.

After raising interest rates by a total of 200 basis points in the first three quarters of last year, the European Central Bank (ECB) paused its interest rate hikes by leaving interest rates on hold in the October and December meetings, in line with expectations. In its December meeting, the ECB stated that it assessed current levels of interest rates to be at a level that would bring inflation closer to the 2% target if maintained for a long enough period, adding that the ECB would continue to follow a data-dependent approach.

The President of the ECB, Christine Lagarde, emphasized that the ECB had not yet discussed interest rate cuts and that interest rate cuts would depend on data, not time. In this context, the ECB pointed out that interest rates would be maintained at current restrictive levels for some time to come.

In 2023, the Turkish economy recorded 4.7% growth in the first 3 quarters, with the support of investment items, especially private and public consumption.

Monetary and fiscal easing implemented in China amid signs of a slowdown in economic activity
In China, the world's second largest economy and the world's largest developing economy, liquidity problems were experienced as a result of the slowdown in the global economy, weakening consumption demand in the country, the debt problems facing local governments and the ongoing debt woes in the real estate sector. The significant slowdown in the first half of the year due to the impact of these problems gave way to a recovery in the second half of the year amid monetary and fiscal loosening steps.

After having posted 3% growth in 2022, the country's economy recovered in excess of expectations with growth of 5.2% in 2023, slightly outperforming the target of around 5% as set out by the Chinese government.

However, if the largest real estate sector companies in China suffer from liquidity and default problems and disruptions in debt repayments, it is estimated that the sector, which has a significant share in the country's GDP, could remain under pressure for some time yet, with the economic recovery remaining fragile.

The Turkish Economy

The Turkish economy demonstrated a strong growth performance despite the slowing global economy in 2023.
In 2023, the Turkish economy was buffeted by a number of negative developments such as the slowdown in the global economy, a weakening in the main export markets and the devastating earthquakes which struck our country in February. Despite these challenges, the country recorded 4.7% growth in the first 3 quarters, with the support of investment items, especially private and public consumption.

With the rapid and effective measures implemented by the government during the year, economic activity maintained its momentum and the negative impact of the earthquakes on growth remained limited. In particular, a bumper season for tourism was an important factor supporting the increased growth, along with expansion in net exports and investments, which are sustainable components of growth.

The Turkish economy, which posted a vigorous 5.5% growth in 2022, is estimated to have grown by 4% in 2023, close to the target set out in the Medium Term Program (MTP).

Consumption contributed 10.5 percentage points to the economic growth of 4.7% in the first 3 quarters of 2023, with investments also positively contributing 2 percentage points to the growth, while net exports shaved 4.1 points off the growth and stocks also taking 3.8 percentage points off the rate of growth.

In terms of production, 1.9 points of the 4.7% growth was provided by the service sector, supported significantly by the tourism sector, while other items supporting growth were the finance sector (0.5 points) and the construction sector (0.3 points). The industrial sector's contribution remained limited at 0.1 of a percentage point.

Tourist arrivals and receipts break records in 2023
Despite the slowdown in the global economy and increasing geopolitical risks, the number of tourists and tourism receipts reached record levels in 2023, with the support of a diversification in tourism activities as well in terms of the origin of the tourists on a country-basis, with the performance exceeding predictions.

According to figures released by the Ministry of Culture and Tourism, the number of foreign visitors arriving in our country in 2023 increased by 10.4% compared to the previous year, to reach a record level of 49.2 million arrivals, exceeding the previous record of 45.1 million arrivals in 2019, often referred to as the golden year in tourism.

According to statistics for tourism receipts published by TURKSTAT, tourism receipts increased by 16.9% in 2023, rising from USD 46.5 billion in 2022 to USD 54.3 billion in 2023.

IN 2023

A partial reduction in the current account deficit in 2023
Despite the surge in gold imports in 2023, there was a partial reduction in the current account deficit compared to the previous year, thanks to the decrease in energy imports in volume terms.

The main factors limiting the current account deficit were the rise in service revenues to record levels with the contribution of tourism and transportation revenues and the continuation of the positive course of exports despite difficult global conditions. The current account deficit narrowed from USD 49.1 billion in 2022 to USD 45.2 billion in 2023 – exceeding the USD 42.5 billion as set out for 2023 under the Medium Term Program.

With the exclusion of energy and gold, the current account surplus decreased from USD 50.4 billion in 2022 to USD 33.2 billion in 2023, while the current account deficit/GDP ratio improved from 5.4% at the end of 2022 to 4% by the end of 2023.

A significant jump in total employment, led by employment in the services sector and the construction sector
Total employment in Turkey recorded a significant increase, led by the services and construction sectors, and supported by a positive performance in the tourism sector.

The number of people in employment, which stands at record levels, indicates the position reached in the labor market. Accordingly, the rate of unemployment decreased by 1.1 percentage points from an average of 10.5% in 2022 to an average of 9.4% in 2023. This rate was below than the 10.1% figure set out by the Medium Term Program for the average rate of unemployment for 2023.

A year of increased spending, elevating the budget deficit/GDP ratio over its normal trend
A mandatory increase in public expenditures was carried out as the government sought to alleviate the negative impacts of the devastating earthquakes which struck in February 2023 in our country, and to take pre-emptive measures against future disasters. This increase in spending raised budget expenditures, and the budget deficit/GDP ratio reached a level higher than its normal trend.

In addition, with inflation exceeding the forecasts, there were significant increases in expenditures and income items in nominal terms. In order to meet the additional appropriation need, an additional budget of TL 1.1 trillion was implemented in July.

In a bid to fund these expenses, tax revenue items have were raised in a range of areas, effective from the second half of the year. In this context, the central government budget deficit increased from TL 654.6 billion in 2022 to TL 1.38 trillion in 2023 on an annual basis, with the budget deficit/GDP ratio increasing from 2.9% to 5.4%. According to these figures, the year 2023 was concluded with a budget deficit figure actually within the figure set out in the Medium Term Program, where a cumulative budget deficit of TL 1.63 trillion was projected.

The increase in expenditures in response to the earthquakes is not expected to lead to a structural deterioration in the budget, as they are one-off expenditures, or spread over a period of several years. Indeed, if earthquake expenditures for 2023 are excluded, the budget deficit / GDP ratio was a very low 1.7% - well within the Maastricht criteria and the Medium Term Program target, which serve as the basis for international comparisons, indicating the government's determination to maintain fiscal discipline.

In the second quarter efforts were undertaken to strengthen financial stability through fiscal policy and structural reforms.

Steep producer price inflation and developments in pricing behavior behind broad-based inflationary pressures

In 2023, high levels of inflation were observed due to higher wages, movements in exchange rates, rising tax rates, food prices, sticky services inflation and a buoyant domestic demand environment. In addition, the high course of producer price inflation combined with developments in pricing behavior led to broad-based inflationary pressures. The annual rate of CPI inflation ended 2023 at 64.77%, in line with the target of 65% set out in the Medium Term Program.

The strong course of growth piled additional pressure on CPI inflation from the demand side. The normalization in supply-side global commodity prices as a result of the slowdown in the global economy served to limit the rise in inflation.

A gradual monetary tightening process initiated by the CBRT with a simplification in macroprudential regulations

With the charge in management of the economic authorities, effective and determined steps were taken in the second quarter of the year to tackle inflation, with efforts undertaken to strengthen financial stability through fiscal policy and structural reforms, in addition to the monetary policy tools.

In this context, the CBRT initiated the gradual monetary tightening process and simplified macroprudential regulations. In addition to the interest rate hikes, the CBRT, which took selective credit and quantitative tightening decisions to support the monetary tightening process, raised the policy rate by a total of 34 percentage points in the seven meetings between June 2023 and the end of the year.

In addition, with the effective steps taken by economic authorities, international credit rating agencies revised Turkey's country credit rating outlook upward, paving the way for significant reductions in the country's CDS risk premium.

As foreign investors heightened their interest in Turkish assets during this period, there was an increase in foreign capital inflows and the CBRT's reserves began to expand.

A positive outlook

While the delayed impact of the monetary tightening process will be more apparent in 2024, continuing credit support in selective sectors such as exporting sectors and investments, as well as the hike in the minimum wage, will accelerate growth through domestic demand.

In addition, the tourism sector, with its supportive effect on growth, could well build on last year's bumper season with record tourist arrivals and receipts. Following the strong tourism figures, the Ministry of Culture and Tourism emphasized that it targeted USD 60 billion in tourism receipts in 2024, with new records being broken.

Against a backdrop of a slowdown in global economic activity and weakening in our main export markets, downside risks to exports remain. On the other hand, the construction sector may increase its contribution to growth with the impact of comprehensive reconstruction and urban transformation activities initiated after last February's earthquakes.

Thanks to the rebalancing process in the economy, the current account deficit/GDP ratio is envisaged to improve to 3.1% by the end of 2024 in the Medium Term Program. Within the scope of the government's goal of achieving a balanced and sustainable structure for growth, it will direct resources to areas that generate the greatest added value in a manner that will support investment, production, exports and employment rather than consumption, thus helping to reduce the current account deficit to more moderate levels.

IN 2023

Tourism receipts are expected to have a decisive impact on limiting the current account deficit in the coming period. In addition, if the normalization in gold imports and decrease in energy imports continues, the improvement in the current account balance may become more evident.

In addition to the expectation of a slowdown in foreign demand in 2024, the more moderate course that domestic demand is expected to follow during the rebalancing process in the domestic economy and the hike in the minimum wage indicate the prospect of some softening in employment. However, the combination of the strong trend in service employment and potential reduction in the labor force participation rate could limit any rise in unemployment.

In 2024, the government is expected to direct substantial amounts of spending to alleviating the negative effects of the earthquake and reducing the risks of new disasters. Nevertheless, the budget deficit/GDP ratio is expected to be lower than the 6.4% level predicted for 2024 in the Medium Term Program, thanks to buoyant revenues and continued fiscal discipline in other public spending, excluding the spending on earthquake recovery.

The annual rate of CPI inflation is expected to peak at 70% in the first half of 2024, largely due to the low base effect. In the second half of the year, inflation is expected to subside significantly due to the positive base effect and the delayed effect of the monetary tightening steps. In this context, the annual rate of CPI inflation is expected to decline to 33% by the end of 2024 under the Medium Term Program.

In its first meeting in January 2024, the CBRT raised the policy rate by 250 basis points to 45%, in line with expectations. This took the cumulative rise in interest rates over the last eight meetings to 36.5 percentage points.

The CBRT did state that the level of monetary tightness to establish disinflation had been reached, and that this level would be maintained as long as necessary. In addition, the CBRT pointed out that monetary tightness would be reviewed in the event of any significant and permanent risks to the inflation outlook, and that additional tightening steps could be taken if needed.

CORPORATE AND COMMERCIAL BANKING

Offering a wide variety of products and services with an extensive distribution network, Ziraat Bank has achieved healthy growth in the Corporate and Commercial Banking business line with its strength in low-cost funding and liquidity advantages.

Financing provided with strong support packages
The devastating earthquake which struck 11 provinces, centered on Kahramanmaraş, on 6 February, 2023, dealt a tragic blow to the people and businesses of the region. Ziraat Bank implemented the KGF Support Packages within the Scope of the 6 February Earthquakes, with the support of the Treasury, in order to meet the investment or business financing needs of all SME and non-SME customers in the affected provinces. By the end of 2023, a total of TL 5.84 billion in loans had been disbursed.

The "Earthquake Support Loan", introduced in February 2023, amounted to TL 12 billion, being offered to 170,000 individuals. Within the scope of the "Individual Support Packages" loan campaign launched for the earthquake region in the last quarter of the year, 633 loans worth a total of TL 69 million were extended.

Ziraat Bank designed the "2023 KGF Support Packages" with the support of the Treasury to meet the collateral support needs of all SME and non-SME customers within the scope of investment or working capital financing under preferential conditions. A total of TL 66.7 billion in loans had been disbursed within the scope of the 14 packages put into effect as of the end of 2023.

With the protocol signed between Ziraat Bank, KOSGEB and KGF, the second phase of the **"SME Financing Support Package with Employment Commitment"** was introduced, with a total of TL 653 million in loans extended within the scope of the package to finance the working capital of customers committed to creating and maintain employment in the provinces affected by migration.

The "KGF Support Loan-3 Package" was put into effect in order to meet the guarantee limit demands of SMEs and thus ensure the continuity of the support provided to SMEs. A total of TL 1.6 billion had been disbursed within the scope of the package as of the end of 2023.

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Ziraat Bank offers the "Investment Support Package" for its customers requiring collateral support to meet their investment financing needs within the scope of the Investment Incentive Certificate (YTB) to ensure that their loan demands are met under favorable conditions. In this context, TL 214 million of loans had been extended as of the end of 2023.

Within the scope of the cooperation protocol signed between Ziraat Bank and the Turkish Exporters Assembly (TİM), the "Vade(SİZ) Export Credit Package" with appropriate maturity and interest rates, was introduced in order to ensure that exporters, one of the main powerhouses of our country's economy, could maintain access to credit. In this context, a total of TL 30 billion in loans had been provided as of the end of 2023.

"The CBRT Investment Committed Advance Loan (YTAK)" was introduced to increase exports by providing export support, to contribute to localization by reducing imports, to generate foreign exchange-earning service revenues and to support investments with high added value within the scope of sustainable development goals. This product, which had only been used by non-SME companies, has continued to be offered. As of the end of 2023, a total of TL 28.9 billion in loans had been disbursed through this package.

Within the framework of the loan guarantee protocol signed between Ziraat Bank and the Export Promotion (HDI), the second "HDI Equity Guarantee Support Package" was offered to businesses which are exporters or have the potential to be exporters, and real/legal person businesses and sectors earning foreign exchange. A total of TL 1.9 billion in loans had been extended to 1,097 customers in this context as of the end of 2023.

Additionally, the "HDI 100th Anniversary Treasury Support Package" was introduced to help meet the financing needs of exporters. A total of TL 780 million in loans had been extended to 251 customers as of the end of 2023.

Investment and Operating Loans for Solar Power Plants, Roof-top Solar Power Plants and Licensed Solar Power Plants have also been added to the environmental investment products which Ziraat Bank finances in line with its sustainability policy. In this vein, a total of TL 16.6 billion in loans had been disbursed as of the end of 2023.

Loans for SMEs from International Financial Institutions

Since 2010, Ziraat Bank has been procuring sustainability-themed resources from various international financial institutions at preferential terms to be used in financing the working capital and investment loan needs of SMEs or larger companies.

With these funds, the Bank contributes to the protection and expansion of sustainable agriculture, energy efficiency, rural development and employment.

International Financial Institution	Project Topic	Amount	Maturity
World Bank (IBRD)	Financing for SMEs (SME II)	USD 200 million	25 years
World Bank (IBRD)	Financing for SMEs through leasing companies as an APEX loan (SME III)	USD 300 million	30 years
World Bank (IBRD)	Financing energy efficiency projects of SMEs	USD 67 million	30 years
European Investment Bank (EIB)	SME financing	EUR 100 million	10 years
European Investment Bank (EIB)	SME and MIDCAP financing (5 projects)	EUR 500 million	8 years
European Investment Bank (EIB)	Financing IPARD investments approved by the Agricultural and Rural Development Support Institution	EUR 100 million	14 years
German Development Bank (KfW)	Financing SMEs operating in the agricultural sector or rural areas	EUR 150 million	10 years
Council of Europe Development Bank (CEB)	Micro and SME business loan (to create employment or protect existing jobs)	EUR 100 million	7 years
French Development Agency (AFD)	Financing for SMEs which process agricultural products and food of animal origin	EUR 100 million	12 years

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IN 2023

FINANCING OF THE AGRICULTURAL SECTOR

Ziraat Bank has played a key role in the development and modernization of agricultural production in our country with the support it has provided throughout its 160-year history in the field of agricultural banking, which it describes as a traditional business line.

Providing a financial contribution to the agricultural value chain
Maintaining its financial support for the agricultural sector, Ziraat Bank also develops effective projects within the scope of tackling climate change. In this vein, the Bank carries out various activities aimed at saving water, the use of renewable energy in agriculture, ensuring food supply security and facilitating access to finance in cooperation with relevant Ministries, institutions, organizations and agricultural organizations.

In these activities, priority is placed on facilitating direct access to finance for small-scale business owners, which constitute the most important link in the agricultural value chain, and to diversify loan products for this purpose.

Ziraat Bank's target areas in the agricultural sector include;

- Increasing production, especially in closed environments, to ensure a sufficient and sustainable supply of agricultural products,
- Rolling out the contract production model to reduce producers' agricultural input costs and the market risk of their products,
- Increasing the production of products that will reduce imports,
- bringing agricultural enterprises to an economic scale,
- to make use of idle business capacity,
- raising the agricultural mechanization level of enterprises,
- using technology to increase productivity in agriculture,

- carrying out investment projects that will create added value in agricultural production and meet the needs of our country, and investments and activities aimed at increasing the storage, processing, packaging and marketing capacities of agricultural enterprises' own products, especially licensed warehousing and cold storage investments.

Loans transferred from Ziraat Bank resources to the agricultural sector
Ziraat Bank provided TL 378.5 billion in loans to its 1,057 thousand customers operating in the agricultural sector within the scope of the "Financing of the Agricultural Ecosystem" strategy, and the number of new customers added to the portfolio reached 229,000. The balance of these loans had reached TL 437 billion at the end of the year with approximately 1,207 thousand of customers having loans

31% of Ziraat Bank's agricultural loan portfolio consists of investment loans while 69% of it consists of working capital loans.

On the other hand, the Bank also mediated in the payment of TL 194.2 million in loans from the funds provided by various institutions to a total of 588 individuals determined by the related institutions. As of the end of 2023, the balance of the fund-based loan payments included in this scope was TL 2.1 billion, and the number of customers was 71,000.

Overall, the total volume total of loans extended by Ziraat Bank from its own resources to finance the agricultural sector, together with the fund-based credits which it mediated in had amounted to TL 439.1 billion as of the end of 2023, and the number of loan customers reached 1,278 thousand people.

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Advantageous interest rates on agricultural loans
In line with the decree and communiqué on reduced interest rate loans, Ziraat Bank continued to extend loans to its customers operating in the agriculture sector at affordable interest rates within subsidized rates which are defined on the basis of production areas.

In 2023, TL 301.5 billion in subsidized loans, which carry preferential interest rates, were disbursed to around 969,000 producers and companies operating in the agricultural sector.

Financial model contribution to agricultural-based cooperation between industrialists and producers

Contracted Production
Within the framework of contracts entered into with 37 firms operating in a number of areas including vegetable farming, seed farming, broiler breeding, pepper and tomato cultivation and sugar beet production, Ziraat Bank's balance of contracted production loans extended to more than 38,000 contract producers stood at approximately TL 2.024 billion at the end of 2023.

Producer Financing System
The Producer Financing System was introduced in the second half of 2020 in line with Ziraat Bank's strategy of "Financing the Agricultural Ecosystem". This system was put in place to promote the development of direct product trade between agricultural producers, notably producers of fresh vegetables, fruit and red meat, and buyers (such as chain markets, meat integrated facilities, canned food factories, ready-made food factories) without the use of intermediaries (such as brokers or merchants), while reducing the influence of intermediaries in the supply chain on the formation of the final product price and contributing to the formation of more reasonable product purchase prices and consumer prices by providing maturity advantages to buyers.

Within the scope of the Producer Financing System, approximately TL 4.5 billion of loans had been extended for the sale of agricultural products as of the end of 2023.

Crop production loans
In 2023, Ziraat Bank extended a total of TL 120 billion in crop production loans to 809,000 customers for vegetative production. As a result of this lending under various areas, the balance of loans disbursed for crop production had reached TL 126.1 billion as of the year-end, with the number of customers receiving credit reaching 762,000.

Livestock loans
In 2023, Ziraat Bank extended a total of TL 143.1 billion in livestock production loans under various names to a total of 317,000 customers. As of the end of 2023, the balance of loans disbursed for livestock production had reached TL 177.6 billion with the number of customers receiving credit reaching 379,000.

Aquaculture loans
During the same period, Ziraat Bank extended TL 2.8 billion in loans to nearly 2,000 customers in the field of aquaculture. As of the end of 2023, the balance of loans disbursed in this area reached TL 3.9 billion and the number of customers receiving such credit was 2,416.

Support for modern irrigation systems
Through the loans it extends, Ziraat Bank supports the widespread use of modern drip and sprinkler systems, which reduce the use of water by 30-40% in agricultural irrigation, the decrease in irrigation costs and increase productivity and profitability in agricultural production, and thus the effective and efficient use of our country's water resources. The Bank offered "Modern Pressurized Irrigation Loans" to producers in order to expand the loan volume and customer portfolio in this area.

In 2023, Ziraat Bank extended a total of TL 6 billion of loans for modern pressurized irrigation systems to 14,000 individuals, and contributed to water saving.

Agricultural mechanization loans
Ziraat Bank disburses the tractor and agricultural mechanization loans in order to increase the mechanization level of agricultural businesses and to ensure high efficiency and profitability in production. TL 40.8 billion in tractor loans were extended to nearly 62,000 customers, along with TL 12.1 billion in agricultural mechanization financing loans to 77,000 customers in 2023.

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As of the end of 2023, the Bank had nearly 195,000 customers using a total of TL 66.2 billion in tractor loans, and 170,000 customers using TL 18.4 billion in mechanization loans.

Limits for Small Equipment Loans, designed for the purchase of small agricultural tools and equipment needed by agricultural enterprises owned by real or legal persons to continue their activities in efficiency and profitability, were increased from TL 100,000 to TL 250,000 in this period. A total of 43,000 customers benefited from Small Equipment loans in 2023 with approximately TL 4 billion in loans extended in this context.

I Have Many Reasons to Live in My Village-Small Cattle Project
Ziraat Bank launched the "I Have Many Reasons to Live in My Village" project in the last quarter of 2020 in order to increase the number of small cattle (sheep and goats) and develop small cattle breeding.

The "I Have Many Reasons To Live In My Village" project had various aims including;

- increasing the scale of enterprises operating in the field of small cattle,
- bringing idle operating capacity into production,
- providing regional development with local sheep and goat breeding,
- increasing demand for domestic-born female livestock, creating a market as well as reducing livestock imports,
- diversification of financial solution alternatives for small businesses.

Under the "I Have Many Reasons to Live in My Village" project, the Bank signed a protocol with four governorships in 2023. In this period, the credit limits that can be used within the scope of the project were increased from TL 150,000 to TL 250,000, and the period of benefiting from the project was extended until 31 December 2026.

At the end of 2023,

- The number of governorships with which the Bank signed a protocol increased to 40,
- The number of producers benefiting from the project increased to 8,169,
- The volume of loans disbursed within the scope of the project reached TL 1.3 billion,
- The number of animals purchased with these loans amounted to 772,000 livestock.

The "I Have Many Reasons to Live in My Village-Cattle" Project
Ziraat Bank introduced its "I Have Many Reasons to Live in My Village - Cattle Breeding" Project for producers operating in cattle dairy farming at the end of October 2022.

- The project set out with the following targets;
- to enlarge the scale of enterprises operating in cattle dairy farming with qualified animal breeds,
- diversification of financial solution alternatives for small businesses,
- bringing idle operating capacity into production,
- increasing demand for domestically-born female livestock, creating a market for the excess demand for female livestock on existing dairy farms, and supporting efforts to reduce imports of livestock.

Protocols continue to be signed between the central unions and head offices of agricultural producer organizations which will cooperate with Ziraat Bank in the project. As of the end of 2023, the number of producers benefiting from the project reached 732 and the loan amount disbursed reached TL 394.6 million.

Financing the Agricultural Ecosystem
Ziraat Bank offered the Young Farmer Loan, Women Farmer Loan, Gold Hive Loan, Solar Powered Agricultural Irrigation Loan, Producer Cooperative Loan and Agricultural Transfer Loan products in April 2022 within the scope of its new strategy in agricultural banking, "Financing the Agricultural Ecosystem".

Young Farmer Loan
The Young Farmer Loan was established with the aim contribution to increasing agricultural production, ensuring sustainability in the agricultural sector, supporting and developing agricultural enterprise, creating alternative business lines for young people in our country and attracting young people to a career in agriculture.

Within the scope of the loan aimed at meeting the financing needs of real and legal persons who will engage in agricultural production activities, TL 1.8 billion in loans were extended to more than 5,000 producers in 2023.

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Women Farmer Loan
The Woman Farmer Loan aims to support entrepreneurship among women farmers, increase levels of income, create alternative sources of income and contribute to the employment of the rural female population.

Within the scope of the Women Farmer Loan, which was established to meet the financing needs of real and legal persons who will engage in agricultural production activities, TL 696.3 million in loans were extended to more than 2,000 producers in 2023.

Gold Hive Loan
The Gold Hive Loan was established to increase production and quality by increasing the number of enterprises operating in this field in Turkey, which ranks first in the world in beekeeping, to develop employment in rural areas and to provide regional development by creating alternative sources of income.

Within the scope of the loan, Ziraat Bank extended TL 736.8 million of loans to more than 5,000 producers in 2023.

Solar Agricultural Irrigation Loan
The Solar Agricultural Irrigation Loan was established in order to expand the use of solar energy systems, reduce energy costs in agricultural production, increase efficiency and profitability and thus contribute to the effective and efficient use of renewable energy resources in our 1.9 billion in loans were extended to more than 2,000 producers within the scope of the loan in 2023.

Producer Cooperative Loan
Producer Cooperative Loan supports the transition from agricultural products to value-added products, developing a culture of doing business together, encouraging clustering in accordance with the product pattern, allocating long-term investment and business loans at preferential interest rates, supporting producers seeking to offer their products in the field or processed agricultural products directly to consumers - thus from the village to the city. The loan was established to contribute to agricultural employment in rural areas by reversing migration.

A total of TL 147.2 million in loans were extended to 36 producers in 2023 within the scope of this loan.

Agricultural Transfer Loan
In order to enable agricultural enterprises to continue their activities and increase their loan repayment power, under the Agricultural Transfer Loan, all agricultural debts which producers has with other banks are closed and transferred to Ziraat Bank.

Within the scope of this loan, TL 501.9 million in credit was extended to more than 2,000 producers in 2023.

Ziraat Bank's other Initiatives in Agricultural Banking in 2023

- Within the scope of the Agricultural Electricity Credit, which was established to contribute to agricultural production by providing irrigation unions, irrigation cooperatives and real or legal person agricultural producers with the opportunity to regularly pay their accumulated and/or current electricity bills, TL 2 billion of loans were extended to more than 3,000 producers.
- The Cereal Support Advance was established in 2022 for producers of barley, wheat, rye, oats, triticale and paddy (cereals) to support them in their purchases of diesel and fertilizer. A total of TL 9.7 billion in loans were extended to nearly 558,000 producers within the scope of this loan.
- A loan of TL 361.9 million was extended to 418 fishermen within the scope of the Fisherman Support Loan, which was established to support the financing of operating expenses in the 2022-2023 fishing season.

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IN 2023

Agricultural Ecosystem Meeting
The "Ziraat Bank Agricultural Ecosystem Meeting", held on 6 May 2023 to mark World Farmers Day, was attended by the President, Recep Tayyip Erdoğan, Minister of Treasury and Finance, Dr. Nureddin Nebati, the Minister of Agriculture and Forestry, Prof. Dr. Vahit Kirişci, the General Manager of Ziraat Bank, Alpaslan Çakar, members of the Ziraat Bank Board of Directors and industrial stakeholders.

The meeting, which hosted more than 2,000 sectoral stakeholders, attracted significant media attention. The summit, which was covered by 16 television channels with live broadcasts and interviews, was also widely covered in the print and visual media.

During the summit, sessions were held under the title of "Young Farmers Speaking", "Women Farmers Speaking" and "Co-Producers Speaking" where panelists shared the developments in agriculture with the participants.

The broad range of participants, coming from different cities and regions, proved beneficial in terms of the exchange of information and connecting businesses.

RETAIL BANKING

Serving a large individual audience spread throughout the country with its wide physical service network, the Bank also makes extensive use of alternative distribution channels to reach its customers.

Growth in personal loans
In 2023 Ziraat Bank continued to expand its share in the retail loans sector, which constitutes a significant part of its loan portfolio.

Ziraat Bank extended TL 16.1 billion in housing loans in 2023 through the products it offers within the scope of housing finance, and the Bank's housing loan portfolio had reached TL 107.6 billion by the end of the year.

Extending TL 58.7 billion of consumer loans in 2023, Ziraat Bank's consumer loan balance ended the year at TL 63 billion. The Bank also extended TL 9 billion in vehicle loans, increasing its total vehicle loan balance to TL 11.6 billion by the end of the year.

Within the scope of its focus on supporting green transformation and sustainability, Ziraat Bank extended TL 593 million to 1,806 people in Green Housing Loans and TL 58 million to 222 people in Green Vehicle Loans in 2023. The Bank also extended TL 30.2 million to 1,316 people in Housing Heat Insulation Loans, a product commissioned in 2022.

The Bank launched a special vehicle loan application for Togg, Turkey's domestic and national motor vehicle, extending TL 1.6 billion of loans to 2,294 customers.

Within the scope of the "New Home" housing loan campaign launched in the first quarter of 2023, a total of 3,731 housing loans were extended with a total value of TL 7 billion.

A total of 9.7 billion TL was paid to 2.6 million pensioners within the scope of the new term promotion application for customers who chose to receive their pensions from Ziraat Bank.

Ziraat Bank offered the Definitive Payment product, launched in the second quarter of 2023 to its Corporate, Commercial and Individual customers, allowing customers to carry out their forward-term payments and collections under the Bank's guarantee. The product had reached 25,190 orders with an order amount of TL 10.6 billion by the end of 2023.

Products that promotes savings
Ziraat Bank continues to market the State Subsidized Dowry (Çeyiz) and the State Subsidized Housing Account products set out in legislation drawn up by the Ministry of Family, Labor and Social Services and the Ministry of Treasury and Finance to promote savings among the general public. Accordingly, the Dowry Account had 1,980 customers with a balance of TL 47 million, while the Housing Account had 362 customers and a balance of TL 27 million as of the end of 2023.

The Bank transmits state subsidy applications from customers who have carried out payments regularly for three years to the Ministries, and state subsidies are deposited in the accounts of qualifying customers.

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TL CURRENCY PROTECTED TIME DEPOSITS DATA FOR 2023

Within the scope of the Ministry of Treasury and Finance		Accounts Converted from FX		YUVAM Account		Fatsi (Exchange-Protected Account Converted from Physical Gold)	
Number of Accounts	Balance (TL billion)	Number of Accounts	Balance (TL billion)	Number of Accounts	Balance (TL billion)	Number of Accounts	Balance (TL billion)
112,087	32.2	218,098	299.6	46,021	79.9	2,183	1.4

In order to meet the needs of customers who are sensitive to exchange rate movements, to protect customers concerned that their investments in Turkish Lira denominations from being adversely affected by exchange rate risk and to protect them from exchange rates volatility, the Bank offered the following products;

- TL Currency Protected Time Deposits
- FX Converted Currency Protected TL Time Deposits
- YUVAM TL Time Deposits
- Quarter Gold Coin Time Deposit Accounts
- Quarter Gold Coin Demand Deposit Accounts
- Fatsi (Exchange-Protected Account Converted from Physical Gold)

Ziraat Bank's "Uninterrupted Term Deposit" product, launched in February 2023, provides customers with the convenience of withdrawing money when they need it, without loss of maturity, while seeing their savings grow. Real person customers may open the account in TL terms with maturities of between 32-364 days.

Insurance activities

Ziraat Bank's commission income from insurance agency activities reached TL 3.51 billion as of 31 December, 2023.

Ziraat Bank carried out the following activities in the field of insurance in 2023:

- A number of insurance products including Motor insurance with rewards, Togg motor insurance and Ziraat SME-Moving Insurance were offered in the non-life insurance group.
- The Bank completed the screen developments for online transactions in Long-Term Life Insurance, a life insurance group product.
- By raising the coverage limits applied to life insurance, extensive life insurance was included in the coverage.
- Emergency Support Insurance, Goods Package Insurance and Cyber Protection products were offered to customers through the Internet Branch and Mobile Banking application.
- DASK completed the work to obtain information on the basis of address (UAVT), area, building style, usage type, block and parcel from the customer's expertise report on the sales screens for the Housing Group and Fire Group insurance products.
- The Bank enabled life insurance documents to be obtained with digital approval for transactions conducted from the login screen for Credit Linked Life Insurance and cash or installment policy conversion transactions carried out through the Life Insurance Information Monitoring/Update screen, thus reducing processing times and costs.

Operational processes focused on efficiency

Within the scope of its operational activities, Ziraat Bank has successfully implemented a wide range of systemic improvements in order to offer its customers the best experience in all branches and digital channels.

In line with the goals of streamlined back office operations by simplifying screens and processes and increasing the efficiency of operational processes through the addition of new and user-friendly functions to business processes, around 260 million transactions were carried out through the Operations Center (OPİM) in the 2023 operating period.

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The main improvement and development activities carried out by the OPİM in 2023 are listed below:

- After the integration between the power of attorney inquiry and the Notaries Union of Turkey (TNB), the integration was also completed for the "Signature Circular Inquiry" and " Inheritance Certificate Inquiry" procedures. The name of the current "Power of Attorney Inquiry (MVTTVEKS)" screen was changed to "Notary Public Document Inquiry" and began to be used in branches. With the integration, it was possible to instantly query the signature circulars and inheritance certificates issued on or after 1 March 2016, and to check their accuracy by comparing information on the document with the information in the TNB system.
- Work was completed on the centralization carried out by the Ministry of Family and Social Services for Social Economic Support (SED) and Disabled Home Care and Foster Family payments, which are collected under three main headings and carried out through Ziraat Bank. By transferring aid payments, which had previously been carried out in a dispersed manner, onto a central structure, the operational transaction intensity and the risk of erroneous transactions by the branches involved in the payment process was minimized.
- Ziraat Bank contributed to the feature of enabling inquiry of Earthquake aid payments from the AFAD General Directorate through the Household Support Payment Result Inquiry Screen in the e-government application. With this new feature, inquiries can be carried out into new "Moving Assistance" payments through the Disaster Shelter Support Payment Result Inquiry Screen.
- Work on the "Credit Card Receivable Balance Refund" transactions through digital channels have been completed. Customers in the individual card group may not carry out these refund transactions through the Internet Branch and Mobile Banking channels using the steps "My Cards/Credit Cards/Transactions/ Plus Balance Refund".
- With the completed Clearing Cheque Project, innovations such as combining cheque transaction submissions on the job request entry screen under the "Cheque Transactions" menu, the addition of the payroll record finalization function to the cheque entry screen (TACTCKGR) and combining TL, FC and TRNC cheque entry/update/refund transactions performed on different screens under a single screen have been implemented for the convenience of customers. In addition, the speed and quality of reading MICR / QR Code information has been increased through the use of new technologies, with improvements made in business processes by introducing the front side of reverse scanned cheques.
- Work on including Card Financial Maintenance and Card Support requests into the workflow system has been completed. It is now possible to send transactions currently transmitted through e-mail by selecting the relevant transaction type on the "Job Request Entry" screen.
- The new ATM Expenditure Objection Application screen was designed and ATM objections such as withdrawals, deposit and expenditure were integrated into the batch system with Order Requests.
- As part of the work to include the Head Office's accounting transactions into the workflow system, requests regarding stamp duty, company advance transactions and guarantee transactions, which are currently transmitted to the OPİM from the "Correspondence Transactions" screen, have started to be transmitted through the "OPCTITLP- Business Request Entry" screen.
- Within the scope of the Centralization of Expropriation Transactions Project, work on carrying out the operational processes related to transactions currently carried out in the branches within the OPİM have been completed and pilot implementation has got underway. Thus, processes have become standardized, reducing the operational intensity of the branches.
- The Bank aims to increase efficiency by directing transactions to lower-cost digital channels and managing the resulting density at an optimum level. Within the scope of the developmental work of OPI functions carried out in line with this goal, the integration of Foreign Exchange Transfer, Cash Import Transfer and Import Transfer Against Goods transaction types into the OPI has been completed. In addition, bulk EFT/Money Transfer transactions performed via SFTP may also be approved through the OPI.
- It is now possible to submit EFT/FAST refund orders through the Internet Branch and Mobile Banking channels.

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- With the Order Payment System Activation & Distribution of Common Expenses Function, creditors may convey their demands to the debtor party.
- Data regarding the memorandum of understanding requested by auditors may be obtained from Reportal.
- The unblocking of transaction approvals was completed at the account branch without entering the mono branch.
- Branches may now enter future job requests.
- In regard to the change in Ziraat Bank's Head Office address, necessary work was carried out on the printouts of foreclosure, deposit research and precaution transactions, and the new address information was displayed.

Effective cash management practices
Ziraat Bank intermediates in invoice and other payments with hundreds of contracted organizations, and offers its customers the ability to carry out their payments through ATMs, Internet Banking, Mobile Banking and Automatic Payment channels in addition to the branches. The Bank successfully continued its effective cash management activities in 2023. Within the scope of the Corporate Collection System, the Bank made 399 million collections making a total of TL 956 billion from contracted institutions in 2023. During the same period, the Bank had 32 million automatic payment orders for corporate payments.

In addition to these, 64 million Tax and Customs collections amounting to TL 1.7 trillion were performed. In 2023 the Bank continued to offer customized payments, magnetic cheques/notes, accounting integrations, pool accounts and cash collection services to meet the needs of its customers.

The Kolay Kasa product, a cash management service which enables stores, branches and dealers to deposit their cash generated during the day directly from Ziraat Bank ATMs to the company's main account free of charge, both quickly and practically without the need for any intermediary, reached a total of 3,251 defined companies and 21,648 sub-companies with a total transaction volume of TL 1.5 billion.

The number of "Main Companies" with which agreements had been entered into in the Ziraat Bank Direct Debit System (DBS) had reached 2,158 by the end of 2023, with a total collection volume of TL 171.7 billion.

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DIGITAL BANKING

Serving its customers with a diverse and extensive digital product portfolio, Ziraat Bank takes the customer experience to the next level with the effective use of digital channels.

Developments in infrastructure to improve the customer experience in the field of digital banking
Aiming to provide the best experience, starting from customer acquisition to meeting all customer needs, Ziraat Bank has placed the digital transformation, which it considers from a broad perspective, as the most important component of its widespread growth strategy.

As of January 2024, the number of active digital banking customers of Ziraat Bank, the bank with the most active digital banking customers in Turkey, increased by 13% compared to the same period last year, reaching 22 million people.

The ratio of financial transactions carried out outside the branch in total transactions stood at nearly 96% in 2023.

When scrutinized the digital channel usage ratios it is seen that the number of customers who only performed transactions on the internet and through Ziraat Mobile, and never carried out any transactions in the branch, stood at 13.5 million last year, while the number of customers who only carried out transactions on the internet and mobile channels, and through ATMs, but who never carried out any transactions at the branch was 16 million.

New investments that will increase technological competence
The BRSA provided the permit for the establishment of Ziraat Dinamik Banka A.Ş., being set up to provide digital branchless services in line with the Bank's vision and strategies for the future. The process of obtaining the operational permit for Ziraat Dinamik Banka A.Ş., the first digital bank established under the ownership of a financial group in Turkey, is ongoing.

In order to expand its competencies in the field of payment systems and financial technology development agility, and to reach a wider customer base, Ziraat Bank established its new subsidiary, Ziraat Finansal Teknolojiler Ödeme Hizmetleri ve Elektronik Para A.Ş. (ZiraatPay), which received the go-ahead for its establishment from the CBRT. The approval process for ZiraatPay to become operational is ongoing.

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The Ziraat Super Branch, which started to offer services at the beginning of 2023, had reached 750,000 customers by the end of the year.

Developments to take digital banking one step further
Some of the key activities carried out by Ziraat Bank in 2023 in order to widen product and service diversity in its digital channels and offer a wide set of transactions are listed below.

- **Open Banking transactions made available to customers.**

Within the scope of Open Banking activities, individual and corporate customers may view their account movements and balances in other banks and institutions through the Ziraat Mobile app and the Internet Branch and to carry out money transfers. With the activities carried out within this framework, customers may easily monitor their accounts through Ziraat Bank's digital channels, while being able to benefit more quickly and efficiently from banking service.

- **Ziraat Super Branch reaches 750,000 customers.**

Under the Ziraat Super Branch service model, individual customers are provided with simple, reliable, fast and easier-to-access banking services through digital channels and centrally located portfolio managers, without the need to go to the branch. The Ziraat Super Branch, which started to offer services at the beginning of 2023, had reached 750,000 customers by the end of the year.

Ziraat Super Branch customers are offered advantages in terms of interest rates, fees and limits for many banking products such as deposits, loans, money transfers, investments and credit cards.

- **The Ziraat Super Platform was put in place.**

Within the scope of the work on the digital ecosystem, the Ziraat Super Platform, which offers Ziraat Super Branch customers a range of special advantages in non-banking products and services, was implemented by collaborating with companies from a number of different sectors.

- **The remote customer acquisition process has started for legal customers.**

By starting the remote customer acquisition process from the "I Want to Be a Ziraat Member" on Ziraat Mobile, it has become possible for individual customers as well as legal entities and sole proprietorship companies to become Ziraat Bank customers through digital channels without needing to go to the branch. As one of the first banks to launch this application in our country, Ziraat Bank has also led the sector in acquiring legal customers through digital channels.

- **The Z-Transformation menu was created on the Internet Branch and Ziraat Mobile.**

Within the scope of the Bank's digital financial ecosystem strategies, Ziraat Bank has implemented Z-Transformation Packages to increase the Bank's share in cash flows, product activity and operating size by supporting the digital transformation of its SME customers.

In this vein, private companies and legal entities may use the Z-Transformation menu in the Internet Branch and Mobile Banking channels, while it has become possible for customers of the Bank to use E-Transformation (such as Pre-Accounting, E-Invoice, E-Archive, E-Delivery Note, E-Ledger etc.), Office Applications, Cloud Switchboard Solutions, Vehicle Recognition and Vehicle & Crew Tracking System services with preferential conditions.

- **Investment and stock market transactions transferred to the Mobile Banking app**

Customers may access Ziraat Investment functions through Ziraat Mobile. Investment transactions which can be carried out in the ZBorsa application have also been integrated into the Ziraat Mobile banking app, thus providing customers with the opportunity to easily manage their investments.

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- **With the new ID card NFC feature, it is possible to verify certain transactions securely.**

In order to safely carry out transactions offered through digital channels, customers may safely raise their financial transaction limits within the limits determined by the new ID card NFC feature or credit card verification. As such, users are able to enjoy an uninterrupted and secure banking experience.

In order to maintain the highest level of security with International Access/IP security checks, customers may change their international and domestic access preferences by verifying a new ID card or credit card.

- **Addition of the ID Scanning Function to the Ziraat Mobile App**

The New ID Card Scanning function is offered to users in the Ziraat Mobile app. Accordingly, individual customers who do not have an updated ID card on the system may scan their new ID cards and add them to the system without needing to go to a branch.

- **Activation of the Live Response Customer Representative**

It is now possible to carry out written calls by connecting to a live answer customer representative through the Internet Branch and Virtual Assistant on Ziraat Mobile.

Ziraat Bank has also carried out a number of activities in the context of digitalization of branch operations in 2023. In this context, the Bank ensured that Emergency Notifications have been sent to the relevant units through ZFG Mobile and the ODAK application.

Another development has been the masking of the customer information on the receipt as well as information such as the customer number, Turkish ID number and Foreign ID number on the Queue Call System, in accordance with GDPR regulations.

In addition, measures have been put in place to prevent unnecessary use of paper and to shorten the process by ensuring that documents are digitally signed during the mono creation process.

- **The only bank to offer ATM services in 183 districts of our country**

Ziraat Bank has a 14% share of all the ATMs in the banking sector, with a total of 7,487 ATMs. Approximately 21% of cash withdrawal transactions through ATMs in Turkey are performed through Ziraat Bank ATMs.

Ziraat Bank renewed its ATM network with the purchase of 2,500 new ATMs in 2023. During the year, 1,750 ATMs were relocated and 305 new ATMs installed. Installation work is continuing on 300 ATMs planned in Istanbul.

In addition, the number of customers waiting at branches and ATMs was displayed on the Bank's website, allowing ATM density to be monitored on the map.

Placing importance on financial access, Ziraat Bank is the only bank to offer access to an ATM in 183 districts throughout our country. Within the scope of barrier-free banking, orthopedically disabled customers are served through 267 specially designed ATMs, with visually impaired customers served with 5,975 ATMs.

In order to reduce environmental pollution and reduce import costs by saving paper, Ziraat Bank informed its 21 million customers of changes to the use of digital ATM receipts, subject to their preferences. Also in 2023, in cases where customers are performing cash payments and deposit transactions through ATMs (without a card), the Bank offered customers the opportunity to forfeit the return of coins from the ATMs and instead have the money directed to the planting of trees.

Industry leadership in card systems

As of the end of 2023, there were a total of 12.8 million Ziraat Bank credit cards in circulation, with an 10.9% share in terms of the number of credit cards and a 11.6% market share in terms of monthly turnover. The Bank is expected to maintain its leadership in this area in the medium and long term. Having increased its number of debit cards to 47.9 million in the same period, the Bank also maintained its leadership in the sector in terms of its market share of monthly shopping turnover, with a 22.8% share.

As of the end of 2023, there were a total of 1.25 million Ziraat Bank member businesses and 746,000 physical terminals. With a total turnover of TL 465.7 billion

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in member businesses in the fourth quarter of 2023, the Bank maintains its sector leadership with a 16.9% market share in turnover as of the end of 2023.

In the field of card payment systems, Ziraat Bank introduced a number of products and services in 2023 which were tailored to market conditions and setting the Bank apart in the sector by offering a wide array of new features.

Use of KGF Secured Loans through Credit Cards
The Bank established the infrastructure for the use of Credit Guarantee Fund-guaranteed loans through credit cards as well as debit cards in certain sectors, thus contributing to the use of loans in accordance with their intended purpose, the promotion of a cashless society and tackling the informal economy.

Digital Slip
In order to support sustainable banking, digital slips were produced instead of physical slips for transactions carried out using Ziraat Bank cards.

Bankkart Mobile POS
The Bankkart Mobile POS offers a fast and practical solution to member businesses by turning Android-based devices into payment terminals.

Payment by Link
Thanks to the link payment feature, member businesses may collect their payments easily and quickly by sending the payment link to their customers.

Data analytics projects which create added value

Data Governance Processes Project
The System integration of Data Governance Processes has been achieved. The integration, carried out to comply with legal regulations and create a data-oriented corporate culture which derives value from data, is capable of reaching data-based decisions and places data at the heart of change. All processes may be monitored through the Data Governance Module.

Data Quality Project
The Data Quality Project, which Ziraat Bank carries out as a part of its data governance processes, aims to measure the quality of data in line with the quality dimensions determined in the Bank, to increase data quality and to correct data at the source in order to make decisions based on data.

Digital CRM
Within the scope of the digital analytics project, the following studies have been completed to create the Digital Customer concept, in line with industry trends and taking into account customers' channel habits.

- Channel Value Segmentation,
- Demographic Segmentation,
- Channel Behavior Segmentation,
- Customer Channel Trending,
- Channel Migration Modelling

Customer Channel Abandonment (Churn) Tendency Modelling Channel Value Segmentation analyzes are directly used in determining the Super Branch target audience and the customer base for which a campaign offer has been made/will be made to switch to Super Branch.

Individual CRM
The following phases have been completed within the scope of the individual CRM project:

- Non-Bank Value Segmentation: Customers who do not appear to be of high value for the Bank but have a high working size in other banks were identified.
- Customer Behavior Segmentation: Customers are segmented on the basis of all of their behaviors such as product preferences, communication preferences and campaign trends.
- Product Trend Modelling: Products which customers are most likely to use were identified.
- Customer Channel Abandonment (Churn) Tendency Modelling: Customers with a high tendency to move away from the Bank's products and the Bank were identified.
- Next Best Action modeling has been completed.

With these completed phases of the individual CRM project, it has become possible to offer the right suggestions to the right prospective customers through the right channel and at the right time, and to design customer-focused campaigns.

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With the systemic improvements carried out in 2023, the Land Registry Reliable Account application can also be set up through the Ziraat Bank Internet Branch and Mobile Banking channels.

Robotic Processes
Ziraat Bank's customer acquisition processes were supported by robotic process automation, and reporting activities were carried out more rapidly and in a manner that reduced the operational workforce.

Digitalization in credit operations
Ziraat Bank implemented the Land Registry Reliable Account application, which works in a structure integrated with the General Directorate of Land Registry and Cadastre (TKGM) for the simultaneous and safe exchange of the transfer fees in title deed transactions involving the transfer of real estate ownership rights, in all its branches in December 2021.

The application is aimed at the following;

- The transfer of real estate and the cash amount related to the transfer change hands simultaneously,
- The risk associated with carrying cash is eliminated,
- Protection is provided against money counterfeiting,
- It eliminates issues of trust between parties (payer/payee),
- It achieves ease of transfer at minimum cost and maximum speed.

With the systemic improvements carried out in 2023, the Land Registry Reliable Account application can also be set up through the Ziraat Bank Internet Branch and Mobile Banking channels.

In this context, the payer and payee apply to the Land Registry Directorate where the real estate is registered and apply for a Ziraat Land Registry Secure Account through the Bank's Internet Branch or Mobile Banking application with the number they receive from the TKGM system, and the process is advanced after the transaction initiated by the payer is approved by the payee.

As of 25 December, 2023, a total of 94 Land Registry Reliable Account transactions had been carried out, 89 of which were through physical branch channels with five through the Internet Branch, and 83 of which were non-credit and 11 were with credit. The transactions amounted to approximately TL 179 million. The Deed Secure Account transaction volume is expected to grow in parallel with the expected increase in housing sales.

The "Credit Monitoring Module", which was brought into operation within the scope of Credit Risk Monitoring activities in 2023, removed the need for messaging traffic of over 1 million e-mails per month.

Developing reports on Power BI and QlikSense platforms achieved savings both in terms of workload and time.

Going forward, the combination of Credit Risk Monitoring studies and data analytics applications, using the EUS model, warning forecasting and analysis methods are planned to prevent potential risks in high-risk areas and projects.

Targeting the best customer experience at the Call Center
Ziraat Bank's call centers serve the Bank's customers from different regions of our country, with the aim of contributing to regional employment in Anatolia with the vision of offering the best customer experience.

In 2023, Ziraat Bank maintained its efforts to widen the diversity of services offered by its Call Center, which carries out a wide set of transactions, and implemented a number of important improvements in this area. One of such measure was to initiate sales calls through the Call Center channel. The share of sales carried out through this channel was in line with the industry average.

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INFORMATION SECURITY MANAGEMENT

Ziraat Bank carries out comprehensive activities to build a durable information security culture and environment, develop a cyber ecosystem and minimize possible risks in this field.

Integrated Information Technologies Risk Management structure

Information security activities at Ziraat Bank are carried out under the Audit Committee within the Board of Directors in the organizational structure. In this context, the Board of Directors is ultimately responsible for ensuring information security.

An Information Security Committee (ISC) has been established in the Bank to coordinate the work on information security within the framework of the Banking Law, the Articles of Association and other relevant legislation, as well as the policies and strategies determined by the Board of Directors. The duties and powers of this committee are determined by the Board of Directors.

The Information Security Committee is responsible for creating, approving and periodically updating information security policies and determining the duties and responsibilities in the area of information security. The committee also carries out reviews in the event of extraordinary situations, such as large-scale security incidents, the emergence of new vulnerabilities or critical infrastructure changes. All stakeholders within the organization carry out the implementation of strategic decisions taken by the Information Security Committee, in accordance with their areas of responsibility.

Ziraat Bank has established an integrated IT Risk Management structure in line with the information security strategies and policies which it has determined. The Bank deems IT Risk to be a major corporate risk component and an integral aspect of its banking operations.

In order to ensure business continuity and data integrity, Ziraat Bank attaches tremendous importance to activities on mitigating operational risks and manages IT-related operational risks in an integrated structure with its tech-based subsidiary.

Classifying information assets on the basis of their security value, the Bank determines security checks appropriate to the criticality of these assets, applies tests in connection with these checks and seeks to bring them to levels within the threshold value by applying continuous actions to mitigate the risks identified in the tests.

Within the scope of IT Risk Management, Ziraat Bank effectively manages IT risks by taking account of the Information and Communication Security Guide of the Presidential Digital Transformation Office, the Banking Regulation and Supervision Agency's Regulation on Banks' Information Systems and Electronic Banking Services, and other legal regulations and good practices.

Establishing a framework compatible with the Bank's strategies for IT Risk Management, determining strategies and plans and regularly reviewing the related activities are carried out under the guidance of the Information Security Committee.

Within the Ziraat Finance Group, policies are developed, processes defined and an integrated risk management infrastructure project developed to create a standard risk culture in all foreign subsidiaries and branches and to ensure compliance in the risk management process.

Ziraat Bank has established risk measurement parameters and parabola risk indicators, taking international standards into account. In this context, systemic developments and frontends have been designed to continuously monitor any risks which are found to exceed the threshold value. It is thus possible to conduct root cause analysis of risks, control activities for risks, monitor risks with consolidated reports and take appropriate actions.

Within the framework of the policies determined by the Bank and the IT Risk Management it has created, risks related to the security of its employees are detected before they occur and the issue is approached with sensitivity.

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All employees within the Ziraat Finance Group have responsibilities related to information security which are defined in all situations of starting, leaving, and changing duties. With the systems automated with the Identity Management Application, access authorizations are determined and an Identity Management policy is created by taking into account the principle of least authority and separation of duties.

Information Security Awareness Program
A comprehensive Information Security Awareness Program is offered to all employees in the Ziraat Finance Group. In this vein, bulletins are prepared every month and periodic surveys are prepared to assess the information security risk perception among employees.

In addition, internal drills are carried out using social engineering methods throughout the year in order to raise awareness of avoiding phishing attacks. The results of the exercise are reviewed with necessary training assignments put in place accordingly, with the aim of raising employee awareness in this area.

Face-to-face in-class information security training is organized, which is included in the orientation training employees undergo when they start working, and all personnel receive updated information security training assignments throughout the year.

All employees were assigned Information Security distance learning in 2023 with 47,543 hours of remote information security training provided to 25,541 employees in the bank and 6,371 hours of face-to-face information security training provided to 2,078 employees.

Sustainable security technologies that support business strategies
Ziraat Bank keeps its employees updated with the most modern practices and information regarding information security and data protection methods, which change with the widespread use of digital service channels and technological developments. In addition to the awareness activities provided to its employees, the Bank also carries out activities aimed at reducing information related risk arising from human factors for its customers, suppliers, business partners and the third parties from which it receives external service and support services.

In this respect, the Bank provides key information to customers regarding methods such as phishing, identity theft, malware and social engineering, which are frequently used by cyber attackers, as well as information on what customers can do to protect themselves against such attacks.

All assets that are of value to the Bank and used for the processing, storage, transmission, protection and continuity of the generated information are considered information assets. In line with the Regulation on Banks' Information Systems and Electronic Banking Services published in 2020 by the BRSA, all information assets are classified and an Information Asset Inventory is created, and the confidentiality, integrity and accessibility values of the assets are determined.

At Ziraat Bank, customer data is processed and recorded in accordance with PDPL and other legal regulations. The Bank records and publishes the data it processes as data controller in VERBIS within the scope of the Regulation on Data Controllers Registry.

The identifying characteristics of each information asset at the Bank, such as its owner, custodian and location are recorded and appropriate protection methods are applied.

Additionally, rule sets for the use of information assets are established and procedures are carried out for their physical transfer and destruction.

A Cyber Security Center has been put in place at the Ziraat Finance Group. The Center examines the Bank's systems and alarm mechanisms, scans for deficiencies and vulnerabilities, gathers intelligence against cyber threats and can intervene seven days a week, without interruption.

Network and client security products and devices (DDOS, IPS, EDR/EPP systems, NAC and WAF systems, Firewall, E-mail Security Products), DLP systems and Web/DNS security systems to prevent data leaks, all security logs monitoring and alarming SIEM systems, software code review systems, penetration test systems and vulnerability management systems that are available in the Center are operating actively without interruption to ensure the security of the applications used.

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Additionally, the traffic density of network devices is constantly monitored, and access rule sets are created according to user profiles by using Proxy for internet access. Role-based authorizations are structured in line with the principle of separation of duties, and log records created on the systems are transferred to the SIEM system. An alarm is generated in transactions that violate the predetermined authorization scheme, and rapid action can be taken with the help of advanced systems.

Compliance with laws in creating information security infrastructure

Within the scope of compliance with national/international laws, regulations, regulatory board decisions and instructions affecting information security, Ziraat Bank established a legal infrastructure pertaining to each risk identified on information assets, in accordance with international standards. A procedure for intellectual property rights has also been drawn up.

Some of the nationally and globally accepted standards and models used in creating of Ziraat Bank's compliance library are listed below:

- Banking Law No. 5411
- Regulation on Information Systems and Electronic Banking Services of Banks and various regulations published by the Banking Regulation and Supervision Agency.
- ISO 27001 Information Security Management Systems-Requirements Standard
- ISO 27005 Information Security Risk Management Standard
- Republic of Turkey Presidential Digital Transformation Office Information and Communication Security Guide
- PDPL (Personal Data Protection Law)
- COBIT (Control Objectives for Information and Related Technology) Standards
- NIST (US National Institute of Standards and Technology) Standards

While creating the information security policy of Ziraat Bank and all its subsidiaries and the legal documents supporting this policy, compliance with the regulations of regulatory and supervisory authorities is ensured. In addition, these regulations are being reviewed in parallel with digital transformation, technological progress and developments in business processes.

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Ziraat Bank takes all necessary technical and administrative measures to securely store personal data, prevent unlawful processing and to destroy such data in accordance with the law. In line with the obligation of disclosure, which is a mandatory provision in the Personal Data Protection Implementation Principles and Procedures legislation, the Bank places attention on obtaining the necessary explicit consents, while providing necessary information in all channels.

In addition, both in-class and distance learning is provided in order to raise awareness of the protection of personal data, and all personnel are required to complete the training.

Within the scope of the BRSA's Circular on Penetration Tests Regarding Information Systems, independent companies which do not have executive duties are subjected to a penetration test at least once a year within the body of Ziraat Finance Group.

These tests are aimed at detecting and correcting any security vulnerabilities in the Bank's information systems that may leave the Bank vulnerable to unauthorized access or access to sensitive information before such weaknesses are exploited. The findings of the penetration test are presented to the Board of Directors and necessary action plans are undertaken.

Network Security Control Systems are established throughout the Ziraat Finance Group to protect against threats which may arise from both its own corporate network and external networks. Within the framework of the policies regarding the use of network resources, rules are determined regarding the use of USBs, and the sharing of files outside the Bank, database and application access and for non-standard application uploading, with rules also determined for employees of third-party companies who will work at the Bank locations, consultants, employees of independent auditors and external auditors. Standards for computers to be provided to individuals and their access are also determined.

The use of network resources is monitored with Data Leakage Prevention (DLP) Systems, preventing data leaks and creating trace records of transactions.

Ziraat Bank is gradually improving its ability to identify anomalies and detect vulnerabilities through the use of Artificial Intelligence and machine learning, which can learn user behavior.

Security policies in line with international standards
Ziraat Bank implements policies which meet international standards for network access in the field of information security. Users are only given access to the network and network services for which they are authorized and are removed when the business need ends. Access authorizations are checked regularly. Private channels are used to share confidential or sensitive information by creating a password policy. Additional restrictions are applied in data processing by using techniques such as masking, blocking, tracking, encryption. Outsourcing of services such as information systems, which have the potential to compromise the confidentiality, integrity and accessibility of banking data and the continuity of banking services and which have access to or share banking data are defined as external services.

Ziraat Bank includes information security requirements in the specifications and contracts for service procurement in order to minimize supplier risks. Supplier companies are evaluated, confidentiality agreements are signed with companies and the obligations in the terms of the agreements are checked periodically.

Ziraat Bank has established a Cyber Incidents Response Team (SOME) in order to respond quickly, effectively and regularly to cyber incidents within the scope of information security breaches and management. Information security events and vulnerabilities related to information systems at the Bank are monitored and recorded through central monitoring mechanisms. Information security incidents action planning is managed in accordance with the rules determined within the framework of the Information Security Incident Management Plan with the aim of reducing security risks. This process involves the assigning of responsibilities for security incidents, taking measures in the fastest way and informing the units related to the incident, depending on the criticality and type of incident.

The information security checks and practices at Ziraat Bank, as well as the external audit company determined by legal regulations and separate directorates within the framework of internal control and inspection of information systems in the Internal Systems Group Directorate, which operates under the Board of Directors, continues to be reviewed periodically. In this context, information security checks are carried out on a regular basis with reported findings shared with the business units, actions are taken and are followed up until their resolution.

Ziraat Bank is gradually improving its ability to identify anomalies and detect vulnerabilities through the use of Artificial Intelligence and machine learning, which can learn user behavior.

GRI 2-6, 417-1

IN 2023

INTERNATIONAL BANKING

As the most wide-reaching Turkish bank worldwide, Ziraat Bank commands a strong and respected position in the international banking sphere with its strong correspondent relations and solid funding base.

Steadily growing foreign trade volume
Ziraat Bank's correspondent banking network, which has been structured in order to meet the needs of its customers for foreign trade transactions and international payments, covers more than 1,700 correspondent banks in more than 140 countries.

Thanks to its successful foreign trade activities over the years, the Bank has succeeding in approximately quadrupling its foreign trade volume over the last decade, reaching a volume of USD 98.4 billion in this field by the end of 2023.

Ziraat Bank is able to offer its customers fast and more economical alternative solutions by drawing on the benefit of its extensive correspondent network in domestic and international foreign currency (FX) transfers, increasing the number and volume of FX transfers it mediates in every year.

Working on the basis of ensuring sustainable customer satisfaction in the field of foreign trade with its specialized staff, the Bank facilitates customer access to the wide range of financial products they need, such as foreign financing, letter of credit discount, bills of exchange and policy discounts.

Ziraat Bank works in close cooperation with correspondent banks and export credit institutions such as Hermes, SERV and SACE to meet the financing needs of its customers in their foreign trade transactions and provides medium and long-term country loans to its customers.

As one of the leading banks in the field of foreign trade, Ziraat Bank maintained its position as one of the most popular banks among customers in foreign trade and foreign exchange transfer transactions in 2023.

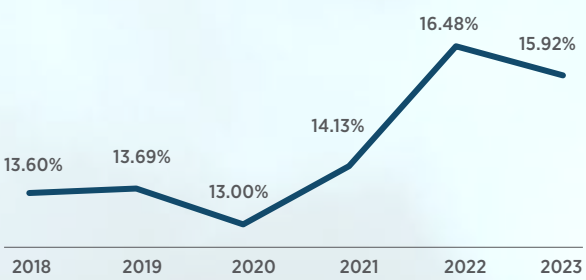
Customer-oriented foreign trade operations

Ziraat Bank's share in Turkey's foreign trade volume stood at 15.92% as of 31 December, 2023, an increase of 1 percentage point compared to the end of 2022 with an 11% increase in the volume of exports mediated in by the Bank. As of the end of the year, Ziraat Bank's share in mediation in the country's export volume stood at 21.27%.

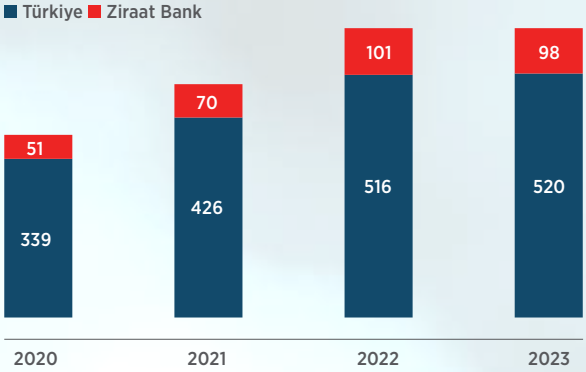
FOREIGN TRADE VOLUMES

(USD billion)	2022	2023	Change (%)
Country Imports	364	362	-1
Ziraat Bank Imports	53	44	-17
Country Exports	254	256	1
Ziraat Bank Exports	49	54	11
Country Total	618	618	0
Ziraat Bank Total	102	98	-3
Foreign Trade Share (%)	**16.49**	**15.92**	

ZİRAAT BANK'S SHARE IN THE COUNTRY'S FOREIGN TRADE VOLUME BY YEARS



ZIRAAT BANK-TÜRKIYE FOREIGN TRADE VOLUME COMPARISON (USD billion)



GRI 2-6, 417-1

Ziraat Bank mainly provided support to contracting companies and exporters in 2023, issuing 1,149 external letters of guarantee worth USD 3.9 billion and 303 letters of guarantee based on another bank's counter-guarantee, worth USD 281 million.

Within the framework of the special limits granted to Ziraat Bank by the Central Bank of the Republic of Turkey (CBRT), a total of 2,088 CBRT discount loans worth approximately 25 billion TL were disbursed in 2023, with mediation in the exports of 1,473 companies. The Bank's CBRT Rediscount Loan balance stood at approximately TL 25 billion at the end of 2023.

According to figures for the sector published by the BRSA and in Independent Audit Reports in 2023, Ziraat Bank commanded a 19.2% share in Turkey's total letter of credit volume as of September 2023, with the Bank ranking first with a letter of credit balance of TL 91.1 billion.

The Foreign Trade menus of Ziraat Bank's Internet Branch and Mobile Banking applications were used extensively by customers in 2023 with more than 200,000 transactions carried out on foreign currency transfers, cash and goods-for-goods import transfers, IBKB (Export Price Acceptance Certificate) regulation, IBKB monitoring, foreign trade files inquiry-monitoring, and tracking of transfers with Swift GPI throughout 2023.

These transactions not only reduced the intensity of transaction in branches by directing customers to non-branch channels, but also ensured high levels of customer satisfaction.

Ziraat Bank's operational success in FX transfers in 2022 through its correspondent bank, Citibank N.A., and its error-free rate of 99.3% were deemed worthy of the Straight Through Processing Excellence Award in 2023.

The sector's largest sustainability-themed syndicated loan

Having undertaken an important mission in Turkey's sustainable development in line with its responsible banking approach, Ziraat Bank extended the largest sustainability-themed syndicated loan offered by any bank in our country in 2023.

With a total of USD 1.3 billion, consisting of USD 418 million and EUR 784 million, with a maturity of 367 days, the loan was the tenth borrowing transaction that the Bank has obtained from international markets through syndication. This loan, which had the participation of 52 banks from 25 countries, was Ziraat Bank's second sustainability-themed syndicated loan.

The loans offered by the Bank with the aim of alleviating the effects of the earthquakes which struck country in February 2023 and which were provided within the scope of Earthquake Support Packages were found to meet the sustainability performance criteria (ESG KPI) of the syndicated loan.

Foreign financing provided through securitization

Ziraat Bank completed the establishment of the Remittance Flows Based Securitization Program (DPR) in 2023 and completed a total of USD 1 billion in issuances under the program with a 2-year grace period and a 5-year maturity.

The first series of issuances within the framework of the Program, designed based on international remittances including goods and services, exports, tourism, capital inflows and individual transfers in US dollar denominations, were carried out in conjunction with international investment banks. In addition, the Earthquake Support Packages prepared to alleviate the effects of the earthquake which struck in February were included within the scope of DPR and "social credit" themed borrowing transactions were carried out.

Strengthening its strong funding structure with new collaborations in 2023, Ziraat Bank continued to provide alternative resources such as bilateral loans and post-financing from correspondent banks, in addition to syndicated loans and the DPR Program. The Bank had obtained a total of USD 740 million in financing from alternative sources by the end of 2023.

GRI 2-6, 417-1

IN 2023

Mindful of the gradual growth in the Ziraat Finance Group's (ZFG) share in global foreign trade volume, the Bank includes the development of foreign trade between countries where the ZFG is active among its priorities.

Increased synergies with the Ziraat Finance Group
Increasing the effectiveness of the Bank's foreign partnerships and branches in the countries where they operate and contributing to the development of commercial and economic relations between these countries and Turkey is a central and unwavering part of Ziraat Bank's strategy.

Mindful of the gradual growth in the Ziraat Finance Group's (ZFG) share in global foreign trade volume, the Bank includes the development of foreign trade between countries where the ZFG is active among its priorities.

Effective correspondent bank limit allocation model
The creditworthiness of domestic and foreign correspondent banks is updated periodically with analysis carried out, with limits allocated in favor of these institutions using the internal rating model.

Resource diversification in international capital markets
Ziraat Bank aims to diversify its sources of funding and provide cost-effective, long-term funding. In line with this goal, the Bank's USD 7 billion GMTN (Global Medium-Term Notes) program was updated on 5 May 2023 for the purpose of borrowing from international capital markets.

Ziraat Bank issued USD 500 million worth of bonds with a maturity of 3.5 years in international markets on 1 February, 2023. In addition, the Bank continues to provide foreign resources through private placement issues within the GMTN (Global Medium Term Notes) program.

INTERNATIONAL BRANCH BANKING

Ziraat Bank continues to strive to provide universal and modern financial services to its customers abroad in the best and most profitable way and to strengthen its competitive advantage by widening its product diversity.

The global financial point of contact for its Customers
Ziraat Bank has developed its operations in the field of International Branch Banking in line with its international banking strategy and vision. The Bank undertakes successful International Branch Banking operations with the following main objectives;

- To provide fast, modern and technology-focused and high-quality services to all stakeholders in all regions where the Bank operates, as well as Turkish entrepreneurs and companies,
- To secure a higher share in the financing of foreign trade between Turkey and other countries where it operates and to play a strong role in financing international trade,
- To ensure the sustainable profitability of international branches with a healthy and efficient balance sheet structure,
- To be the global financial contact point for customers by enabling foreign buyers and sellers for customers in Turkey to become customers at the service points abroad,
- To create effective synergies within the framework of the "Ziraat Finance Group" approach.

"Ziraat Is Always with You Wherever You Are in the World"
Under the banner of "Ziraat is always with you, wherever you are in the world", Ziraat Bank meticulously considers existing and potential business opportunities in all of the regions it serves from an integrated perspective. Boasting the widest international network of any Turkish bank, the Bank has proven itself in the international arena in all fields.

GRI 2-6, 417-1

Ziraat Bank aims to be the strongest and most effective bank in the regions where it operates, as well as in Turkey. The Bank's achievements in the field of foreign banking are summarized below.

The London Branch developed its product and service range in accordance with the dynamics and requirements of the London financial center with the aim of increasing its effectiveness in the fields of structured finance and foreign trade finance. Serving as an important point of contact in accessing international financial markets, the London Branch is thus able to maintain its leading and advantageous position in money market and treasury transactions.

In Greece, Ziraat Bank plays an active role in the development of trade with Turkey by focusing on banking services such as corporate banking and foreign trade financing, providing services from three branches in the country, in Athens, Komotini and Xanthi.

In Bulgaria, services are provided through five branches in Sofia, Plovdiv, Kardzhali, Varna and Burgas, under the Bank's Bulgarian division. In 2023, Ziraat Bank continued to provide banking services and solution opportunities, such as corporate banking and foreign trade financing, to customers in the corporate and individual segments, through in-branch and external channels.

In Kosovo, services are provided in the corporate and individual segments with four branches operating in Pristina, Prizren, Peja and Ferizaj under the Bank's Kosovan division. In 2023, Ziraat Bank continued to provide financial services and solutions to corporate and individual customers through the branches and digital channels.

In the **Turkish Republic of Northern Cyprus,** the Bank's Cyprus Division offers corporate and individual banking products to its customers to Turkish standards from its 8 branches throughout the territory, and continues to provide a significant contribution to Northern Cyprus's economic development.

In Iraq, the Baghdad and Erbil Branches provide support to the development of economic and commercial relations between Turkey and Iraq. Ziraat Bank's branches in Iraq play an important role in meeting the letter of guarantee needs of companies operating in the country and remain the financial solution point for international companies, institutions and organizations, especially corporate customers based in Turkey and Iraq.

In Saudi Arabia, the Jeddah Branch is working to expand the branch's range of products and services with the aim of meeting the banking needs of Turkish and Saudi corporate customers operating in the country, especially in respect to meeting the letter of guarantee needs of Turkish companies, and mediating and developing in trade between Turkey and Saudi Arabia.

Ziraat Bank's second address in the Gulf region, the **Bahrain Branch**, plays an active role in accessing international financial markets.

Sustainability and Responsible Banking
Ziraat Bank continued to expand its financial support for direct investments carried out by entrepreneurs operating in **London**, **Greece** and **Bulgaria**.

Ziraat Bank played an important role in financing infrastructure investments in **Kosovo**, especially in transportation infrastructure and renewable energy resources, and continued to contribute to the financing needed for the development of the Kosovan economy.

In the **Turkish Republic of Northern Cyprus**, the Bank maintained its financial support for the development of the territory's economy, especially in the education and tourism sectors, which are the two leading sectors of the North Cypriot economy.

With the mission of being an important financial solution and contact point of the Ziraat Finance Group in **Iraq,** the **Baghdad Branch** has played an active role in ensuring our country's access to international energy resources, with a high level of efficiency and speed manner under favorable conditions.

In **Saudi Arabia,** the foreign trade taking place between the two countries continued to be supported by non-cash loans in addition to cash loans. The Jeddah Branch is actively involved in the financing of foreign trade between our country's importers and Saudi Arabia's leading petrochemical companies.

Digital Channels
With the awareness of the increasing importance of digital channels, Ziraat Bank focused on internet and mobile banking investments in its international branches in 2023. With the Internet Branch and Mobile Banking channels, customers were provided with online access to the Bank's financial products globally.

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IN 2023

ADVERTISING AND COMMUNICATION ACTIVITIES

Ziraat Bank frequently makes use of social media, national television and radio channels in its communication activities with all its stakeholders, especially its customers, in order to inform them of its activities.

The key advertising and communication activities carried out by Ziraat Bank in 2023 are listed below:

- Radio spots were prepared for Bankkart's Motor Vehicle Tax campaign and Ziraat Mobile's Remote Customer Becoming campaigns broadcast on radio channels. A desktop commercial was also prepared to inform customers about how to become a Remote Customer and was published in the How Do I section of the Bank's website.
- A desktop commercial of the "Open Banking" application was prepared and presented to the public on national TV and radio channels and social media accounts.
- The activities of the Bank, which provided support from the very outset following the devastating earthquakes which struck our country and affected us all so deeply, were shared on social media accounts.
- Visuals were prepared for 8 March Women's Day, 14 March Medicine Day and 22 March World Water Day and shared on social media accounts. In addition, the desktop commercial film prepared specifically to mark the Çanakkale Victory day on 18 March was published on social media accounts.
- The visual materials prepared for the promotion of Bankkart's traditional Ramadan campaign and shared in various media were appreciated by the public. Additionally, a desktop commercial was prepared for the relevant campaign and announced to the public via national TV channels. A radio spot was also prepared for the campaign and shared on national radio channels. A Bankkart radio spot was prepared for Eid al-Adha and broadcast on national radio. Celebration images specially prepared for Eid al-Adha and the Ramadan Feast were shared on social media.
- Desktop commercials prepared for "Trade Route" products, which provide the opportunity to trade with member businesses through "Final Payment", which secures commercial and individual payments under the guarantee of Ziraat Bank, were announced to the public on national TV channels and social media accounts. In addition, radio spots prepared for the products in question were broadcast on national radio channels.

- The "Farmer Support Credit" product offered to farmers engaged in agricultural production was made available to the public on social media accounts.
- The filming of the advertorial prepared for the promotion of the new agricultural loan products, the "Young Farmer Loan", the "Women Farmer Loan" and "Solar Energy Irrigation Loan" were completed.
- Images were prepared for the promotion of the "Fisherman Support Loan" product, which aims to finance operating expenses for fishermen, and shared with the public through social media accounts.
- Visuals were prepared for "International Women Farmers Day" and shared on social media accounts.
- The advertorial, "Agriculture is at the heart of our lives", under the banner of "We have been at the heart of the production and the agricultural ecosystem since day of our establishment", and five informative commercials as a continuation of this advertorial, were announced to the public through the Bank's social media accounts and national TV channels. In addition, radio spots prepared for the info films were broadcast on national radio channels.
- Desktop advertorials specially prepared for April 23 National Sovereignty and Children's Day, Mother's Day, the Day to mark the Commemoration of Atatürk and Youth and Sports, and Father's Day were shared with the public through social media accounts. Additionally, a radio spot was prepared for Bankkart's special Father's Day campaign and broadcast on national radio channels.
- Visuals were prepared for May 14 Farmers' Day and shared on social media channels.
- The desktop commercial film prepared specifically for the 19 May Youth and Sports Day was published on social media accounts.
- Visuals for 5 June World Environment Day and 17 June World Desertification and Drought Day were prepared and shared with the public on social media.
- Visuals promoting the "Super Branch", which started offering services, were shared on social media accounts, and radio spots were broadcast on national radio channels.
- Commercials and visual adaptations for the "YUVAM Account" product were announced to the public through social media accounts. Additionally, prepared radio spots were presented to the public on national radio channels.
- Desktop commercials specially prepared to mark Democracy and National Unity Day on 15 July and Victory Day on 30 August were streamed on social media accounts.

IN 2023

- The visual explaining the "Title Deed Reliable Account" application designed for real estate buying and selling transactions was announced on social media accounts.
- The Vade(SİZ) Export Credit Package product, prepared for flexible-term Export Credit for companies that are members of the Exporters' Association, was introduced to customers through social media accounts.
- The desktop film celebrating the new academic year was shared on social media accounts.
- The desktop film and visual prepared to promote the "Easy Safe" application were published on social media accounts.
- Static images prepared to mark 29 October Republic Day, World Disability Day and World Soil Day, and were shared on social media accounts.
- The commercial film, radio spot and visuals prepared to mark the 100th anniversary of our Republic and the 160th anniversary of our Bank, under the banner of "We stood by Republic when it was established, and have stood by our Republic as it has risen", were published on social media accounts, national TV channels, radios and newspapers, gaining wide acclaim among the general public.
- The desktop commercial film prepared to mark the 10 November Commemoration of Atatürk Day, Teachers' Day and New Year's Greetings was presented to the public through social media accounts.
- The visuals prepared for the LEED Platinum certificate earned by the Istanbul Financial Center (IFM) Ziraat Towers Project, developed by Ziraat GYO, were shared on social media.
- The Z-Transformation portal, which offers solutions that will bring ease to peoples' lives by contributing to the digital transformation of companies with a wide array of programs, was promoted through social media accounts.
- Within the scope of the Bank's "I Have Many Reasons to Live in My Village" project, visuals prepared to announce the increase in the upper credit limit applicable for producers operating in the fields of cattle dairy farming and sheep farming was shared on social media accounts.
- The radio spot prepared for the Bankkart New Year Campaign and Ziraat Super Branch was shared on national radio channels.
- The opening of Istanbul Financial Center was announced to the public through social media accounts.

- The “More than a Bank for Sustainability” desktop commercial and static visuals, describing the Bank’s work and projects in the fields of sustainability and green transformation, were shared on social media accounts.
- Visuals describing the products “Special Transformation Package for Pharmacists”, “Special Vehicle Loan for Togg”, “Environmental Loan Products”, “Export Support Loan”, “Secure Payment System”, “Solar Energy Irrigation Loan” were shared on social media accounts.
- Visuals explaining the ease of use of “Ziraat Mobile” and “Bankkart Mobile” apps were presented to the public on social media accounts.
- The visual prepared for both the promotion of the “Turkish Lira Term Deposit Account” product and the savings day was shared on social media accounts.
- Desktop films reflecting the excitement of the 2023 “Ziraat Turkish Cup” matches and visuals congratulating the winning teams were published on national newspaper portals and social media accounts.
- Visuals prepared to support the Ziraat Bankkart volleyball team, which achieved great success in 2023, and to celebrate their success, were shared in national newspapers and social media accounts.

Other corporate communications activities

- Designed to be responsive and developed on the MS SharePoint infrastructure, the Bank’s corporate website provides easy access to Ziraat Bank’s services and functions. In 2023, new technological advances were integrated into the website and its functionality was improved.
- In accordance with the corporate identity principles of the Ziraat Finance Group, the websites of domestic and overseas subsidiaries were renewed in order to provide a common experience for the customers.
- The opening ceremony for the new term at the Ziraat Bank Banking School was held in the historical Ziraat Bank building in Ulus, in Ankara, with the participation of the Minister of Treasury and Finance, Mehmet Şimşek, and other guests. The event was streamed on social media accounts.
- Within the framework of Intellectual and Industrial Property Rights, all kinds of application, objection and registration transactions carried out by Ziraat Bank and the entire Ziraat Finance Group both domestically and abroad regarding trademarks, patents and registrations, as well as renewal procedures for registered trademarks, patents and design certificates were carried out.

- The html-based interactive magazine, 1iz (We Are One), was published on the Bank’s portal and the Ziraat Finance Group mobile application on a bimonthly basis, pursuing the goals of fostering a sense of belonging among Ziraat Finance Group employees, informing them of developments in the Finance Group and the Bank, ensuring the continuity of corporate culture, creating an institutional memory and for creating a communication platform between Ziraat Family members.
- The Bank participated in 14 Agricultural Fairs included in the 2023 fair list announced by the TOBB and four Career Fairs organized under the theme “Talent is all around” under the coordination of the Presidential Human Resources Office, contributing to the promotion of the Bank’s products and services.
- The Visual Identity Inspection work carried out in order to use the corporate identity in accordance with Ziraat Bank standards, to correctly perceive the Bank’s brand image in the eyes of customers, to integrate corporate identity standards into all relevant environments and to prevent erroneous applications was completed.

IN 2023

- **Lovemark;** Turkey's Most Popular Banking Brand for the 8th time in a row
- **International Brilliance Awards 2022;** Silver Award in the "Company of the Year which Best Uses Technology in Internal Communication" category with the Virtual Assistant, "Bilge"
- **CX Awards;** "Productive Project Award" in the "Best Digital Customer Experience-Bank" category in recognition of its "Remote Customer Acquisition" practice
- **Fast Company;** "Most Innovative Company" award with the "Data-Oriented Organizational Structure" project
- **Global Banking & Finance Review;** "Best Turkish Bank" award with "Digital Analytical CRM"
- **ECHO Awards; First prize in the "Online Banking" category with the project carried out in cooperation with Marketing Türkiye and Akademetre Research and Strategic Planning**
- **Tech Brands Turkey; "The Most Technological Bank" and "The Most Technological Mobile Bank" awards**
- **Globee Business Awards;** 2023 Golden Globee award for "Identification and Development of Analytical Opportunities Project" in the "Data Quality Solutions" category
- **Globee Business Awards;** GOLD GLOBEE® WINNER-Gold Award in the "Achievement in International Business" category
- **Globee Business Awards;** Bronze Award in the "Achievement in the Best Use of Technology" category for "Automatic Chargeback and Automatic Deposit into Account Project"

TITAN Business Awards; Platinum Award in the Business Technology Solutions - Operation Management Solution category for "Automatic Chargeback and Automatic Deposit into Account Project"

- **Brandverse Awards;**
  - Silver Award for Ziraat Bank in the "Banks" category
  - Gold Award for Ziraat Participation in the "Participation Banks" category
  - Golden Award with "Bankkart" in the "Credit Cards" category
- **TCMA Golden Bull Awards*;**
  - Ziraat Portföy Yönetimi A.Ş. - First prize in the categories of Investment Fund Portfolio Size Leader, Pension Investment Fund Portfolio Size Leader and Individual Portfolio Management Size Leader, and third prize in Investment Funds Return Leader category
  - Ziraat Yatırım Menkul Değerler A.Ş. - First prize in Lease Certificate Issuance Intermediary Leader category
  - Ziraat Gayrimenkul Yatırım Ortaklığı A.Ş. - Third prize in the "REIT Real Estate Investment Leader 2022" category
- **(CTBUH);** "Excellence in Construction" award for Ziraat Towers
- **TEGEP (Turkey Education Development Platform Association)**; BEST award in the "Development Program Supporting the Participation and Development of Young People in Business Life" category
- **Banking Tech Awards;** Highly Commended Data Usage award
- **ALFA Awards;** "Consumer Brand of the Year" award for the second consecutive time with "Bankkart" in the credit card category

ALFA
AWARDS
MARKETING TÜRKİYE

*The Golden Bull Awards aim to promote the development and awareness of the capital markets, and showcase success stories of sector professionals to the public.

ZIRAAT BANK'S SUBSIDIARIES IN 2023

Ziraat Bank's corporate participation strategy is based on creating integrated solutions to meet the financial needs of its customers as a whole.

An affiliate policy built on the foundations of efficiency
Within the framework of its participation policy built on the foundations of efficiency, Ziraat Bank has created a subsidiary portfolio that offers a competitive advantage in the national and international arena. The bank provides services both locally and globally through its domestic subsidiaries operating in various areas of the Turkish financial sector, as well as through its foreign subsidiary banks.

In this context, the Bank aims;

- To create a dynamic and effective synergy between its domestic subsidiaries, which are complementary to its financial activities, and its foreign subsidiaries spread over a wide geography, within the framework of Ziraat Finance Group's vision,
- To contribute to the development of commercial and economic relations between Turkey and the other countries in which it operates, to play a strong role in the financing of foreign trade and to capture a high share in this area thanks to its wide foreign subsidiary network,
- To provide a variety of products and services at a global level, as well as time and cost advantages, thanks to effective communication and fast business processes by contributing financially to the transaction flows of its customers around the world,
- To bring new/pioneering financial technologies in its geographies.

INTERNATIONAL SUBSIDIARIES

Germany
Ziraat Bank International AG started its activities as a representative office in 1964 and turned into a branch in 1988. It has been operating as a bank since 2001. The Bank can offer all kinds of banking services to its customers.

Ziraat Bank International AG has branches in Berlin, Duisburg, Frankfurt, Hamburg, Hannover, Cologne and Munich.

Bosnia and Herzegovina
ZiraatBank BH d.d., which began its activities in 1997, was Bosnia and Herzegovina's first bank to be owned by foreign capital. ZiraatBank BH d.d. provides services through 32 service units made up of 18 branches and 17 offices throughout the country as of the end of 2023.

Montenegro
Ziraat Bank Montenegro AD started its operations in July 2015. The Bank continues its services with its Head Office in Podgorica and branches in Podgorica, Bar and Budva.

Russia
Ziraat Bank (Moscow) JSC was established in 1993. The head office and only branch of the bank is in Moscow.

Azerbaijan
Ziraat Bank Azerbaijan ASC started its activities in 2015. The Bank continues to serve with its Head Office in Baku, Headquarters, Icherisehir, Gence, Sumgayit, Ahmed Recepli, Azadlik, Samed Vurgun branches, and Babek branch opened in 2023. In addition to its wide product range for corporate and individual segments, the Bank continues to play an active role in the development of trade between the two countries.

Kazakhstan
Kazakhstan Ziraat International Bank (KZI Bank), established in 1993 and headquartered in Almaty; It continues to serve its customers with a total of 8 branches, two in Almaty and one in Astana, Shymkent, Aktau, Atirau, Karaganda and Turkistan.

Ziraat Katılım, opened its second branch abroad in Mogadishu, Somalia, on 29 October, 2023, the 100th anniversary of the founding of the Republic of Turkey.

Uzbekistan
UTBANK JSC, Uzbekistan's first bank with foreign capital, was established in 1993 in Tashkent, with the equal participation of Ziraat Bank and Agrobank (Uzbekistan). In 2017, all of Agrobank's shares in the Bank were transferred to Ziraat Bank, and 100% of UTBANK JSC's shares were registered in the name of Ziraat. The Bank continues its activities under the name of "Ziraat Bank Uzbekistan JSC" and with 7 branches: Corporate Branch/Tashkent, Operu, Yunusabad, Samarkand, Fergana, Andican and Bukhara (opened in 2023).

Georgia
In Georgia, where Ziraat Bank started to provide services in 1998, the banking activities carried out with branches in Tbilisi, Batumi and Marneuli were combined under the umbrella of the bank as of 2 May 2017, and JSC Ziraat Bank Georgia was established. Tsereteli Branch in Tbilisi in 2018, Kutaisi Branch in 2019, Gldani and Varketili branches in 2020 started to operate, and the Bank continues to serve with 7 branches in total.

Turkmenistan
Turkmen Turkish JSC Bank was established as a Turkish and Turkmen partnership. The head office of the bank is in Ashgabat and has branches in Bereketli, Dashoguz, Kerki, Mary, Ashgabat, Turkmenabad, and Balkanabad (opened in 2023).

DOMESTIC SUBSIDIARIES

Ziraat Katılım Bankası A.Ş. (Ziraat Participation Bank)
Established in 2015 as the first participation bank with public capital, Ziraat Participation Bank had 189 branches nationwide as of the end of 2023. The Bank, which opened its first international branch in Sudan in September 2020, opened its second branch abroad in Mogadishu, Somalia, on 29 October, 2023, the 100th anniversary of the founding of the Republic of Turkey. The bank maintains its activities in line with the principles of participation banking.

Ziraat Participation aims to protect the environment and create value for all its stakeholders, including its customers, employees, shareholders and society, while supporting economic development. Aware that the financial products and services it offers in line with the principles of participation banking have an impact on the environment and society, the Bank attaches the greatest importance to the correct and effective management of environmental and social impacts in its activities.

In addition to its efforts to reduce emissions resulting from its operations, Ziraat Katılım carries out various projects and plans to implement the necessary development solutions to expand its sustainable financing activities, and to calculate the emissions of the projects it finances and to reduce such emissions.

ZIRAAT BANK'S SUBSIDIARIES IN 2023

Ziraat Katılım's sustainability strategy is compatible with Turkey's national goals, in particular the country's 2053 Net Zero target and the Green Deal Action Plan. Commanding an important position with its sustainability approach determined in line with the road map determined in Turkey, the Bank has also set out its own Sustainability Policy.

Ziraat Katılım's efforts were recognized in the Participation Banks category at the Data Analytics Awards, where the performance of brands on social media is evaluated according to the results of the Social Brands brand index prepared based on impartial data and data analysis. The Bank was handed "Most Effective Participation Bank of Social Media" award in 2023, having won the award in 2019, 2020, 2021 and 2022.

Ziraat Portföy Yönetimi A.Ş. (Ziraat Asset Management)
Ziraat Asset Management was established in 2002 and received the authority to establish funds in 2015 with the amendment made in the Capital Market Law.

As of 31 December 2022, Ziraat Asset Management manages a portfolio of 77 Mutual Funds, 12 Exchange Traded Funds, 4 Real Estate Investment Funds, 3 Venture Capital Investment Funds and 49 Pension Investment Funds belonging to pension companies. The Company also provides portfolio management services to individual/corporate investors.

As of 31 December 2023, Ziraat Asset Management's total portfolio was recorded as TL 649 billion, consisting of TL 357.6 billion in mutual funds and TL 291.4 billion in individual/corporate investors portfolios. The Company maintains its leadership in the sector with its 20.55% market share as of December 2023.

Ziraat Portföy's activities were recognized by the Turkish Capital Markets Association with the "Pension Investment Funds Portfolio Size Leader 2022" award, the "Mutual Funds Portfolio Size Leader 2022" award and the "Individual Portfolio Management Size Leader 2022" award in 2023.

Ziraat Yatırım Menkul Değerler A.Ş. (Ziraat Investment)
Ziraat Investment, which was established in 1997 to act as an intermediary in capital market transactions, has the status of "Broadly Authorized Intermediary Institution".

In 2023, the company closely followed the technological developments in the sector and focused on mobile services, thus ensuring efficient use of its workforce.

Ending the monthly mailing of account statements sent to customers and moving account openings to electronic media paved the way for cost and time savings, as well as a contributing positively to the environment.

Ziraat Gayrimenkul Yatırım Ortaklığı A.Ş. (Ziraat REIT)
With the aim of being one of the leading companies in the sector with innovative projects that will accelerate the development of the Turkish real estate sector and create added value for our country, to achieve stable balance sheet growth by developing original projects which offer high investment value, to carry out projects that will provide the highest return to its shareholders with a management approach based on corporate values, Ziraat REIT was established on 1 November, 2016 and the company's shares began trading on Borsa Istanbul on 6 May, 2021.

The construction of the Istanbul Financial Center (IFM) Ziraat Towers Project, Ziraat REIT's most important investment, got underway in May 2018. Covering a total construction area of 431,000 m^2, consisting of two blocks with 46 and 40 floors and an 8-storey podium, the project has reached its final stages. The Istanbul Financial Center was opened with the relocation of the Company and Ziraat Bank units to Ziraat Tower 1 in 2023. Work on the completion of Tower 2 is ongoing, and is planned be completed in the first quarter of 2024.

The IFM Ziraat Towers Project was deemed worthy of the "Excellence in Construction" award within the scope of the 2023 Excellence Award program carried out by the Council on Tall Buildings and Urban Habitat (CTBUH), a global non-profit organization working to create more sustainable and healthy cities, with its outstanding performance in the fields of excellence in architectural design and construction, innovation and sustainability.

Ziraat REIT, awarded for being the "REIT with the Highest Percentage of Total Institutional Investors" at the 18th Real Estate Summit organized by the Real Estate Investors Association in 2023, provides stable rental income from its balanced and diversified portfolio both in the country and abroad, its strong equity and financial structure. It continues to grow as a leading brand in the real estate sector and create added value for our country by continuously implementing modern and innovative projects that are in line with environmental and social values.

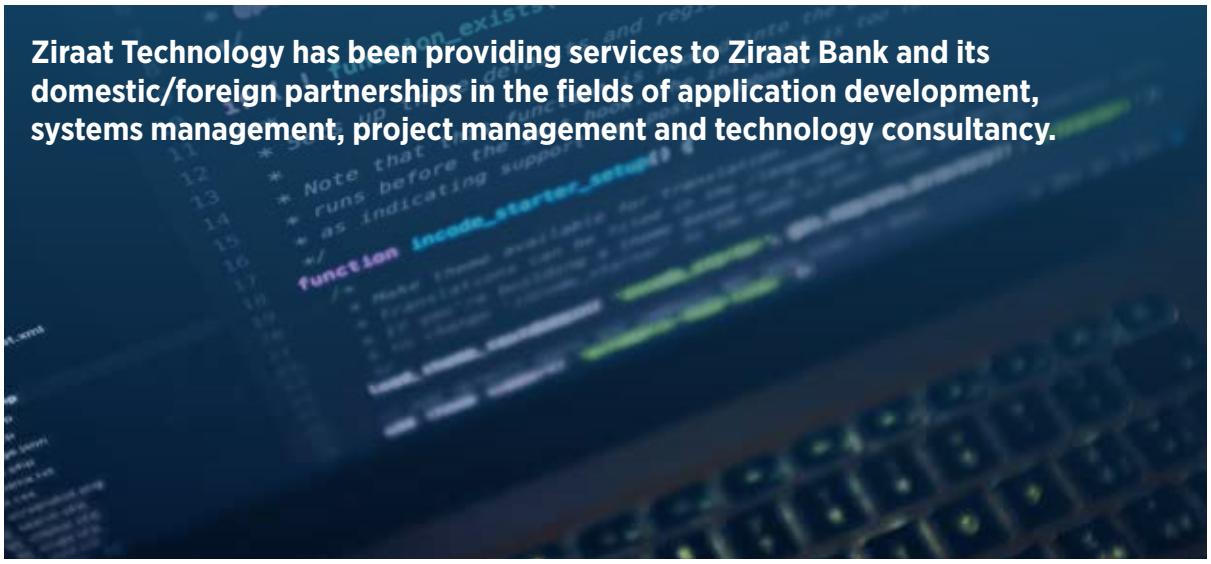
Ziraat Girişim Sermayesi Yatırım Ortaklığı A.Ş. (Ziraat Venture Capital)
Established on 8 November 2018, Ziraat Venture Capital was. The Company acquires equity stakes in ventures which offer growth potential, provides the leverage and growth which they need, and works to help them achieve sector-based strengthening within the framework of a corporate and strategic plan.

Ziraat Teknoloji A.Ş. (Ziraat Technology)
Since inception in 2001, Ziraat Technology has been providing services to Ziraat Bank and its domestic/foreign partnerships in the fields of application development, systems management, project management and technology consultancy.

Ziraat Technology continues its activities in the Technology Development Zones (Teknoparks) located in İstanbul (Davutpaşa and Kurtköy İstanbul Financial Center) and in Ankara (Varlık). It plays an important role in the projects carried out by the Ziraat Finance Group with the software and applications which it has developed in line with the requirements of ISO 9001 Quality Management, 22301 Business Continuity and 27001 Information Security standards, and has become a global solution partner.

In 2023, the Free Cooling operating mode specific to air handling units selected for the cooling systems at Ziraat Technology's Esenyurt Data Center yielded annual energy savings of approximately 20% (2,000,000 kWh).

NOTE: Annual reports of affiliates can be obtained from their own websites.



ENVIRONMENTAL SUSTAINABILITY

IN THIS SECTION

- EMISSIONS MANAGEMENT
- WATER MANAGEMENT
- WASTE MANAGEMENT

Unless the limited resources around the world are carefully managed, the ecosystem is protected and the necessary steps are taken to tackle climate change, the world will see irreversible environmental changes.

Aware of this reality, Ziraat Bank constantly improves its environmental performance by focusing on reducing the negative effects of its activities on the environment.

GRI 3-3

Energy Savings
3,560 MWh

Paper saved through the use of the Digital Signature and KEP Application
~ 1,7 million sheets

Waste Paper Recycled
853 tonnes

Number of Trees Saved
~ 15,000 pieces

Recovered Area
1.5 hectares

Monthly Message Traffic discontinued with Credit Monitoring Module
~ 1 million e-mails

"Zero Waste Certificate"
In 1,476 Service Buildings

Waste IT Products Recycled
72 tonnes

GRI 3-3

EMISSIONS MANAGEMENT

As part of its efforts to tackle human-induced climate change, one of the most significant threats to the long-term sustainability of the ecosystem, Ziraat Bank conducts activities aimed at reducing both direct and indirect greenhouse gas emissions in all of its processes.

Greenhouse Gas Emissions
Ziraat Bank completed its greenhouse gas emission calculations for the year 2023, expanding the scope of its work to include its international branches, in addition to the activities carried out in 2022. Thus, the 2023 calculations were broadened to encompass domestic and international branches, the Head Office and the money group centers.

In contrast with 2022, the 2023 greenhouse gas inventory will include purchased goods and services, fixed assets, resource-oriented transportation, product usage and end-of-life emissions of products.

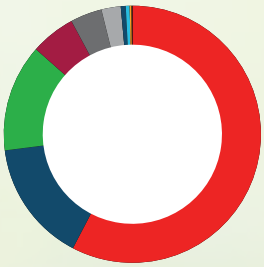
Ziraat Bank has verified its Scope 1, 2, and 3 emission measurements for the year 2023 with the opinion of a third-party.

In the Bank's sustainability reporting electricity consumption had been calculated at average prices based on invoices prior to 2017, with calculations made taking account of actual consumption in 2017 and average prices after 2018. In 2023, emission calculations from electricity consumption were theoretically computed taking into account payment amounts and the unit electricity prices of the relevant year.

The GHG Protocol Standard was followed for the scope of greenhouse gas emissions. IPCC and Defra references were used for greenhouse gas calculations within the defined boundaries in 2023. The Global Warming Potentials (GWPs) used in the calculations were taken from the IPCC 6th assessment report.

BREAKDOWN OF SCOPE 1 AND SCOPE 2 GREENHOUSE GAS EMISSIONS BY SOURCE (%)

Electricity	57.66
Natural Gas-Heating	15.33
Diesel	13.52
Coal-Heating	5.64
Refrigerant Gas Leaks	3.98
Fuel Oil	2.43
Oil-Heating	0.62
Diesel-Generator	0.49
Diesel-Heating	0.25
Fuel Oil-Heating	0.07
Biomass Heating	0.01



EMISSION DISTRIBUTION BASED ON SCOPE IN 2023 (%)

Scope 2	39
Scope 3	33
Scope 1	28

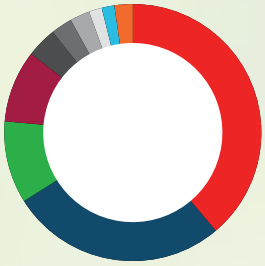
In the distribution of Scope 1 and Scope 2 greenhouse gas emissions by source in 2023, emissions from electricity accounted for 57.66% of emissions (compared to 34% of emissions in 2022), ranking as the largest source. Emissions from natural gas consumption ranked second at 15.33% of total emissions (compared to 36% in 2022), while emissions from diesel consumption of the Company's vehicles ranked third, at 13.52% of the total (compared to 19% in 2022).

COMPARISON OF SCOPE 1 AND SCOPE 2 EMISSIONS BY YEARS

Emission Source	2021 Emissions (tonne CO_2eq)	2022 Emissions (tonne CO_2eq)	2023 Emissions (tonne CO_2eq)
Constant Combustion	12,314	36,551.80	23,671.49
Mobile Combustion	14,163	16,720.07	16,852.68
Leak Emissions	7,771	929.56	4,209.67
Purchased Electricity (Market-based)	38,564	27,729.52	60,908.87

GRI 3-3, 302-1, 302-2, 302-3, 302-4, 302-5, 305-1, 305-2, 305-3, 305-4, 305-5

BREAKDOWN BY EMISSION SOURCES FOR SCOPE 1, 2 AND 3 (%)



Electricity	38.84
WTT	27.23
Natural Gas-Heating	10.33
Diesel	9.11
Coal-Heating	3.80
Refrigerant Gas Leaks	2.68
Capital Goods	2.49
Fuel Oil	1.64
Raw Materials	1.59
Other	2.29

Distribution of Other Emission Sources

Personnel Services	0.72
Business Travels	0.42
Oil-Heating	0.42
Diesel-Generator	0.33
Diesel-Heating	0.17
Fuel oil-Heating	0.05
Capital Goods Transportation	0.05
Water Consumption	0.04
Liquid Wastes	0.04
Product Shipping (Company paid)	0.03
Solid Wastes	0.01
Raw Material Transportation	0.01

CHANGE IN DIRECT GREENHOUSE GAS EMISSIONS

Direct Greenhouse Gas Emissions (Scope 1)	2021		2022		2023		Scope 1 change (%)	
	Direct Energy Consumption	Direct Greenhouse Gas Emissions (tCO_2e)	Direct Energy Consumption	Direct Greenhouse Gas Emissions (tCO_2e)	Direct Energy Consumption	Direct Greenhouse Gas Emissions (tCO_2e)	2021 2022	2022 2023
Natural gas	47,698 MWh	9,662	10,743,094.41 kg	29,014.86	8,339,257.58 m^3	16,196.65	200	-44
Fuel oil	339 MWh	92	151,618.54 L	447.94	23,240.22 kg	73.09	387	-84
Diesel (heating)	1,710 MWh	381	1,272,924.53 L	3,848.33	99,227.59 L	264.02	910	-93
Coal	6,936 MWh	2,175	1,611,947.48 kg	1,950.40	4,925,876.74 kg	5,960.77	-10	206
Pellet	301 MWh	4	87,901.31 kg	9.65	39,390.88 kg	4.32	141	-55
Oil	-	-	-	-	286,510.20 L	659.70	-	-
On Road - Diesel	52,072 MWh	14,105	5,629,916.07 L	15,555.26	5,318,135.52 L	14,287.23	10	-8
On Road - Gasoline	222 MWh	58	496,031.68 L	1,164.81	1,091,556.24 L	2,565.45	1,908	120
Leak Emissions	0 MWh	7,771	2,439.76 kg	929.56	4,371.02 kg	4,209.67	-88	353
LPG	-	-	7,785.04 kg	24.75	-	-	-	-
Generator Diesel	-	-	395,117.00 L	1,194.52	191,851.09 L	512.94	-	-57
Generator Gasoline	-	-	24,302.00 L	61.35	-	-	-	-

GRI 3-3, 302-1, 302-2, 302-3, 302-4, 302-5, 305-1, 305-2, 305-3, 305-4, 305-5

EMISSIONS MANAGEMENT

Ziraat Bank took a step towards renewable energy consumption by purchasing 50,000 MWh of IREC in 2022 and 75,000 MWh in 2023.

CHANGE IN ENERGY INDIRECT GREENHOUSE GAS EMISSIONS

Indirect Greenhouse Gas Emissions (Scope 2)	2021		2022		2023		Scope 2 change (%)	
	Indirect Energy Consumption	Indirect Greenhouse Gas Emissions (tCO_2e)	Indirect Energy Consumption	Indirect Greenhouse Gas Emissions (tCO_2e)	Indirect Energy Consumption	Indirect Greenhouse Gas Emissions (tCO_2e)	2021 2022	2022 2023
Purchased Electricity (kWh)	84,403,363	38,564	113,021,645.69	27,729.52	197,948,859.74	60,908.87	-28	120

CHANGE IN INDIRECT GREENHOUSE GAS EMISSIONS

Indirect Greenhouse Gas Sources	2022		2023		%
	Activity Data	Indirect Greenhouse Gas Emissions (tCO_2e)	Activity Data	Indirect Greenhouse Gas Emissions (tCO_2e)	Scope 3 change 2022 2023
Raw Material	-	-	2,659.01 tonne	2,490.92	-
Water Consumption	-	-	349,899.00 m^3	61.82	-
Capital Goods	-	-	1,277.96 tonne	3,908.97	-
Electricity T&D	113,021,645.69 kWh	6,340.51	197,948,859.74 kWh	12,624.85	0.99
Electricity WTT-Production	113,021,645.69 kWh	11,602.29	197,948,859.74 kWh	20,320.54	0.75
Electricity WTT-Transmission and Distribution	113,021,645.69 kWh	1,439.74	197,948,859.74 kWh	2,521.59	0.75
WTT-Natural gas Consumption	10,743.09 tonne	4,667.11	8,339,257.58 m^3	2,806.99	-0.40
WTT-Diesel Consumption	7,297,957.60 L	4,588.52	5,895,724.40 L	3,602.35	-0.21
WTT-Gasoline Consumption	520,333.68 L	313.67	1,378,066.44 L	800.57	1.55
WTT-Coal Consumption	1,611.95 tonne	633.72	4,925,876.74 kg	0.29	-1.00
WTT-Pellet Consumption	-	-	39,390.88 kg	6.97	-
WTT-Fuel oil Consumption	151,618.54 L	105.71	23,240.22 L	16.16	-0.85
WTT-LPG	7.79 tonne	2.70	-	-	-
Raw Material Transportation	-	-	82,990.74 tonne.km	14.79	-

GRI 3-3, 302-1, 302-2, 302-3, 302-4, 302-5, 305-1, 305-2, 305-3, 305-4, 305-5

Indirect Greenhouse Gas Sources	2022		2023		%
	Activity Data	Indirect Greenhouse Gas Emissions (tCO_2e)	Activity Data	Indirect Greenhouse Gas Emissions (tCO_2e)	Scope 3 change 2022 2023
Capital Goods Transportation	-	-	402,818.27 tonne.km	73.82	-
Product Transportation (Company Paid)	-	-	238,026.09 tonne.km	42.37	-
Waste Transport	1,539.00 km	0.81	-	-	-
Solid Wastes	29,400.00 kg	0.63	757.96 tonne	16.13	-
Liquid Wastes	-	-	349,899.00 m^3	70.44	-
Business Travels	4,844,769.25 km	790.55	4,179,655.70 km	656.02	-
Staff service	34,056,375.59 km	3,482.95	5,381,585.37 km	1,124.75	-
Product Usage	-	-	28,108,674.93 hour	0.05	-
Product End of Life	-	-	344.21 tonne	6.33	-

In a comparison with previous years, the table below shows changes in Scope 1 and Scope 2 emissions. Market-based emissions are considered for Scope 2.

CHANGES IN ZIRAAT BANK SCOPE 1-2 EMISSIONS BY YEARS

Greenhouse Gas Emissions (tCO_2e)	Scope 1 (tCO_2e)	Scope 2 (tCO_2e)	Total tCO2e (Scope 1&2)	Change for Total tCO_2e %	Greenhouse Gas Intensity (tCO_2e/ TL Million Turnover)
2021	34,335.90	38,564.10	72,900.00	2.05	0.053
2020	32,728.70	39,110.40	71,437.20	-12.38	0.076
2019	33,779.80	47,754.30	81,534.10	7.48	0.125
2018	29,015.40	46,841.50	75,856.90	-13.47	0.141
2017	33,428.60	54,234.30	87,662.90	3.29	0.202
2016	36,478.00	48,394.70	84,872.70	-5.27	0.237
2015	40,441.00	49,151.60	89,592.60	17.31	0.296
2014	36,060.50	40,311.20	76,371.60	-	0.308

Ziraat Bank had previously calculated carbon footprint intensity considering its assets. However, from 2022 and 2023, it began calculating this value based on net interest income.

The table below shows the Scope 1, 2 and 3 emissions and net interest income intensities for the years 2022 and 2023. In 2023, the intensity of greenhouse gas emissions at Ziraat Bank, based on net interest income, was 0.00000121.

The Bank's greenhouse gas inventory for the year 2023 amounted to 156,809.44 tonnes of CO_2e. With the inclusion of international branches and the expansion of Scope 3 emissions boundaries in 2023, the greenhouse gas inventory increased by 35.3% compared to the previous year.

GRI 3-3, 302-1, 302-2, 302-3, 302-4, 302-5, 305-1, 305-2, 305-3, 305-4, 305-5

EMISSIONS MANAGEMENT

SCOPE 1, 2 AND 3 EMISSION AND INTENSITY (TONNES CO2/NET INTEREST INCOME) CHANGES FOR 2022 AND 2023

Greenhouse Gas Emissions (tCO_2e)	Scope 1 ($tCO2_2e$)	Scope 2 (tCO_2e)	Scope 3 (tCO_2e)	Total tCO_2e (Scope 1-2-3)	Greenhouse Gas Intensity (tCO_2e/Net Interest Income)
2023	44,733.85	60,908.87	51,166.73	156,809.44	0.00000121
2022	54,201.43	27,729.52	33,968.91	115,899.87	0.000000954

Ziraat Bank's 2023 greenhouse gas inventory uncertainty is calculated as 4.22% for Scope 1, 2 and 3.

The table on the following page shows the emission factors used in 2023 calculations.

Emission Factors	CO_2	CH_4	N_2O	CO_2e
Diesel (mobile combustion)	74.1 tonne CO_2/TJ	0.0039 tonne CH_4/TJ	0.0039 tonne N_2O/TJ	-
Gasoline (mobile combustion)	69.3 tonne CO_2/TJ	0.025 tonne CH_4/TJ	0.008 tonne N_2O/TJ	-
Natural gas	56.1 tonne CO_2/TJ	0.005 tonne CH_4/TJ	0.0001 tonne N_2O/TJ	-
Fuel oil	77.4 tonne CO_2/TJ	0.01 tonne CH_4/TJ	0.0006 tonne N_2O/TJ	-
Diesel	74.1 tonne CO_2/TJ	0.01 tonne CH_4/TJ	0.0006 tonne N_2O/TJ	-
Coal (Lignite)	101 tonne CO_2/TJ	0.01 tonne CH_4/TJ	0.0015 tonne N_2O/TJ	-
Pellet (Biomass)	100 tonne CO_2/TJ	0.3 tonne CH_4/TJ	0.004 tonne N_2O/TJ	-
Oil	69.3 tonne CO_2/TJ	0.003 tonne CH_4/TJ	0.0006 tonne N_2O/TJ	-
LPG	63.1 tonne CO_2/TJ	0.001 tonne CH_4/TJ	0.000 tonne N_2O/TJ	-
Diesel-Generator	74.1 tonne CO_2/TJ	0.01 tonne CH_4/TJ	0.0006 tonne N_2O/TJ	-
Gasoline-Generator	69.3 tonne CO_2/TJ	0.003 tonne CH_4/TJ	0.001 tonne N_2O/TJ	-
Refrigerants-R134A	-	-	-	1,530 kg CO_2e/kg
Refrigerants-R600	-	-	-	3 kg CO_2e/kg
Refrigerants-R410A	-	-	-	2,255.5 kg CO_2e/kg
Refrigerants-R32	-	-	-	771 kg CO_2e/kg
Fire extinguishers-CO_2	-	-	-	1 kg CO_2e/kg
Electricity (2014 grid)	0.49306 kg CO_2/kWh	0.003 kg CH_4/kWh	0.00121 kg N_2O/kWh	0.494 kg CO_2e/kg
Electricity (2015 grid)	0.55036 kg CO_2/kWh	0.00021 kg CH_4/kWh	0.00139 kg N_2O/kWh	0.552 kg CO_2e/kg
Electricity (2016 grid)	0.48985 kg CO_2/kWh	0.00018 kg CH_4/kW	0.00131 kg N_2O/kWh	0.491 kg CO_2e/kg
Electricity (2017 grid)	0.51047 kg CO_2/kWh	0.00018 kg CH_4/kW	0.00147 kg N_2O/kWh	0.512 kg CO_2e/kg
Electricity (2018 grid)	0.50501 kg CO_2/kWh	0.00018 kg CH_4/kW	0.00142 kg N_2O/kWh	0.507 kg CO_2e/kg
Electricity (2019 grid)	0.512 kg CO_2/kWh	0.00018 kg CH_4/kW	0.00156 kg N_2O/kWh	0.514 kg CO_2e/kg
Electricity (2020 grid)	0.47523 kg CO_2/kWh	0.00016 kg CH_4/kW	0.00157 kg N_2O/kWh	0.477 kg CO_2e/kg

GRI 3-3, 302-1, 302-2, 302-3, 302-4, 302-5, 305-1, 305-2, 305-3, 305-4, 305-5

Emission Factors	CO_2	CH_4	N_2O	CO_2e
Electricity (2021 grid)	0.45531 kg CO_2/ kWh	0.00015 kg CH_4/kW	0.00143 kg N_2O/kWh	0.457 kg CO_2e/kg
Electricity (2022 grid)	-	-	-	0.44 kg CO_2e/kg
Electricity (TR)	-	-	-	0.44 kg CO_2e/kg
Electricity (UK)	-	-	-	0.207 kg CO_2e/kg
Electricity (BG)	-	-	-	0.362 kg CO_2e/kg

Emission Factors	CO_2	CH_4	N_2O	CO_2e
Electricity (GR)	-	-	-	0.454 kg CO_2e/kg
Electricity (XK)	-	-	-	1.34 kg CO_2e/kg
Electricity (IQ)	-	-	-	0.756 kg CO_2e/kg
Electricity (SA)	-	-	-	0.506 kg CO_2e/kg
Road Transport-Diesel-HGV vehicles	-	-	-	0.18 kg CO_2e/tonne.k
Sea Transportation-Cargo Ships-Container	-	-	-	0.016 kg CO_2e/tonne.k
Business Travel-Short Distance, Economy	-	-	-	0.18 kg CO_2e/passenger.km
Business Travel-Long Distance, Economy	-	-	-	0.2 kg CO_2e/passenger.km
Business Travel-Short Distance, Business	-	-	-	0.27 kg CO_2e/passenger.km
Business Travel-Long Distance, Business	-	-	-	0.58 kg CO_2e/passenger.km
Personnel Shuttle Service	-	-	-	0.21 kg CO_2e/km
Raw Material Use-Paper	-	-	-	0.91 kg CO_2e/kg
Raw Material Use-Paper (Recycled)	-	-	-	0.73 kg CO_2e/kg
Raw Material Use-Plastic	-	-	-	3.1 kg CO_2e/kg
Capital Goods Use-Wood	-	-	-	312,612 kg CO_2e/tonne
Capital Goods Use - Metal	-	-	-	3,086.73 kg CO_2e/tonne
Capital Goods Use-Electrical Appliances-Small	-	-	-	5,647.95 kg CO_2e/tonne
Capital Goods Use-Electrical Appliances-Large	-	-	-	3,267 kg CO_2e/tonne
Capital Goods Use-Plastic	-	-	-	3,102.45 kg CO_2e/tonne
Wastes-Industrial Waste (Combustion)	-	-	-	21.28 kg CO_2e/tonne
Wastes-Industrial Waste (Landfill)	-	-	-	520.33 kg CO_2e/tonne
Wastes-Paper and Cardboard (Closed Loop)	-	-	-	21.28 kg CO_2e/tonne
Waste-Plastic (Closed Loop)	-	-	-	21.28 kg CO_2e/tonne
Wastes-Metal (Closed Loop)	-	-	-	21.28 kg CO_2e/tonne
Water supply	-	-	-	0.18 kg CO_2e/m^3
Wastewater Treatment	-	-	-	0.2 kg CO_2e/m^3
Product End of Life-Plastic (Recycling)	-	-	-	0.02 tonne CO_2eq/tonne
Product End of Life-Plastic (Incineration)	-	-	-	0.02 tonne CO_2eq/tonne
Product End of Life-Plastic (Landfill)	-	-	-	0.01 tonne CO_2eq/tonne
Product Usage	-	-	-	1.70E-06 kg CO_2eq/hour
Electricity T&D	-	-	-	12.66%
Electricity WTT-Production	-	-	-	0.1 kg CO_2e /kWh

GRI 3-3, 302-1, 302-2, 302-3, 302-4, 302-5, 305-1, 305-2, 305-3, 305-4, 305-5

EMISSIONS MANAGEMENT

Emission Factors	CO_2	CH_4	N_2O	CO_2e
Electricity WTT-Transmission and Distribution	-	-	-	0.01 kg CO_2e /kWh
WTT-Natural gas	-	-	-	0.34 kg CO_2e/m^3
WTT-Oil (Average Biofuel Mixture)	-	-	-	0.58 kg CO_2e/L
WTT-Diesel (Average Biofuel Blend)	-	-	-	0.61 kg CO_2e/L
WTT-Lignite	-	-	-	0.06 kg CO_2e/tonne
WTT-Pellet	-	-	-	177 kg CO_2e/tonne
WTT-Fuel oil	-	-	-	0.7 kg CO_2e/L

Ziraat Towers - the first and only green building to receive the LEED Certificate within the Istanbul Finance Center campus

Ziraat Towers became the first and only green building within the Istanbul Finance Center campus to receive the LEED (Leadership in Energy and Environmental Design) Platinum Certificate, a green building rating system used worldwide. The LEED Platinum Certification, considered the highest level in the Leadership in Energy and Environmental Design (LEED) certification program, is awarded by the U.S. Green Building Council (USGBC), a nonprofit organization, to projects that achieve the highest level of success in evaluation criteria such as energy efficiency, water savings, environmental impact reduction and health standards.

Throughout the design and construction process, the requirements of the LEED Platinum Certification were meticulously prioritized in the project. All materials, equipment, machinery groups and electro-mechanical systems were designed and implemented with consideration for energy efficiency and environmental impacts. The importance which Ziraat REIT placed on sustainable construction practices was once again confirmed on an international scale with the LEED Platinum Certification.

GRI 3-3, 302-1, 302-2, 302-3, 302-4, 302-5, 305-1, 305-2, 305-3, 305-4, 305-5

WATER MANAGEMENT

Climate change is one of the most important challenges facing our planet. Global statistics on this subject indicate that clean water resources are dwindling rapidly.

As a responsible corporate citizen, Ziraat Bank develops and implements conscious and careful consumption projects in the field of water.

Responsible and efficient use of water.
Climate change is one of the most important challenges facing our planet. Global statistics on this subject indicate that clean water resources are dwindling rapidly.

Scientific findings reveal that Turkey is also a water-stressed country. This situation requires all citizens to act responsibly when it comes to water consumption.

As a responsible corporate citizen, Ziraat Bank places emphasis on water conservation through the efficient use of water resources and effective wastewater management, in line with national and international standards.

In 2023, the Bank achieved water savings of approximately 40% in wet areas across 103 renovated branches through the design features of sanitary ware and taps.

Wastewater Management
Ziraat Bank meticulously revises projects and implementations in line with local government directives on wastewater management for new or renovated branches in their respective locations. Water and wastewater management was carefully observed during the construction of the Ziraat Towers located in the Istanbul Financial Center. Efficient irrigation systems were selected to reduce water consumption. Diversity of plant species was ensured in landscaping, with a preference for local and adapted plants, while avoiding the use of turf grass.

In Ziraat Towers, condensate water from cooling systems is planned to be used for garden irrigation. A recycling facility was established for the reuse of greywater, significantly reducing reliance on tap water.

In the Göztepe Guesthouse Project and the Altunizade and Erenköy Residential Projects, the aim is to achieve water efficiency without compromising user comfort by using efficient water fixtures compliant with EPA (US Environmental Protection Agency) standards. Greywater is planned to be utilized in reservoirs and garden irrigation. The use of cultivated turf grass was avoided in landscaping green areas, with water-efficient plant species and irrigation systems instead integrated into the project.

Water footprint inventory study
The scope of Ziraat Bank's 2023 water footprint inventory includes the Headquarters buildings, money group centers, regional offices, a total of 1,744 domestic branches and 25 international branches.

The calculation was prepared in accordance with the requirements of "ISO 14046 Water Footprint"

GRI 3-3, 303-1, 303-2, 303-3, 303-4, 303-5

WATER MANAGEMENT

The volume of water consumption resulting from Ziraat Bank's activities in 2023 is given in the table below.

TOTAL WATER CONSUMPTION IN 2023

Source	Parameter	Unit	Total
Mains Water	volume	m^3	348,697.25
Drinking water	volume	m^3	6,946.38
Total Water Withdrawals	**volume**	**m^3**	**355,643.63**

Detailed information about Ziraat Bank's water footprint inventory results is presented in the table below.

POLLUTION LOAD, TOTAL AMOUNT OF WATER CONSUMED AND POLLUTED

Source	Parameter	Unit	Total
Water Withdrawals	volume	m^3	355,643.63
Water Consumed	volume	m^3	6,946.38
Discharged	volume	m^3	348,697.25
Pollution			
BOİ	Amount	kg	17,434.86
KOİ	Amount	kg	55,791.56
AKM	Amount	kg	20,921.84

The uncertainty values of Ziraat Bank's 2023 ISO 14046 Water Footprint calculations, carried out with theoretical assumptions, are given in the table below.

WATER FOOTPRINT UNCERTAINTY TABLE

Source	% Uncertainty
Input Uncertainty (Mains Water + Drinking water)	9.81
Output Uncertainty (Sewage)	10
Output Uncertainty (Pollution load)	3.3

GRI 3-3, 303-1, 303-2, 303-3, 303-4, 303-5

WASTE MANAGEMENT

In line with the Zero Waste Regulation, Ziraat Bank carries out comprehensive and qualified studies to separate and recycle the waste generated as a result of its activities.

Zero Waste Management
In accordance with the "Zero Waste Regulation" dated 12 July 2019, all service buildings at Ziraat Bank throughout the country were defined as separate "Facilities" in the Ministry of Environment, Urbanization and Climate Change's Integrated Environmental Information System. "Facility Information Forms" containing information pertaining to the Bank's service buildings and designated "Facility Managers" were submitted to the relevant Provincial Environmental Directorates.

Within this scope, "Zero Waste Certificates" were applied for a total of 1,820 service buildings defined as "Facilities" in the system nationwide, and "Certificates" were obtained for 1,476 service buildings in 77 provinces. The certificate applications for the remaining 344 service buildings in four provinces will reportedly be approved by the relevant Provincial Environmental Directorates upon completion of the additional criteria requested.

Uniform waste bins required for the zero waste application have been procured and sent to all units and branches in accordance with their floor numbers and usage areas. With this practice, a total of 37 tonnes of recyclable waste has been delivered and entered the system through the units and branches during 2023.

The training presentation on "Zero Waste" prepared by the Ministry of Environment, Urbanization and Climate Change was assigned to relevant personnel through the Bank's training portal, ensuring completion within the specified timeframe.

Paper Savings through Recycling
The consumption of A4 photocopy paper by all units and branches of Ziraat Bank amounted to 213,000 packs in 2023, representing a decrease of 35,000 packs (14.11%) compared to the previous year. All paper procured during the year was produced from 100% recycled material.

Ziraat Bank's consumption of A4 paper by year is shown in the table below.

Years	Consumption (packages)	Change (%)
2019	396,000	
2020	282,000	-28.79
2021	243,000	-13.83
2022	248,000	2.06
2023	213,000	-14.11

Ziraat Bank sells expired documents and waste paper stored in unit and branch archives to authorized recycling companies for recycling. Approximately 853 tonnes of waste paper were recycled in 2023 as part of this process.

As a result of the digital transformation efforts undertaken by Ziraat Bank, the physical sending of documents and reports prepared by the Inspection Board from Bank units and document archiving has been discontinued. The transfer of audit and investigation reports to the system, along with the implementation of e-signatures and virtual archiving, resulted in a saving of 34,000 sheets of A4.

Likewise, within the scope of Branch Operations, a total of 2.1 million pages of paper savings were achieved between 3 October and 13 December, with mobile approval in the real customer identification process doing away with the need for 450,000 sheets of paper and SMS approval doing away with the need for approximately 1.6 million sheets of paper within a very short period.

Additionally, throughout the year, approximately 336,000 letters were sent via the Correspondence application with digital signatures and Registered Electronic Mail, preventing the consumption of approximately 1.7 million pages.

Other waste
Faulty IT equipment found in Ziraat Bank's units and branches is collected at the Bank's service centers and repaired and refurbished for reuse. Waste IT materials, such as system cabinets, air conditioners, batteries, and scrap ATM machines, are sold to companies licensed by the Ministry of Environment, Urbanization, and Climate Change for transportation and processing. This prevents environmental damage caused by waste and ensures their recycling as raw materials. In this context, approximately 72 tonnes of waste materials were recycled in 2023.

In the design of the Istanbul Finance Center Ziraat Towers, waste collection areas and solid waste temporary storage areas were integrated for the separate collection of recyclable solid waste. Construction waste was monitored throughout the construction activities and sent to recycling facilities on a monthly basis.

GRI 3-3, 303-1, 303-2, 303-3, 303-4, 303-5

SOCIAL SUSTAINABILITY

IN THIS SECTION

- HUMAN RESOURCES
- CUSTOMER SATISFACTION
- SUPPLIER RELATIONSHIPS MANAGEMENT
- SUPPORT SERVICES PROVIDERS
- CORPORATE SOCIAL RESPONSIBILITY

Ziraat Bank works with high-level human resources which offer its customers the right value propositions at the right time, through the right channel, with its unique market knowledge and experience.

In addition to the advantageous employment conditions it offers young professionals, the Bank also provides significant added value to the Turkish economy by supporting local employment.

GRI 3-3

Number of Employees at the Bank
25,904

Number of New Recruits in 2023
2,701

Unionization Rate
90%

Average Training Per Person (Online and in-class - Hours)
59

Occupational Health and Safety Management System
A total of 10 thousand hours of online and in-class OHS training

Number of Works in Ziraat Bank Painting Collection
+2,500

Support for Sports
Ziraat Turkish Cup

Ziraat Volleyball Team

Social Media
Nearly 2.3 million likes and followers on Facebook

Over 458,000 followers on Twitter

More than 250,000 followers on Instagram

Over 85 million views on YouTube

GRI 3-3

HUMAN RESOURCES

HUMAN RESOURCES PRACTICES

In line with its philosophy of continuous change, Ziraat Bank is focused on implementing the most contemporary practices in the field of human resources, creating new employment opportunities and allocating resources to the training and development of its human resources.
In an industry characterized by intense international competition, Ziraat Bank has consistently strengthened its position as the leading national bank. The bank attributes its unique and prestigious position in the industry to its highly skilled human resources, which provide customers with the right value propositions at the right time and through the right channels by virtue of their unique market knowledge and experience.

Ziraat Bank maintained its development efforts to enhance employee competence in 2023, with investments undertaken within the scope of the modern human resources management system which it adopted.

Human Resource Management Practices
Human resources departments throughout all sectors bear significant responsibility related to business continuity, crisis management and ensuring employee motivation. In response to these challenges, Ziraat Bank carries out activities to understand the needs and motivating factors of its employees in order to create an employee experience able to respond to ever changing demands and conditions.

By analyzing the effects of employees' psychology on performance, Ziraat Bank pressed ahead with its training activities on online platforms to enhance the psychological resilience of its employees. In this context, the Bank developed applications to accelerate the flow of information for crisis management, thereby increasing its ability to take rapid action.

Each employee with a health problem or found to have had difficulty in carrying out this process was contacted on a one-to-one basis, and their needs and requirements continued to be met. Employees received reassurance of the Bank's support under all circumstances, aiming to create an employee experience which is able to respond to changing conditions.

Employee Profile
Ziraat Bank, which aims to provide modern and reliable banking services by meeting the requirements of banking and international competition, was working with a total of 25,904 employees at the end of 2023.

During the reporting period, the average age of the Bank's employees was 38, with the employees serving for an average of 13 years. 86% of employees hold an Associate, Bachelor's, Master's or Doctoral degree.

BREAKDOWN OF ZIRAAT BANK'S HUMAN RESOURCES BY LOCATION, AGE GROUP, POSITION AND EDUCATIONAL BACKGROUND

Breakdown by Head Office. Regions and Branches

Unit	Number of Personnel	%
Head Office	5,548	21.84
Regions	276	1.05
Branches	19,986	76.75
International	94	0.37
Total	**25,904**	**100**

Breakdown by Age

Age	Number of Personnel	%
-30	3,354	15.41
30-50	21,102	78.76
51+	1,448	5.83
Total	**25,904**	**100**

Breakdown by Educational Background

Educational Background	Number of Personnel	%
Post-Graduate	48	0.21
Graduate	2,314	8.41
Undergraduate	17,752	67.15
Associate	2,245	9.13
Primary and Secondary School	3,545	15.09
Total	**25,904**	**100**

GRI 2-7, 3-3, 401-1, 405-1

In 2023, a total of 2,701 new recruits were hired at various levels within Ziraat Bank for deployment in different positions.

Recruitment
In 2023, Ziraat Finance Group held two separate recruitment tests for young people aspiring to advance their careers in banking. In July 2023, a recruitment test was held for the position of Assistant Specialist at Ziraat Bank, while in December, tests were held for the positions of Assistant Inspector and Assistant Specialist. Additionally, throughout the year, recruitment tests were held to meet the staffing needs of Ziraat Participation Bank, a subsidiary of the Bank, for the positions of Assistant Inspector, Assistant Specialist and Unit Officer.

As part of the principle of "Candidate Satisfaction", pre-interview preparatory training, including various training and tasks, was provided in order to relieve the anxieties surrounding examinations among new graduates, with the selection and evaluation carried out afterwards through a structured interview process.

Following the recruitment test held in December, a total of 133 Assistant Specialists and 20 Assistant Inspectors who qualified to start Banking School training are currently undergoing training to be assigned to their new positions in the second half of 2024. In 2023, a total of 2,701 new recruits were hired at various levels within the Bank for deployment in different positions.

Education Level of New Recruits In 2023

Educational Background	Number of Personnel
Post-Graduate	7
Graduate	2,326
Undergraduate	94
Associate	274
Primary and Secondary School	**2,701**
Total	

Career Management
There are a total of 36,549 employees working within the Ziraat Finance Group, including both domestic and international subsidiaries. Ziraat Bank is taking firm steps towards becoming a global brand in the banking sector of the countries it operates in, offering effective career, salary, training and development opportunities for all employees working under the Group's umbrella. The Bank is continuously working to expand Ziraat HR practices not only in its subsidiaries in Turkey but also in its international subsidiaries.

In line with its transparent career management approach, Ziraat Bank trains its own management candidates among its staff. Within the framework of promotions, a total of 2,480 personnel were found eligible for promotion to higher positions in 2023. In addition, a further 150 employees who successfully completed the Bank's Management Trainee Program were appointed to managerial positions in the branches and units in accordance with their needs.

During the year, written exams and interviews for promotion were completed for employees in international subsidiaries and branches, and those found to be qualified for promotion were appointed to higher positions.

Branch Manager and Assistant Branch Manager appointments were carried out in the Algerian Branch, which was granted an establishment license.

Human resources processes, policies, and procedures were established for the newly established subsidiaries, Ziraat Finansal Teknolojiler Ödeme Hizmetleri ve Elektronik Para A.Ş. and Ziraat Dinamik Banka A.Ş., and staff were duly recruited.

In coordination with Ziraat Technology, Ziraat Bank initiated projects such as "Bilge Adam," (Wise Man), "Long-Term Intern," and "Technology Stars" to attract young talent.

To meet the personnel needs of its international branches and subsidiaries, Ziraat Bank organized seminars at leading universities in Turkey. These seminars introduced the Bank, its subsidiaries and its international organization to foreign students and facilitated their participation in assistant specialist examinations. Students who passed the examination graduated from the International Banking School in June 2023, completed their internships in the relevant departments of the Bank and then started their duties in the subsidiaries and branches.

GRI 2-7, 3-3, 401-1, 405-1

HUMAN RESOURCES

Remuneration Practices
The Remuneration Committee is responsible for overseeing and supervising Ziraat Bank's remuneration practices on behalf of the Board of Directors. The Committee evaluates the alignment of the Bank's remuneration policy and practices with its ethical values and strategic objectives within the framework of risk management and conveys its recommendations to the Board of Directors.

Within the context of the third term collective bargaining agreement signed between Ziraat Bank and Öz Finans-İş Trade Union and effective between 1 January 2021 - 31 December 2023, union members were granted certain personnel rights including leave in addition to receiving additional monthly payments. In the Bank, which has a unionization rate of around 90%, pay adjustments for 2023 were carried out in accordance with the Collective Labor Agreement.

Continuing its focus on reducing overtime, Ziraat Bank maintained the effective use of the system introduced to monitor overtime in 2023, demonstrating sensitivity to maintaining a balance between employees' work and their personal lives.

Health Benefits and Practices
Ziraat Bank provides its employees and their family members, who are subject to the provisions of private law, with private health services in addition to the services provided by the Social Security Institution. In this context, treatment assistance is provided to members of the Health Aid Fund within the framework of the authority obtained from the Bank's Board of Directors, and within the framework of the authority obtained from the Fund's Board of Directors for the Fund members.

Additionally, Ziraat Bank enters special agreements with healthcare providers and communicates them to all employees. In this context, to ensure that Bank members have access to healthcare services of the same quality and at reasonable prices nationwide, an agreement has been reached with the Ministry of Health regarding priority healthcare services from City Hospitals, and services have started to be received from Ankara Bilkent City Hospital as a pilot hospital. Ziraat Bank plans to expand the implementation of Private Health Insurance to all its international units.

With the aim of increasing its contribution to the education, care and development of employees' children with ÇÖZGER (special needs report for children) and the RAM (Guidance and Research Center) Report, a monthly education support of gross TL 5,230 was provided to 287 children in 2023.

Social Security Practices
In order to ensure that employees who have served at Ziraat Bank for a long period can retire with a higher level of satisfaction and to support them in their retirement, the new retirement project designed in 2022 continued to be implemented in 2023.

Following the tragic earthquakes which struck our country on 6 February 2023, retired personnel residing in 10 provinces were contacted by the Bank to identify those in need. The needs of these individuals such as shelter, heating, clothing and food were communicated to the relevant departments, with efforts made to meet their requests. Additionally, disaster relief payments were provided to retired personnel who were affected by the earthquake.

Performance Management
Ziraat Bank utilizes its Individual Performance Management System to determine the personal achievements and rankings of its employees based on objective and measurable criteria over the periods. Through the performance system, structured in two fundamental dimensions (numerical-based and competency-based) the Bank transfers its strategies into the field.

Indicators related to customer orientation, profitability, efficiency and risk management significantly affect the numerical performance score. The individual rankings, which are compiled by combining the numerical performance scores calculated with the measurements taken on the dimensions of targets, development and size, form the basis of the performance bonus payments.

The individual performance bonuses, which are determined and paid on the basis of periodically conducted individual performance reviews, are intended to strengthen the Bank's customer-focused business model, to promote an approach to work which is focused on marketing and effectiveness, to

GRI 2-7, 2-19, 2-20, 2-30, 3-3, 401-1, 405-1, 407-1

increase company loyalty by motivating personnel and to provide tangible benefits to those whose individual achievements are compatible with the Bank's corporate objectives.

The current budget determined by the Bank's Board of Directors is paid out to recipients as an individual performance bonus at three-month intervals together with their monthly salaries in the months of February, May, August, and November and is based on objectively defined and numerically expressible specific criteria.

In the Individual Performance System, which has been set up to focus mainly on marketing in line with the Bank's strategies and targets, bonuses are paid to reward those who contribute more to the realization of the Bank's strategies and targets. While calculating bonuses, different coefficients are used according to branch segment and scale, individual performance ranking and job position criteria. Sales group personnel bonuses are calculated in direct proportion to the individual performance points in each section.

Aiming to motivate employees towards increasing their corporate engagement and to reward individual achievements aligned with the Bank's corporate strategies, Ziraat Bank included all Head Office units within its performance management system in 2018, as well as the units subject to numeric performance measurement, taking into account the competence-based evaluation system.

Within the framework of the basic approach of the Ziraat Finance Group, ongoing efforts to include all foreign subsidiaries within the scope of individual performance and competence evaluation and bonus system applications applied in domestic subsidiaries reached the final stage, with the bonus system being added to the Russian subsidiary in 2023 after having been added to the subsidiaries in Azerbaijan, Georgia, Bosnia, Kazakhstan and Uzbekistan in 2022. The other subsidiaries are planned to be added to the system in the near future as well.

Premium payments started to be offered to employees of foreign branches from the third quarter of 2022. The results in all subsidiaries and branches abroad will be followed closely in the coming period, and systematic improvements will be made.

Equal Opportunity and Diversity

Ziraat Bank's human resources policy, which focuses on people, aims to ensure that employees look to the future with confidence. In line with its Continuous Development Philosophy, the Bank attaches importance on its employees being able to adapt to the requirements of the times, being open to change and development, inclined towards teamwork, success-oriented, and having a strong sense of responsibility.

Ziraat Bank is focused on respecting human rights in all regions where it operates. By applying the principle of suitability for the job requirements in employee recruitment, the Bank avoids all forms of discrimination. It does not make distinctions based on race, religion, language, or gender among its employees, and takes measures to prevent any physical, mental, or emotional mistreatment of employees within the Bank.

Creating and maintaining a positive and professional working environment for its employees is a fundamental principle for Ziraat Bank. The Bank operates in accordance with global ethical principles concerning employee recruitment, promotion, career development, compensation, benefits and diversity, and strictly opposes forced labor, child labor, all forms of discrimination, and harassment.

Ziraat Bank supports its employees throughout their careers, drawing on its extensive domestic and international branch network to provide them with career opportunities which offer job satisfaction.

GRI 2-7, 3-3, 401-1, 405-1

HUMAN RESOURCES

Employees who complete the training provided to them and develop their knowledge and skills towards their career goals have the opportunity to move between different job positions.

Ziraat Bank has clearly defined vertical career paths for employees entering their banking career in different positions through its human resources regulations, based on the characteristics of their current title and field of responsibility.

Recognizing that each role creates different value, the Bank creates horizontal career opportunities for all employees to work in different job positions within the framework of the Bank's new job position structuring.

Preferring to develop its managers internally, Ziraat Bank provides its employees with the opportunity to take part in exams for promotion and training based on their performance and competencies, as well as their current title groups. Breakdown of Human Resources by Educational Background according to Positions

Employee Satisfaction
Ziraat Bank prioritizes the satisfaction, happiness and management of experience of its most valuable asset, its employees. In this regard, the Bank continues to strengthen its communication channels to support employees in managing not only their careers, financial situations, or work environments but also their expectations and concerns about life.

Ziraat Bank expanded its "Satisfaction Barometer" survey, which it initiated in 2020, by widening the options pool in 2022 and extending it to its international branches and subsidiaries. With this survey, employees were monitored on a daily basis in 2023. In addition to identifying general reasons for discontentment, specific reasons for individual discontentment were determined through one-to-one interviews with participating employees, and plans were put in place to address these issues.

HUMAN RESOURCES BY EDUCATIONAL BACKGROUND ACCORDING TO POSITIONS

Duty	Doctorate	Post Graduate	Graduate	Associate Degree	Primary and Secondary Education	Total
Top Manager	2	6	9	-	-	17
Manager	22	525	1,666	25	10	2,248
Officer	17	1,118	6,538	235	104	8,012
Assistant	7	553	6,333	984	721	8,598
Counter Assistant	-	110	2,927	667	582	4,286
Support Assistant	-	2	279	334	2,128	2,743
Total	**48**	**2,314**	**17,752**	**2,245**	**3,545**	**25,904**

GRI 2-7, 2-15, 2-16, 3-3, 401-1, 405-1

Internship and Career Fairs
Ziraat Bank participated in Career Summits and Regional Career Fairs in cooperation with the Presidential Human Resources Office in order to meet university students in 2023, as in previous years.

In addition, approximately 2,000 university students were offered internships in various units of the Bank in 2023 within the scope of CBIKO Internship Mobilization. Participation in these events and internships aimed to raise the career awareness of university students and strengthen the Bank's employer brand value, thereby attracting talented young individuals to the Bank.

Projections for 2024
The advance in technological developments, digitalization of work processes and the new generation's changing expectations of working life require new designs for the employee experience, especially in the recruitment, career management and talent management processes.

In this context, in the forthcoming years Ziraat Bank will continue its activities to transform processes into an agile structure which is able to respond to changing needs more quickly, to increase employee satisfaction, to design processes to enhance the employee experience, to expand digitalization and to use data analytics. The Bank's priority projects in 2024 will be aimed at integrating employee experience and smart technologies into HR processes.

GRI 2-7, 3-3, 401-1, 404-1, 404-2, 404-3, 405-1, 410-1

HUMAN RESOURCES AND TRAINING

Ziraat Bank attaches importance to training and development activities aimed at enhancing both the professional knowledge and skills and personal talents of its employees within the framework of the "Investment in Human Resources and Learning Organization" strategy.
Ziraat Bank supports its employees at every stage of their business life by contributing to their development and adding value, and aims to discover, evaluate and develop talent efficiently. In this context, the Bank has diversified its comprehensive training content by taking into account different user needs, and conveyed these to its employees through a number of channels.

Training Activities
Providing its employees with continuous professional and personal development opportunities, Ziraat Bank offered an average of 24.24 hours of in-class training and 34.59 hours of online training per person in 2023.

The training activities and development programs provided for employees at the Bank include:

- "Interview Preparation Training" to support candidates who have succeeded in the recruitment exams during the interview process.
- "First Step Training" to help new personnel joining Ziraat Bank get to know the Bank, help them adapt to the corporate culture and acquire the necessary basic knowledge and skills,

HUMAN RESOURCES

- "Career Training" is provided in accordance with the position of employees and aims to provide the basic knowledge and skills necessary for employees to fulfil their duties and responsibilities,
- "Development Training", which is tailored to the individual, based on the data in the Individual Performance and Competence Evaluation System, to meet training needs in line with the Bank's goals and strategies or to transfer new products, services or information on legislation,
- "Legal Obligation Training" connected to legislation,
- "Managerial School Training" to prepare personnel with the title of manager for leadership roles in their positions,
- The "Branch Manager Development Journey" program organized for the Bank's managers, coaching and mentoring training and practices, "On-the-Job Trainer Training" program and the "Development Journey of Managers switching to the Field" program,
- The "Educator Training" program in order to expand the Bank's internal trainer pool,
- "Certificate Programs" for employees seeking to determine their own career paths within the Bank and prepare for their future positions.

In 2023, a 5-week Managerial School Training Program was conducted with 189 participants, and 13 online-certificate programs launched and offered to employees to contribute to their professional development.

During the year, the following special certificate programs were provided with the aim of increasing the competencies of employees, with certificates provided to the employees who completed their training.

- The Data Science and Artificial Intelligence Certificate Program, completed by 49 individuals,
- The FRM Certificate Program, completed by 9 individuals,
- The PMP Certificate Program, completed by 19 individuals,
- The Scrum Master and Scrum Product Owner Certificate Program, completed by 10 individuals,
- ISO/IEC 27001:2022 Information Security Management System Lead Auditor Training, completed by 10 individuals.

Ziraat Bank aims to enhance the academic aspect of its training programs and enable its employees to complete a Master's degree through these programs. In this context, the Bank continued its postgraduate programs in the Banking School in collaboration with Ankara University, one of our country's prestigious institutions, with 19 employees of the Bank graduating from the program during the year.

Widespread adoption of technology in the field of education

In line with its "Digital Solutions" strategy, Ziraat Bank keeps its finger on the pulse of the latest technologies and applications in the field of education. In this vein, the Bank increasingly values e-learning, which enables a larger number of personnel to receive training in a short time and at a low cost, allowing employees to access training materials at their preferred time and location.

Ziraat Bank has restructured its e-learning catalog based on the Bank's core, functional, and managerial competencies, and expanded it with new content supported by units to contribute to employees' professional development. The e-learning catalog, which contains over 6,000 items, offers a variety of e-learning courses, videos, audio files and documents of interest to all employees seeking to develop themselves professionally or personally.

With over 7,000 employees completing at least one training program from the e-learning catalog, Ziraat Bank has also made the "MIT Leadership and Development Program" available to managers.

The "Ziraatli-comment" forum, which enables employees to share their knowledge and experience with other employees, was used by 8,070 employees and 29 articles were added to the forum in 2023.

In 2023, 75% of Ziraat Bank employees participated in training on the "Prevention of Laundering Proceeds of Crime and Financing of Terrorism", a mandatory training program required in accordance with legislation.

GRI 3-3, 404-1, 404-2, 404-3, 410-1

Ziraat Bank's website offers special training for both customers and children with "Special E-learning Courses for Kids" for children aimed at raising awareness of savings and introducing basic financial concepts. These courses offer a chance for children to enjoy learning about topics such as the relationship between money and banks, how banks operate, internet and phone banking, awareness of credit and credit cards and the prudent use of all resources, from money to electricity and water, with themes like "Money-Bank Island, Savings Island, Credit and Credit Card Island, Budget Island."

Additionally, the website provides training on secure credit card usage for customers, as well as agricultural insurance topics.

The First Step digital platform has been implemented to contribute to the development of university students who are interns at the Bank and to ensure that they use the time during their internships efficiently. This digital platform includes over 100 videos, with e-learning materials, reading materials and other content provided for the use of students.

Successful human resources practices crowned with awards

Ziraat Bank won five major awards in 2023 through its organized training programs, including one National award and four International awards.

The use of Educational Technologies with the Education Management System, the Data School Training Program were all recognized in the Best Competency and Skills Development category, while the Manager School and Manager Training programs were recognized in the Best Leadership Development category with bronze awards by Brandon Hall, one of the world's most prestigious institutions.

The Banking School Program was handed the BEST award in the category of Development Programs Supporting Young People's Participation and Development in Business Life, the most prestigious award in corporate adult education and development in Turkey, by TEGEP (Turkish Education Development Platform Association).

In the 2024 ATD* awards, Ziraat Bank's "Banking School" program won the "Excellence in Practice" award in the Education and Development category. Ziraat Bank was the only institution in Turkey to receive an award in 2024.

ATD, established in the United States in 1943, is the most prestigious international association in the Talent, Education, and Development sector, with over 30,000 education and development professionals from over 120 countries among its members as of 2023.

GRI 3-3, 404-1, 404-2, 404-3, 410-1

HUMAN RESOURCES

OCCUPATIONAL HEALTH AND SAFETY PRACTICES

Ziraat Bank implements a comprehensive range of regulations to ensure occupational health and safety in working environments and to improve existing health and safety conditions.
Ziraat Bank aims to provide a safe and healthy working environment within the framework of the Occupational Health and Safety Management System, which is based on continuous improvement and compliance with the Occupational Health and Safety Law and related legislation and regulations. In this regard, the Bank carries out activities to analyze and minimize health and safety risks within or outside the working environment.

Regulating duties, powers, responsibilities, rights and obligations regarding occupational health and safety within the bank, preparing training programs to raise and develop awareness among employees in this field and taking necessary precautions to protect against work accidents and occupational diseases are among the areas which Ziraat Bank focuses on.

In this context, the Bank receives services from Joint Health and Safety (OSGB) Units established to provide occupational health and safety services for all units, equipped with the necessary infrastructure and personnel.

Activities within the framework of Occupational health and safety at Ziraat Bank's Istanbul Finance Center Campus

Occupational Health and Safety Committee
The Occupational Health and Safety Committee convened twice with the participation of employer representatives and committee members on 29 September 2023 and 20 December 2023.

Emergency and Evacuation
- The emergency procedure was prepared.
- An e-mail message was sent to department heads regarding the establishment of emergency teams and teams. Training will be assigned to the teams in question by the Talent Department Head.
- An agreement was entered into with the "Etik Mühendislik Danışmanlık Tasarım ve Eğitim Hizmetleri " company to create evacuation plans. The study is planned to be completed within two months.
- A drill will be held after the emergency processes are completed.
- A total of 522 fire extinguishers were positioned on the tower and podium floors of the Bank's Istanbul Finance Center campus for protection against the risk of fire.

Risk Assessment
- A risk assessment procedure has been prepared.
- Letters of appointment for the risk assessment team have been drafted.

GRI 3-3, 403-1, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8

- Risk analysis of the Podyum 3 gym has been conducted.
- General risk analysis studies for Tower-1 are ongoing.
- Building-wide updated risk analyses are being conducted along with field inspections.
- Risk analyses will be updated at the end of the building handover process.

Occupational Safety Building Inspection

- Building observation reports are prepared on a monthly basis by occupational safety specialists.
- The prepared observation reports are communicated to the relevant units by email for necessary action.

Periodic Inspection of Work Equipment

- A tracking table has been created to monitor the periodic inspections of all work equipment within the Bank.
- The periodic inspections of work equipment reported to occupational safety are recorded in the tracking table.
- In the tracking table, work equipment with expired periodic inspection periods are communicated to the relevant units to ensure the renewal of periodic inspections.

Monitoring Work Accidents

- An accident tracking table has been created to monitor all work accidents which occur within the Bank.
- Accidents intervened by the health unit are recorded in the accident tracking form and shared with occupational safety.
- Root cause analyses are conducted for all work accidents to prevent their recurrence.
- In the event of work accidents, post-accident training is assigned by the Talent Management Department.
- Work accidents are reported to the Social Security Institution for Turkey Statistical Institute data.

Environmental Measurements

On 28-30 November 2023, the "Bilgelab Occupational Hygiene Test Analysis Measurement" company conducted the following environmental measurements at the Istanbul Finance Center Tower-1:

- Lighting measurements
- Thermal comfort measurements
- Ambient noise exposure measurements
- Ambient breathable dust measurements
- Chemical (VOC) measurement

Subcontractor Tracking

- Monitoring of OHS assignments
- Monitoring of employment training
- Health checks
- Checks of training and directives
- Follow-up of legal certificates and documents
- Risk analysis, emergency and OHS committee follow-up
- Supervision of work equipment and use of PPE
- Monitoring of MSDS forms
- Warehouse and field work checks
- Work accidents and near miss checks

The installation process of the OHS software purchased for the purpose of carrying out the activities listed below continues:

- Collecting a wide range of data about work activities, managing and analyzing this data to provide insights into potential workplace accidents, and taking preventive measures,
- Submitting to the Ministry of Labor and Social Security any requested documents and information,
- Tracking and managing occupational health and safety obligations for all units from a single centralized location.

During the construction of the Ziraat Towers in the Istanbul Finance Center, a high level of attention was given to workplace accidents, as well as the associated risks of death and injury. In this context, a total of 19,000 people were provided with pre-employment training to inform employees of their legal rights and responsibilities regarding OHS, to inform them of the occupational risks they may be exposed to and the precautions they should take against these risks, and to raise OHS awareness and train them with respect to the behaviors appropriate for the job.

A total of 90 Occupational Health and Safety Professionals, a clinic with four Occupational Health Physicians and two Health Officers, along with a 24/7 ambulance service are present at the construction site.

GRI 3-3, 403-1, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8

CUSTOMER SATISFACTION

Ziraat Bank prioritizes customer satisfaction throughout all of its business processes as a service provider, embedding customer-focus at the heart of its management approach.
Ziraat Bank's goal is to continuously improve its processes and offer banking products and services to all customers in practical, intelligible and accessible ways, enriching the industry through innovative and exemplary practices.

Ziraat Bank is committed to establishing long-term and productive relationships with its customers, generating tailored solutions to meet customer needs without compromising on quality service. Improving customer satisfaction and reducing complaint rates are among Ziraat Bank's quality objectives. To this end, the Bank has identified the necessary methods and tools to manage standard customer complaints more effectively.

Customer suggestions, requests and complaints submitted to the Ziraat Bank Call Center regarding all channels and products are meticulously reviewed. Work is carried out to increase positive feedback and analyze and address the root causes of any negative feedback. After necessary evaluations, feedback is provided to customers on an individual basis to ensure customer satisfaction and loyalty. Additionally, real-time actions are taken through social media channels to ensure prompt responses.

At the end of every call to the Call Center, Ziraat Bank presents customers with a satisfaction survey and conducts evaluations and adjustments based on the results obtained. Moreover, the bank incorporates data obtained from monthly call monitoring into performance measurement through the Telephone Evaluation Form.

Despite the increase in call volume in 2023 due to the devastating earthquakes and natural disasters in Turkey, Ziraat Bank achieved a high level of customer satisfaction by surpassing legal service levels in terms of accessibility, response rates and levels of service.

Through the Interactive Voice Response System enriched with voice guidance technology, 62% of customers who called the Call Center completed their transactions.

With the Central Branch Telephone System, which offers solutions to branch customers' requests through non-branch channels as quickly as possible, 42% of calls received by branches were processed, concluding through the call center.

GRI 2-15, 2-16, 2-26, 3-3

SUPPLIER RELATIONSHIPS MANAGEMENT

Ziraat Bank nurtures its relationships with suppliers as business partners based on mutual respect, responsibility and fair sharing. It supports the success of its suppliers by endorsing completed projects.
Ziraat Bank utilizes the Corporate Expense Management module developed within Ziraat Technology in its procurement management processes. When identifying suppliers, the bank selects and adds suitable candidates to its supplier pool, taking into account the nature of each need.

The following criteria are taken into account in supplier selection:

- The suppliers' past performance, if available
- Level of Technology
- Financial status (revenue, tax base, etc.)
- Profiles of their management
- Qualifications and education levels of their employees
- Area, place and scope of operation
- Reliability
- Market position
- Machinery and facilities inventory
- Environmental policies and practices
- References
- Delivery capability
- Service quality and documents related to quality management (such as ISO)

Ziraat Bank periodically conducts on-site visits to the suppliers which it enters business relationships with to observe and verify the accuracy of the information provided.

The Bank evaluates suppliers on an annual basis, with the option of adjusting this period if necessary or for transactions which require specific attention. The evaluation considers whether the supplier fulfills its obligations, delivery times, product or service quality, among other factors.

When necessary, Ziraat Bank holds meetings with suppliers and conducts regular or ad-hoc audits. Independent audit firms may also be utilized in these audits.

Some of the improvements achieved in Supplier Relationship Management processes in 2023 are listed below:

- Supplier evaluations could be initiated by the business unit independently of the evaluation period,
- The annual procurement plan was integrated into the system,
- Requests for system improvements were made to enhance the supplier evaluation system.

GRI 3-3, 308-2, 414-1

SUPPORT SERVICES PROVIDERS

The services outsourced by Ziraat Bank in 2023 and the providers of these services within the scope of the BRSA's Regulation on Banks' Procurement of Support Services are listed below:

Service Provider	Service Detail
Loomis Güvenlik Hizmetleri A.Ş.	Cash transportation between Money Group Centers
Başkent Güvenlik Hizmetleri Ltd. Şti.	Ensuring the security of Head Office and branches in accordance with Law No. 5188
Ekol Grup Güvenlik Koruma ve Eğt. Hizm. Ltd. Şti.	Ensuring the security of Head Office and branches in accordance with Law No. 5188
Tepe Savunma ve Güvenlik Sistemleri San. A.Ş.	Ensuring the security of Head Office and branches in accordance with Law No. 5188
Avi Gayrimenkul Yatırım Değerleme ve Danışmanlık A.Ş.	Procurement of lien creation service from authorized companies
Fu Gayrimenkul Yatırım Danışmanlık A.Ş.	Procurement of lien creation service from authorized companies
BBS Danışmanlık Gayrimenkul ve Eğitim A.Ş.	Procurement of lien creation service from authorized companies
Pusula Girişim Yatırım ve Danışmanlık Hizmetleri A.Ş.	Procurement of lien creation service from authorized companies
Bileşim Finansal Teknolojiler ve Ödeme Sistemleri A.Ş	Account statement printing and mailing
Global Bilgi Pazarlama Danışma ve Çağrı Servisi Hizmetleri A.Ş.	Outgoing call services
Assistt Rehberlik ve Müşteri Hizmetleri A.Ş.	Outgoing call services
Somera Sosyal Medya Araştırma Ölçümleme ve Analiz A.Ş.	Social Media Response Program Rental
Global Bilgi Pazarlama Danışmanlık ve Çağrı Servisi Hizmetleri A.Ş.	Incoming call services
Assistt Rehberlik ve Müşteri Hizmetleri A.Ş.	Incoming call services
Bileşim Finansal Teknolojiler ve Ödeme Sistemleri A.Ş.	Credit card and debit card embossing
Bileşim Finansal Teknolojiler ve Ödeme Sistemleri A.Ş.	Credit card and debit card sending
Plastikkart Akıllı Kart İletişim San. ve Tic. A.Ş.	Credit card and debit card embossing
Agt Hızlı Kurye Hizmetleri Anonim Şirketi	Contracted credit card and debit card distribution

GRI 3-3

Service Provider	Service Detail
Kurye Net Motorlu Kuryecilik ve Dağıtım Hizm. A.Ş.	Contracted credit card and debit card distribution
Ziraat Teknoloji A.Ş.	Information Systems Management and Information Systems Infrastructure Support
Banksoft Bilişim Bilgisayar Hizmetleri Ltd. Şti.	Card Payment Systems Software Infrastructure Maintenance, Support and Software Development Services
Plaza Peyzaj Taah. ve İnş. San. Tic. A.Ş.	Outsourcing Personnel Service
Bileşim Finansal Teknolojiler ve Ödeme Sistemleri A.Ş.	Credit Card and Vendor Statement Printing and Sending
DHL Worldwide Express Taşımacılık ve Tic. A.Ş.	International Cargo Shipments
Bileşim Finansal Teknolojiler ve Ödeme Sistemleri A.Ş.	Printing and Sending Letters Without Envelopes (Information, Response, Warning, Notification, etc.)
Güzel Sanatlar Çek Basım Ltd. Şti.	Back Printing, Coding (Personalization, MICR), Binding, Envelope and Delivery of Bank Checks to the Cargo Company/PTT on Branch Basis
Bileşim Finansal Teknolojiler ve Ödeme Sistemleri A.Ş.	Printing and Sending of Customer Letters (Information, Response, Warning, Notice, etc.)
Gram Altın Pazarlama Sanayi ve Ticaret A.Ş.	Appraisal and refining services for Altın Vakti (gold deposit) operations.
İsgold Altın Rafinerisi A.Ş.	Appraisal and refining services for Altın Vakti (gold deposit) operations.
Ahlatcı Metal Rafineri A.Ş.	Appraisal and refining services for Altın Vakti (gold deposit) operations.
Onsa Rafineri San. Tic. A.Ş.	Appraisal and refining services for Altın Vakti (gold deposit) operations.
Nadir Metal Rafineri San. Tic. A.Ş.	Appraisal and refining services for Altın Vakti (gold deposit) operations.
Bileşim Finansal Teknolojiler ve Ödeme Sistemleri A.Ş.	TAM - Clearing and Settlement System Joint ATM Services Framework Agreement
Avi Gayrimenkul Yatırım Değerleme ve Danışmanlık A.Ş.	Real estate registration, eviction and sales service
BBS Danışmanlık Gayrimenkul ve Eğitim A.Ş.	Real estate registration, eviction and sales service

GRI 3-3

CORPORATE SOCIAL RESPONSIBILITY

Acting with a sense of social responsibility and the spirit of social sharing, Ziraat Bank is constantly expanding the support it provides to culture and the arts each year.
Ziraat Bank maintains its efforts to bring improvement to individuals and society in various fields, especially in culture, the arts, education and sports. Carrying out projects that will contribute to the cultural heritage of society, the Bank takes its mission in terms of social responsibility one step further every year.

Ziraat Bank fulfils its responsibility to society through the various projects it supports, as well as the museums, cinemas and art galleries it hosts.

Ziraat Bank "Inside Art for Art's Sake"
Ziraat Bank, which has integrated the importance it has placed on art and artists under the banner of "In Art for Art's sake" since its establishment, has one of the most extensive collections of sculpture and paintings in Turkey with over 2,500 works. The Bank shares the works in its collection with society through its collection book and the comprehensive exhibitions which it organizes.

The Ziraat Bank Collection of Paintings continues to expand with works provided by artists whose paintings are exhibited in Ziraat Bank galleries.

The Ankara Kuğulu and Çukurambar Art Galleries and Istanbul Tünel Art Gallery stand as testament to the importance Ziraat Bank attaches to national and international plastic arts, have been serving lovers of art for many years. Around 30 exhibitions are opened in the galleries during each exhibition.

Turkey's first Banking Museum
The Ziraat Bank Head Office Building, designed by the Italian Architect Giulio Mongeri and built in 1929, is located in the Ulus district of Ankara. The Ziraat Bank Museum is located in the Hall of Honor on the ground floor of the building, which is among the buildings of the First National Architectural Period of the Republic of Turkey.

The Ziraat Bank Museum, which opened its doors in 1981 with the aim of transferring Ziraat Bank's long-standing knowledge and experience to the future, was expanded with the inclusion of the basement level as well as the ground floor after the restoration works started in the historical building in 2017, and was reopened to visitors after its facelift in November 2019.

The Ziraat Bank Museum exhibits the commercial, economic, political, cultural, artistic and educational change which has taken place in the Turkish banking system since its beginnings to the present, and its development from past to present. The museum showcases many antique objects, which contain these features, used in the banking system in a historical atmosphere.

In addition to physical visits, Ziraat Bank Museum also offers a virtual tour, which is prepared by transferring all sections and details to digital media with three-dimensional imaging technology and accessed via the Bank's website. It is possible to visit the museum and experience the museum step by step from computers and mobile phones.

GRI 3-3

Ziraat Bank opened the "Ziraat Bank Izmir Art Museum" in its historical building in Konak, Izmir in 2023. More than 100 works selected from the Bank's art collection are exhibited in the Museum, which was prepared with the requirements of contemporary museology.

With its temporary exhibition hall, children's education workshop and digital experience areas, the Izmir Art Museum was established with the aim of creating a new meeting point for art in Izmir and contributing to the cultural and artistic life of the city.

Ziraat Bank is proud to present the Izmir Art Museum, our country's first art gallery owned by a bank, as a gift to the 100th anniversary of our Republic.

In addition, Ziraat Bank opened its exhibition hall at the Ziraat Towers of the Istanbul Financial Center to visitors in 2023. In recognition of the meaning and importance of the year 2023 for both our Republic and the Bank, the "Banking from the Ottoman Empire to the Present" exhibition was organized at the IFM Gallery, hosted by the Bank.

The exhibition includes information and graphic arrangements regarding all banks established in Turkey throughout the Republic period, as well as objects and ephemera documents.

Support for education within the scope of social responsibility
With the ongoing construction work on the school with the support of Ziraat Bank, and within the scope of the social responsibility project, "Children are on Holiday, Schools are under Renovation", activities have been rolled out to improve schools in priority areas for development and school projects are being carried out. Work on the construction projects continued in 2023.

Uninterrupted contribution and sponsorship for sports
Building on its unwavering contribution to Turkish sports as well as the finance sector over the last 160 years, in 2023 Ziraat Bank entered a sponsorship agreement with the TVF Başkent Volleyball Hall, which will be named as the TVF Ziraat Bankkart Volleyball Hall for 10 years.

Ziraat Bank's Ziraat Bankkart Sports Club, which has been supporting sport and athletes for many years, achieved the following accolades for the third time in a row in 2023;

- Efeler League Champion,
- Champions Cup Champion,
- Türkiye Youth Champion in Infrastructure

Ziraat Bank's Ziraat Turkish Cup naming rights sponsorship, aimed at contributing to Turkish football, was renewed for the 2023/24 season, bringing the sponsorship into its 15th year.

Ziraat Bank supported the Fifth Productivity and Technology Fair, held at the Ankara ATO Congresium between 2-4 February 2023, with the aim of exhibiting technological products which contribute to increasing productivity in our country and in the world, delivering the results of these activities to large masses, and raising awareness in the field of productivity.

Moreover, the Türkiye Innovation Week sponsored by the Bank was held at the Haliç Congress Center between 23-25 November 2023, with the organization of the Turkish Exporters Assembly (TİM). The event, which focuses on value-added production, technology, enterprise and finance, was closely followed on national and international levels.

Other Activities
In the immediate wake of the devastating earthquakes to strike on 6 February 6, 2023, actions were taken in the affected regions in line with Ziraat Bank's mission of being a responsible bank in order to provide solutions to our citizens living in the earthquake zone. In this vein, the Bank continues to support the campaigns and events in which many public institutions and organizations participate, where we have mobilized as a country.

The Bank quickly ensured the continuity of banking activities in the earthquake zone. In addition to the financial facilities offered to those of our citizens affected by the earthquake, necessary actions were taken to meet basic needs such as food, clothing and shelter, with the work done gaining wide acclaim among the general public.

GRI 3-3

ANNUAL ACTIVITY REPORT COMPLIANCE OPINION

CONVENIENCE TRANSLATION INTO ENGLISH OF INDEPENDENT AUDITOR'S REPORT ORIGINALLY ISSUED IN TURKISH ON THE BOARD OF DIRECTORS' ANNUAL REPORT

To the General Assembly of Türkiye Cumhuriyeti Ziraat Bankası A.Ş.

1. Qualified Opinion
We have audited the annual report of Türkiye Cumhuriyeti Ziraat Bankası A.Ş. (the "Bank"), and its consolidated subsidiaries (collectively referred as the "Group") of for the accounting period of 1 January 2023 - 31 December 2023.

In our opinion, except for the matter described in the Basis for Qualified Opinion section below, the financial information and the analysis made by the Board of Directors by using the information included in the audited financial statements regarding the Bank's and Group's position in the Board of Directors' Annual Report are consistent and presented fairly, in all material respects, with the audited full set unconsolidated and consolidated financial statements and with the information obtained in the course of independent audit.

2. Basis for Qualified Opinion
As expressed in Basis for Qualified Opinion section of our auditor's report dated 16 February 2024 on the full set unconsolidated financial statements of the Bank for the period between 1 January 2023 - 31 December 2023; unconsolidated financial statements include a free provision amounting to TL 17.300.000 thousand which consist of TL 28.300.000 thousand provided in prior periods and TL 11.000.000 thousand reversed in the current year by the Bank management which is not within the requirements of BRSA Accounting and Financial Reporting Legislation.

As expressed in Basis for Qualified Opinion section of our auditor's report dated 16 February 2024 on the full set consolidated financial statements of the Group for the period between 1 January 2023 - 31 December 2023; consolidated financial statements include a free provision amounting to TL 17.800.000 thousand which consist of TL 29.304.000 thousand provided in prior periods, TL 96.000 thousand recognized in the current year and TL 11.600.000 thousand reversed in the current year by the Group management which is not within the requirements of BRSA Accounting and Financial Reporting Legislation.

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

3. Our Audit Opinion on the Full Set Unconsolidated and Consolidated Financial Statements
We expressed a qualified opinion in the auditor's report dated 16 February 2024 on the full set unconsolidated and consolidated financial statements for the 1 January 2023 - 31 December 2023 period.

4. Board of Director's Responsibility for the Annual Report
The Bank management's responsibilities related to the annual report according to Articles 514 and 516 of Turkish Commercial Code ("TCC") No. 6102, Capital Markets Board's ("CMB") Communiqué Serial II, No: 14.1, "Principles of Financial Reporting in Capital Markets" (the "Communiqué") and "Regulation on Principles and Procedures Regarding Preparation and Promulgation of Annual Reports by Banks" published in Official Gazette No. 26333 dated 1 November 2006 are as follows:

a) to prepare the annual report within the first three months following the balance sheet date and present it to the general assembly;
b) to prepare the annual report to reflect the Bank's operations in that year and the financial position in a true, complete, straightforward, fair and proper manner in all respects. In this report, financial position is assessed in accordance with the financial statements. Also in the report, developments and possible risks which the Bank may encounter are clearly indicated. The assessments of the Board of Directors in regards to these matters are also included in the report.
c) to include the matters below in the annual report:
- events of particular importance that occurred in the Bank after the operating year,
- the Bank's research and development activities,
- financial benefits such as salaries, bonuses, premiums and allowances, travel, accommodation and representation expenses, benefits in cash and in kind, insurance and similar guarantees paid to members of the Board of Directors and senior management.

When preparing the annual report, the Board of Directors considers secondary legislation arrangements enacted by the Banking Regulation and Supervision Agency, Ministry of Trade and other relevant institutions.

5. Independent Auditor's Responsibility in the Audit of the Annual Report
Our aim is to express an opinion and issue a report comprising our opinion within the framework of the TCC, Communique and "Regulation on Independent Audit of Banks" published on the Official Gazette No. 29314 dated 2 April 2015 provisions regarding whether or not the financial information and the analysis made by the Board of Directors by using the information included in the audited financial statements in the annual report are consistent and presented fairly with the audited unconsolidated and consolidated financial statements of the Bank and with the information we obtained in the course of independent audit.

Our audit was conducted in accordance with the SIAs. These standards require that ethical requirements are complied with and that the independent audit is planned and performed in a way to obtain reasonable assurance of whether or not the financial information and the analysis made by the Board of Directors by using the information included in the audited financial statements in the annual report are consistent and presented fairly with the audited unconsolidated and consolidated financial statements and with the information obtained in the course of audit.

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

Didem Demer Kaya, SMMM
Partner

Istanbul, 29 March 2024

CORPORATE GOVERNANCE

IN THIS CHAPTER

- ZIRAAT BANK BOARD OF DIRECTORS
- ZIRAAT BANK SENIOR MANAGEMENT
- SUMMARY BOARD REPORT
- THE COMMITTEES OPERATING IN ZİRAAT BANK AND MEETINGS OF THE BOARD OF DIRECTORS
- RISK MANAGEMENT, INTERNAL AUDIT, INTERNAL CONTROL, COMPLIANCE
- RELATED PARTY TRANSACTIONS

Corporate governance activities at Ziraat Bank are carried out within the framework of the laws, current legislation and globally accepted best practices by constantly improving the Bank's business model and human resources.

The Bank acts with an awareness of the importance of corporate governance principles and goes to all lengths to ensure that all units contribute to activities in this area in coordination with each other.

GRI 2-9

12 committees
serving in the Bank

A Board of Directors consisting of a Chairman, Deputy Chairman and seven members
40 meetings with 566 decisions taken in 2023

A focus on good practices in risk management

A risk-focused internal audit approach

Bireysel ve kurumsal kredilerin merkezden gerçek Real-time monitoring of individual and corporate loans from the center

Full compliance with national and international legislation and regulations

GRI 2-9

ZIRAAT BANK BOARD OF DIRECTORS

GRI 2-9, 2-11, 2-17, 2-18

GRI 2-9, 2-11, 2-17, 2-18

ZIRAAT BANK BOARD OF DIRECTORS

Burhaneddin TANYERİ
Chairman of the Board
He was born in Erzurum Aşkale in 1953. He was graduated from Erzurum "İmam Hatip" (religious vocational) High school in 1972 and then graduated from the Faculty of Business Administration of Atatürk University in 1978. He worked in Regional Presidency of Agricultural Equipment Institution between the years of 1978-1980. He served as a Reserve Officer between 1980-1981 as the Head of Erzurum Narman Military Branch. He worked as Assistant Inspector, Chief Inspector, Branch Manager and Regional Director-in-chief, respectively, in T.C. Ziraat Bankası A.Ş. between the years of 1982-2005. He served as Member of the Board of Directors in Halkbank A.Ş. between the years of 2005 - 2010. Further served as Member of the Board of Directors in Halk Finansal Kiralama A.Ş., Halk Sigorta A.Ş., Ziraat Portföy Yönetimi A.Ş., Ziraat Bank Azerbaycan ASC, Ziraat Bank Montenegro AD and Vakıf Leasing A.Ş. respectively, between the years of 2005 - 2021. He has been carrying out the duty as Chairman of the Board of Directors and Member of Credit Committee of our bank since 26 March 2021.

Veysi KAYNAK
Vice Chairman of the Board
He was born on 1 January 1962 in Kahramanmaraş. He was graduated from Kahramanmaraş "İmam Hatip" (religious vocational) High school in 1981 and then graduated from the Faculty of Law of İstanbul University in 1985. He began his career of freelance lawyer as a member of the Kahramanmaraş Bar Association and at the same time he worked as academician at the Middle East Technical University (METU) Kahramanmaraş MYO (Vocational School of Higher Education). He served as the Vice Mayor of Kahramanmaraş and the deputy Mayor of Kahramanmaraş within the period between the years of 1989 and 1999 covering the two local election period. He was elected as the Mayor of Kahramanmaraş by the Municipal Council of Kahramanmaraş between January 1999 and April 1999. He served as the General Coordinator at an International Group of Companies between the years of 1999 and 2001. Immediately after his task of Kahramanmaraş Provincial Vice President and President of Political Legal Affairs of Justice and Development Party in 2001, he served as AK Party Kahramanmaraş Provincial Presidency between the years of 2002 and 2007. Mr. Kaynak who served as the 23rd Period AK Party Kahramanmaraş MP at the Grand National Assembly of Turkey (TBMM) in 2007 worked as the Member of TBMM Justice Commission, Member of AK Party Group Board of Directors and Inter-Parliaments of Turkey-Bahrain Group Chairmanship. With the decree of appointment dated 7 November 2011 he was appointed to the Deputy Justice Minister and served as the Deputy Justice Minister in the 61st and 62nd Governments of the Republic of Turkey. He worked as the Vice President of the United Nations IACA (International Anti-Corruption Academy) between the years of 2012 and 2015. In the Parliamentary General Elections held on 7 June 2015 and on 1 November 2015 he was elected as the 25th and 26th period AK Party MP of Kahramanmaraş. He served as the Deputy Chairman of the Security and Intelligence Commission of the Turkish Grand National Assembly as the 26th Period AK Party Kahramanmaraş MP. He was elected as a member of the AK Party Headquarters Disciplinary Board with the AK Party Ordinary Congress held on 12 September 2015. He was elected as the membership of AK Party MKYK by the Extraordinary Congress held on 22 May 2016. He served as the Deputy Prime Minister in the 65th Government of the Republic of Turkey formed on 24 May 2016. Mr. Kaynak is married with five children and speaks Arabic. He has been carrying out the duty of the Vice Chairman of the Board of Ziraat Bank since June 2020. He has been working as member of the Remuneration Committee.

Alpaslan ÇAKAR
CEO and Member of the Board
Graduated from Ankara University, Faculty of Political Sciences, and Department of Public Administration. In 1996, Çakar started to work as an Assistant Inspector in Ziraat Bank, served as Inspector and Department Manager and was appointed as Regional Director-in-chief in 2005. Çakar, became the Head of Department in September 2007, served as Executive Vice President for Retail Banking, Executive Vice President for Operations, Executive Vice President for Consumer Banking and Executive Vice President for Retail Banking, he served as Executive Vice President for Distribution Channels Management between January 2016-July 2017, Executive Vice President for Payment Systems between July 2017-June 2018, Executive Vice President for Retail Banking-2 between June 2018-March 2021. He served as member of the Board of Directors/member of the Audit Board of Ziraat Finansal Kiralama (Ziraat Leasing), Bileşim Alternatif Dağıtım Kanalları Ödeme Sistemi A.Ş., Ziraat Hayat ve Emeklilik A.Ş. (Ziraat Life & Pension), Ziraat Sigorta A.Ş. (Ziraat Insurance), Kredi Kayıt Bürosu A.Ş., Ziraat Bank (Moscow) JSC, Turkmen Turkish Joint Stock Commercial Bank, Ziraat Teknoloji A.Ş., Bankalararası Kart Merkezi A.Ş., Ziraat Gayrimenkul Yatırım Ortaklığı A.Ş., Ziraat Bank (Moscow) JSC, respectively, between the years of 2003-2019. He served as the Chairman of the Board of

GRI 2-9, 2-11, 2-17, 2-18

Ziraat Bank (Moscow) JSC between 2019-2022. Çakar has been serving as the CEO and member of Board of Ziraat Bank since March 2021. He is the Chairman of the Credit Committee since 26 March 2021. He has been the Chairman of The Banks Association of Türkiye since 22 April 2021. He is member to the Board of Türkiye Wealth Fund since May, 2021. He has been carrying out the duty as Chairman of the Board of Directors of Ziraat Participation Bank since 01 February 2022.

Fatih AYDOĞAN
Member of the Board
Fatih Aydoğan was born in 1979 in Istanbul. He was graduated from Anadolu University, Faculty of Economics and Administrative Sciences, Department of Business Administration and Istanbul University, Department of Political Science and Public Administration. He completed his master's degree in Business Administration MBA at Istanbul Bilgi University. His doctoral study continues at Istanbul Gelisim University, Institute of Social Sciences, Department of Business Administration. Between 2001 and 2009, he worked at Kuveyt Türk Katılım Bankası A.Ş. in operations, retail, financial analysis and corporate banking departments and worked as Assistant Regional Manager in charge of Corporate and Commercial Banking at the European Regional Directorate of this bank. Between 2009 and 2023, Mr. Aydoğan worked as General Manager of a real estate company included in the list of real estate valuation firms of the Capital Markets Board and the Banking Regulation and Supervision Agency. He holds a SPK licence in the field of bank guarantees and real estate valuation. Mr. Aydoğan served as council member in Istanbul Metropolitan Municipality and Zeytinburnu Municipality. He worked as Chairman of the Plan and Budget Commission of Zeytinburnu Municipality and 2nd Deputy Chairman of the Assembly, and a member of the Fundamental Rights Commission and Investment and Project Monitoring and Research Commission of Istanbul Metropolitan Municipality. He has been serving as a member of the Board of Directors of our Bank since August 2023. Mr. Aydoğan who is married with 2 children is also a member of the Information Systems Strategy Committee and Information Security Committee.

Feyzi ÇUTUR
Member of the Board
He was graduated in 1983 from the Faculty of Economics and Administrative Sciences, Department of Banking of the University of Gazi. He got his Master's Degree at the Department of the Social Sciences Business Management of Beykent He has got Certificates of TÜRMOB (Union of chambers of Certified Public Accountants and Sworn-in Certified Public Accountants of Türkiye) Independent Accountant and Financial Advisor and KGK (Public Oversight Authority) Independent rs. Mr. Çutur, who worked in 1977 to 1990 at various private sector companies as the Accountant and Finance Manager, later on served in the years from 1990 to 1998 at "Bayındır Menkul Kıymetler A.Ş." as the General Accounting Manager, and worked at Eti Yatırım A.Ş. in the years from 1998 to 2010 respectively as the Manager of Financial Affairs and Operations, Assistant General Manager and General Manager. He held office at various Investment Funds owned by Eti Yatırım and Etibank as member of the Fund Board and Chairman of the Fund Board, and worked in 2006 at İktisat Yatırım A.Ş. as member of the Board of Directors. He performed his duty as the representative of TMSF (Saving Deposits Insurance Fund) in the period from July 2011 to March 2012, as membership of the Board of Directors of Arap Türk Bankası A.Ş. and A&T Finansal Kiralama A.Ş., to which the said Bank is affiliated. Mr. Çutur, who has begun to work as member of the Board in our Bank since April 2012, is the member of Credit Committee of our Bank. Since March 2023 he has been a member of the Remuneration Committee. He worked as the member of Board/Supervisory Board of ZiraatBank İnternational AG, member of the Board of ZiraatBank BH d.d., the memberships of the Board, Credit Committee, Audit Committee of Ziraat Participation Bank and membership of the Board of Ziraat Bank (Moscow) JSC.

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ZIRAAT BANK BOARD OF DIRECTORS

Dr. İsmail İlhan HATİPOĞLU
Member of the Board
He was born in 1968 in Karaman. He graduated from Karaman High School in 1984 and from Ankara University, Faculty of Political Sciences, Department of Finance in 1988. In 1989, he started his duty in the Ministry of Finance as a Trainee Revenue Controller by winning the competition exams he entered. In 1992, he was appointed as Revenue Controller and in 2000 as Chief Revenue Controller. Between May and December 1997, he conducted research on the EU Tax System in the United Kingdom. Deputy Minister Dr. Hatipoğlu served as Head of Department at the General Directorate of Revenues in 2003, Head of Department and Head of Revenue Controllers at the Revenue Administration in 2005, and Deputy Chairman of the Revenue Administration in 2007. Afterwards, he was appointed as the General Directorate of Budget and Financial Control in 2009. Between 2016 and 2018, he served as Deputy Undersecretary of the Ministry of Finance. After 2018, he served as Ministry Consultant and Chief Tax Inspector. During his duty at the Ministry of Finance, Dr. Hatipoğlu served as the Chairman of the Internal Audit Coordination Board between 2009 and 2019, and as a member of the State Aid Monitoring and Supervision Board between 2010 and 2018. After 2015, he served as the second chairman of the same board. Between 2009 and 2010, Mr. Hatipoğlu served as a member of the Board of Directors of Turkish Maritime Enterprises and as the Chairman of the Board of Directors between 2010 and 2016. In addition, Mr. Hatipoğlu served as a member of AVEA Audit Board representing the Treasury between 2014 and 2015. Between 2016 and 2018, Dr. Hatipoğlu served as Co-Chairman of the Tax and Incentives Committee of the Coordination Board for the Improvement of the Investment Environment and as the Head of the Technical Delegation of the Republic of Turkey established by the International Agreement with the KKTC. Dr. Hatipoğlu served as a Board Member of Ankara University Teknokent between 2019 and 2020. Having worked as a General Manager in the private sector for a short period of time, Mr. Hatipoğlu has been a member of the Board of Directors of the Turkish Athletics Federation since 2012. Doctor (Ph.D.) Hatipoğlu also lectured 'Public Financial Management' and 'Risk Management and Practices' in the Internal Audit and Internal Control Master's Program at Ankara University Institute of Social Sciences between 2015-2023. In the Spring 2019 term, he lectured 'Public Financial Management and Control' in the Audit and Risk Management Master's Program at Ankara University of Social Sciences. Mr. Hatipoğlu completed his Master's degree at Ankara University Institute of Social Sciences, Department of Business Administration in 2019 and completed his PhD studies at Ankara Hacı Bayram Veli University, Department of Finance in March 2023, which he started in the autumn semester of 2019. On 22 June 2023, Dr. Hatipoğlu was appointed as the Deputy Minister of Treasury and Finance by the President of the Republic and has been serving as a member of the Board of Directors of our Bank since August 2023. Dr. Hatipoğlu is also a member of the Audit Committee.

Serruh KALELİ
Member of the Board
Having graduated from the primary and secondary schools of TED Ankara College, he attended Ankara Law Faculty and graduated from this faculty in 1977. He completed his military service at the Air Force Command as the reserve officer Military Prosecutor. He was a member to the Board of Directors of Ankara Bar Association respectively from 1996 to 1998; he was an accountant member and member to the Board of Directors of the two-period Turkish Law Institute between 2000-2002 and 2002-2004, Member of the Board of Union of the Turkish Association in 2001 for a period of four years. He took part in the preparation of Regulations under the Amended Lawyer's Act in the commissions included in the structure of the Union of Turkish Bar Associations. He served at the season of 2004-2005 as Deputy Chairmanship of the Turkish Basketball Federation Disciplinary Board; he exercised his independent occupation as a lawyer registered at Ankara Bar Association for the period elapsing from 1978-1980-1981 until 19 July of 2005 on which he was elected for the membership of the Constitutional Court. He was employed as the Deputy Chairman of the Constitutional Court from 14 April 2011 to 14 April 2015, besides by the Constitutional Amendment of 12 September 2010 he was assigned with the task of carrying out auditing the fundamental rights and freedoms which may be allegedly violated through the right to individual application which is falling within its duty and jurisdiction, he performed the Chairmanship for the first of the two sections for the period elapsing from 14 April 2011 to 14 April 2015. He has been working as the member to the Board of Directors of our Bank as of May 2019. He is a Member of the Corporate Governance Committee.

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FAZLI KILIÇ
Member of the Board
He completed his high school education in Beyoğlu Commercial High School in 1976 and was graduated from İstanbul Academy of Economics and Commercial Sciences, Faculty of Commercial Sciences, Department of Management and Accounting in 1980. He completed Master of Arts program in Accounting Audit in İstanbul University Faculty of Business Administration in 1982. After has worked as an Certified Public Accountant for 26 years and took the role of founding partner in the company Yön Muhasebecilik Mali Müşavirlik Limited Şirketi, Group Chairman and member of İstanbul Provincial General Assembly between the years of 1994-1999 and Mayor of Kağıthane for 3 terms between the years of 2004 and 2019. He has been serving as a Member of the Board of Ziraat Bank since 26 March 2021. Kılıç is also a member of Ziraat Bank's Audit Committee, reserve member of Credit Committee and the Chairman of the Sustainability Committee.

Serdar KILIÇ
Member of the Board
Having graduated from TED Ankara College, Mr. Kılıç graduated from Ankara University Faculty of Political Sciences in 1980. He joined the Ministry of Foreign Affairs in 1984 and served in various diplomatic posts. Between 2006-2008, he served as Executive Vice President of NATO at the Ministry. He served as the Ambassador to Beirut between 2008-2010 and as the Secretary General of the National Security Council between 2010-2012. He served as Ambassador to Tokyo between 2012 and 2014, and as Ambassador to Washington between 2014 and 2021. On December 15, 2021, he was appointed as a special envoy within the normalization process initiated between Turkey and Armenia. He has been serving as a member of the Board of Directors of our Bank since August 2023. Mr. Kılıç is also a member of the Corporate Governance Committee.

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ZIRAAT BANK SENIOR MANAGEMENT

EMRAH GÜNDÜZ
Executive Vice President for Banking Operations and Corporate Communication

CÜNEYT SAĞLIK
Executive Vice President for Digital Banking and Payment Systems

SÜLEYMAN YALÇIN
Executive Vice President for Financial Coordination

YASİN ÖZTÜRK
Executive Vice President for Treasury Management

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HÜSEYİN ÖZUYSAL
Executive Vice President for Human Resources

AHMET ACAR
Executive Vice President for Credit Risk Monitoring and Liquidation

MEHMET ŞÜKRÜ TAŞCI
Executive Vice President for Credit Allocation and Management

FERHAT PİŞMAF
Executive Vice President for Corporate Banking

YÜKSEL CESUR
Executive Vice President for Retail Banking

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ZIRAAT BANK SENIOR MANAGEMENT

Emrah GÜNDÜZ
Executive Vice President for Banking Operations and Corporate Communication
He graduated from Hacettepe University, Department of Public Finance. He completed his master's degree at Maltepe University. He worked as Assistant Revenue Specialist at the Ministry of Finance between 2004-2005. He started to work in our Bank in 2005 as Assistant Auditor. Thereafter, he worked as Auditor, Department Manager, Branch Manager at Ziraat Bank, Head of Department of Operations Center at Ziraat Katılım. Gündüz, who started to work as Head of Department of Operations Center in September 2016, worked as Head of Department of Operations Center-1 between December 2019 and October 2020, and as Head of Department of Central Operations between October 2020-April 2021. He has been working as Executive Vice President for Banking Operations and Corporate Communication since April 2021.

Hüseyin ÖZUYSAL
Executive Vice President for Human Resources
Born in 1973, in Konya. Completed his Master's Degree education in the Faculty of Business Administration of Selcuk University, joined Ziraat Bank as a Computer Operator in the Department of Education in 1994, served under various titles for various responsibilities. Furthermore, Özuysal served as the Head of Department of Construction and Real Estate Management, Head of Department of Provision and Costs Management, Head of Department of Provision, Costs and Logistics Management, Head of Department of IT Operation, General Manager of Agricultural Business Management and Real Estate Development A.Ş., Head of Interior Operations Group between August 2020 and July 2022, Head of Human Resources Group between July 2022 and September 2023. Özuysal has been working as Executive Vice President for Human Resources since September 2023.

Yüksel CESUR
Executive Vice President for Retail Banking
Graduated from Boğaziçi University Faculty of Economics and Administrative Sciences. He started working in our bank in 1996 as Assistant Auditor and then Auditor, and was later appointed as Head of Department of Education between 2005 and 2007. In 2007, he was appointed as Head of Department of Treasury Operations and then he worked as Head of Agricultural Marketing Group and Head of Board of Auditors. Cesur, who served as Executive Vice President for Internal Systems between April 2014 and April 2021, has been working as Executive Vice President for Retail Banking since April 2021.

Cüneyt SAĞLIK
Executive Vice President for Digital Banking and Payment Systems
He graduated from Gazi University, Faculty of Economics and Administrative Sciences, Department of International Relations in 1998. He completed his master's degree in Ankara University Institute of Social Sciences Human Resources Management and Career Counseling Program in 2004. Sağlık, who joined our Bank in 1998 within the 10th Term Banking School, worked as Specialist, Director and Manager at the Departments of Fund Management, Commercial Loans, Retail Marketing, Retail Loans Allocation and Retail Mass Marketing. Sağlık, was appointed as Deputy Head of Department of Retail Product Management in October 2015 and thereafter served as Head of Department of Product Management and Customer Analytics, Card Systems and Internal Control and Compliance. Sağlık, who served as Executive Vice President for Payment Systems and Loan Processes between April 2014 and July 2022, has been working as Executive Vice President for Executive Vice President for Digital Banking and Payment Systems since July 2022.

Ahmet ACAR
Executive Vice President for Credit Risk Monitoring and Liquidation
Born in Turgutlu, in 1972. He graduated from Ankara University, Faculty of Political Sciences, Department of Economics. He started working as Assistant Auditor at our bank in 1996 and worked at various levels of the Board of Auditors. He worked as Head of Department of Human Resources, Head of Department of Purchasing and Administrative Affairs, Head of Department of Internal Operations Department, Head of Supply and Expense Management, Şirinyer/Izmir Branch Manager, Head of Board of Auditors, Istanbul 2nd Regional Manager and Istanbul Regional Manager-Kadıköy, Head of Internal Operations Group between July 2022 and September 2023. Acar has been working as Executive Vice President for Credit Risk Monitoring and Liquidation since September 2023.

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Süleyman YALÇIN
Executive Vice President for Financial Coordination
Graduated from Ankara University, Faculty of Political Sciences, Department of Business Administration in 1995 and from International Vision University, Faculty of Law in 2022. In 1996, he started to work as Assistant Auditor at our bank. Thereafter, Yalçın served as Auditor, Deputy Head of Board of Auditors and Branch Manager, Erzurum Regional Manager, Denizli Regional Manager, İzmir 1st Regional Manager, İzmir 2nd Regional Manager, İzmir-Karşıyaka Regional Manager. Yalçın has been working as Executive Vice President for Financial Coordination since September 2023.

Mehmet Şükrü TAŞCI
Executive Vice President for Credit Allocation and Management
He graduated from Gazi University Faculty of Economics and Administrative Sciences Department of Business. In 9 December 1993, he started to work as Assistant Auditor at our bank. Thereafter, Taşcı served as Auditor, Chief Auditor, Deputy Head of Board of Auditors and Branch Manager. He worked as Head of Department of Financial Reporting and Accounting between September 2008-June 2012, İzmir 3rd Regional Manager between July 2012-September 2018, Head of Board of Auditors between October 2018-March 2021. Taşcı has been working as Executive Vice President for Loan Allocation and Management since April 2021.

Yasin ÖZTÜRK
Executive Vice President for Treasury Management
Born in 1981 in Aksaray and graduated from Gazi University, Faculty of Economics and Administrative Sciences, Department of Public Finance, he started working as Assistant Auditor in our bank in 2005. He worked as Auditor, Retail Marketing Manager at Ankara 1st and 2nd Regional Directorates, Manager at Duatepe-Polatlı Girişimci Dinamik Branch, Head of Department of Retail Sales Management and Retail Sales Management-1 and Head of Department of Retail Branch Banking-3, Head of Internal Systems Group between April 2021 and July 2022, Head of Treasury Management and International Banking Group between July 2022 and September 2023. Öztürk has been working as Executive Vice President for Treasury Management since September 2023.

Ferhat PİŞMAF
Executive Vice President for Corporate Banking
He graduated from Ankara University, Faculty of Political Sciences, Department of Public Finance. In 1996, he started to work as Assistant Auditor at the Board of Auditors of our Bank. Pişmaf, who served as Auditor, Department Manager of Agricultural Marketing, Head of Department of Agricultural Loans, Deputy Head of Agricultural Loans Group, Head of Department of Entrepreneurial Loans 1, Entrepreneurial Loans Allocation and Management 1, Agricultural Policies and Head of the Agricultural Marketing Group, has been serving as Executive Vice President for Corporate Banking since April 2021.

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SUMMARY BOARD REPORT

Renowned for its efficiency, effectiveness, quality, commitment to ethical values and trust, Ziraat Bank is positioned as a well-respected and preferred business partner in Turkey and international markets.
Ziraat Bank is an institution positioned can compete in the market of the future by drawing on the unique and vast knowledge it has built up over 160 years, preferred by customers for its quality service while creating added value for the society.

Operating under the umbrella of the Ziraat Finance Group, the Bank has a wide portfolio of subsidiaries offering services in the fields of banking, capital market intermediation, portfolio management, venture capital, real estate investment partnership and financial technologies in Turkey.

Ziraat Bank is constantly advancing its effectiveness in the international arena each year with its subsidiary banks and foreign branches located in 17 different countries, as well as its extensive network of correspondent banks. This strong group structure is the most important factor supporting the Bank, increasing its capacity to provide integrated financial services.

Ziraat Bank recorded another set of successful financial and operational results in 2023 and, backed by a business model which is oriented around high efficiency, continued to meet the needs of its customers all over our country for banking services and products at the right service points, on time, and under appropriate conditions.

Ziraat Bank's asset size expanded by 64.4% year-on-year to TL 3,800 billion. The Bank's shareholders' equity, on the other hand, rose to TL 331.2 billion, up 63.6% year-on-year Prioritizing sustainable profitability, the Bank generated a Return on Equity of 34.5% in 2023 and a Return on Assets of 3.0%.

Ziraat Bank proactively manages credit quality with its efficient credit processes, and supported investment in the agriculture, manufacturing, exports, energy and technology sectors with the financing opportunities which it provided in 2023. The Bank recorded a 55.7% increase in its cash loans to TL 2.0 billion in 2023.

As its balance sheet became more customer-oriented, The Bank's total deposits increased by 68.8% in 2023 to reach TL 2.9 billion, with the Bank maintaining its long run of leadership in the sector in terms of total deposits in 2023.

Ziraat Bank works in cooperation with the entire ecosystem in order to provide the products and services its customers need as accurately and quickly as possible.

The bank launched Treasury-supported "2023 KGF Support Packages" for all SME and non-SME customers who require collateral support for investment or working capital financing, and a total of TL 66.7 billion of loans had been disbursed within the scope of 14 packages as of the end of 2023.

Ziraat Bank implemented the "Investment Support Package" for its customers needing collateral support to meet their investment financing needs within the scope of the Investment Incentive Certificate (YTB). In this vein, TL 214 million of loans had been extended as of the end of 2023.

Within the scope of the cooperation protocol entered into between Ziraat Bank and the Turkish Exporters Assembly (TİM), the "Vade(SİZ) Export Credit Package", which includes appropriate maturity and interest rates, was brought into operation in order to ensure continuity in exporters' access to credit, with TL 30 billion in loans extended as of the end of 2023.

Within the framework of the "İGE 100th Anniversary Treasury Support Package" designed to meet the financing needs of exporters, a total of TL 780 million in loans had been extended to 251 customers as of the end of 2023.

A total of TL 16.6 billion had been extended within the scope of environmental loan products (Solar power plants, Roof-top solar power plants, Licensed plants, solar power plant investments and Business Loans) as of the end of the year.

A total of TL 378.5 billion in loans were extended to 1,057,000 customers Ziraat Bank's own resources for the financing of the agricultural sector, with a total of 229,000 new customers added to the portfolio. The balance of agricultural loans had reached TL 437 billion as of the end of the year, with the number of credit customers reaching 1,207,000.

Offering individual banking products and services to a wide customer base through its branches and electronic service channels, Ziraat Bank extended TL 16.1 billion of housing loans in 2023, with the Bank expanding its total housing loan portfolio to TL 107.6 billion.

Ziraat Bank's consumer loans reached a total of TL 63 billion in 2023 with TL 58.7 billion being disbursed, while the end-year balance of vehicle loans standing at TL 11.6 billion.

In 2023, Ziraat Bank secured the largest sustainability-themed syndicated loan ever to be provided by a bank in Turkey at one time, raising a total amount worth USD 1.3 billion (consisting of USD 418 million and EUR 784 million). This loan, with the participation of 52 banks from 25 countries, has a maturity of 367 days. It is the second sustainability-themed syndicated loan to be provided by the Bank through the syndication method in international markets.

Ziraat Bank presses on with its activities to integrate sustainability into all of its business processes within the framework of its responsible banking approach.

In this vein, the Bank provided notification of the Carbon Disclosure Project (CDP) in 2023 and completed its first sustainability reporting. The evaluation carried out by the CDP (the Carbon Disclosure Project), the world's most prestigious and widely applied environmental initiative, found that Ziraat Bank had achieved significant success with an A- rating in the Water Security category and a B rating in the Climate Change category.

Ziraat Bank updated its sustainability policy in 2023, taking national and international developments into account, and established the Sustainability Committee during the year.

Ziraat Bank aims to offer services that will serve customers at all times and on all platforms within the framework of future service models. In line with this goal, the Bank completed the establishment preparations for Ziraat Finansal Teknolojiler Ödeme Hizmetleri ve Elektronik Para A.Ş. (ZiraatPay), and plans to launch these services in the near future.

In addition, the BRSA issued the go-ahead to establish Ziraat Dinamik Banka A.Ş., the first digital bank to be established under the ownership of a financial group in our country.

Ziraat Bank will continue to stand by all segments of society with its products, services and projects that contribute to the national economy, reduce foreign dependency, offer high added value and focus on the development of social welfare.

THE COMMITTEES OPERATING IN ZİRAAT BANK AND MEETINGS OF THE BOARD OF DIRECTORS

ATTENDANCE BY THE MEMBERS OF THE BOARD OF DIRECTORS IN THE MEETINGS HELD DURING THE REPORTING PERIOD

Ziraat Bank's Board of Directors is obliged to perform the duties and exercise the powers assigned to it in accordance with the Turkish Commercial Code, Banking Law and other relevant legislation.

The Board of Directors meets as and when there is a need upon summons by the Chairman, Vice Chairman or any member of the Board. The Board met 40 times during 2023 and passed 566 resolutions.

ZIRAAT BANK BOARD OF DIRECTORS

CHAIRMAN
Burhaneddin TANYERİ

GENERAL MANAGER AND MEMBER
Alpaslan ÇAKAR

MEMBER
Serruh KALELİ

MEMBER
Fazlı KILIÇ

MEMBER
Fatih AYDOĞAN

VICE CHAIRMAN
Veysi KAYNAK

MEMBER
Feyzi ÇUTUR

MEMBER
Serdar KILIÇ

MEMBER
Dr. İsmail İlhan HATİPOĞLU

INFORMATION ON THE ACTIVITIES OF THE AUDIT COMMITTEE

MEMBERS
Fazlı KILIÇ
Member of the Board

Dr. İsmail İlhan HATİPOĞLU
Member of the Board

The Committee assists with the auditing and supervision activities for which the Bank is responsible, and fulfills the duties, powers and responsibilities designated by the legislation issued by the BRSA, as well as those related to the execution of the Compliance program and those defined by applicable legislation.

The Committee consists of at least two Board Members who are appointed by the Board of Directors, have no executive duties, and whose qualifications are determined by the BRSA.

The Audit Committee met 24 times during 2023 and passed 66 decisions.

INFORMATION ON THE ACTIVITIES OF THE CREDIT COMMITTEE

CHAIRMAN
Alpaslan ÇAKAR
Chairman and General Manager

MEMBERS
Burhaneddin TANYERİ
Chairman of the Board
Feyzi ÇUTUR
Member of the Board

ALTERNATE MEMBERS
Fazlı KILIÇ
Member of the Board

Fatih AYDOĞAN
Member of the Board

The Credit Committee fulfills the duties and powers specified in the Banking Law, the Bank's articles of association, and other legislation issued by BRSA. Within the framework of the authority delegated by

the Board of Directors, the Committee extends loans and makes decisions. Credit Committee performs other duties related to lending assigned to it by the Board of Directors.

The Committee consists of at least two members to be elected among the Board Members, whose qualifications are determined by the BRSA, and the Bank's General Manager. The Credit Committee met 21 times during 2023 and passed 899 decisions.

INFORMATION ON THE ACTIVITIES OF THE CORPORATE GOVERNANCE COMMITTEE

CHAIRMAN
Serdar KILIÇ
Member of the Board

MEMBER
Serruh KALELİ
Member of the Board

The Corporate Governance Committee monitors and audits the Bank's compliance with corporate governance principles. The Committee suggests proposals to the Board of Directors and works to ensure improvements. The Committee keeps reports of its activities in written form.

INFORMATION ON THE ACTIVITIES OF THE REMUNERATION COMMITTEE

MEMBERS
Veysi KAYNAK
Vice Chairman of the Board

Feyzi ÇUTUR
Member of the Board

The Remuneration Committee is responsible for overseeing and supervising the remuneration practices on behalf of the Board of Directors. The Committee assesses the remuneration policy and practices within the framework of risk management to ensure that remuneration policies are aligned with the Bank's ethical values and strategic goals, and submits its recommendations to the Board of Directors.

INFORMATION ON THE ACTIVITIES OF THE INFORMATION SYSTEMS STRATEGY COMMITTEE

CHAIRMAN
Fatih AYDOĞAN
Member of the Board

On behalf of the Board of Directors, the Information Systems Strategy Committee monitors the suitability of IT investments, checks that they are in line with the IT strategy plan and that the IT objectives are compatible of the Bank's business objectives.

INFORMATION ON THE ACTIVITIES OF THE INFORMATION SECURITY COMMITTEE

CHAIRMAN
Fatih AYDOĞAN
Member of the Board

The duties and activities of the Committee include fulfilling the duties and authorities determined in the legislation regulated by the BRSA, coordinating information security activities and establishing and implementing information security policy.

INFORMATION ON THE ACTIVITIES OF THE SUSTAINABILITY COMMITTEE

CHAIRMAN
Fazlı KILIÇ
Member of the Board

The duties and activities of the Committee are to develop, plan, coordinate, monitor and report the results of sustainability practices. The Chairman of the Sustainability Committee is appointed from among the Board Members.

The Committee consists of 1 Chairman and 7 members.

Ziraat Bank Sustainability Policy text, which was first published in 2013, was updated with the decision of the Board of Directors numbered 36/40 dated 30 November 2023.

THE COMMITTEES OPERATING IN ZİRAAT BANK AND MEETINGS OF THE BOARD OF DIRECTORS

INFORMATION ON ACTIVITIES OF THE CREDIT MONITORING AND RISK MANAGEMENT COMMITTEE

CHAIRMAN
Ahmet ACAR
Executive Vice President

MEMBERS
Mehmet Şükrü TAŞCI
Executive Vice President

S. Şamil YILDIZ
Group Head

Murat KAHRAMAN
Department Head

Ahmet FAKI
Department Head

Ümit URFALIOĞLU
Department Head

Şahin UĞUZ
Department Head

Hasan ÖZTAŞ
Department Head

Uğur Can AYGIN
Department Head

Rehber BİRKAN
Department Head

The duties and activities of the Committee are to periodically evaluate the credit portfolio, determine the actions to be taken and create strategies for the following periods, review and evaluate the types of financial risks the Bank is exposed to while performing its activities in line with the policies and strategies regarding risk management, and monitor risk management practices. and development, and to produce input for the Bank's decision-making mechanisms.

INFORMATION ON THE ACTIVITIES OF THE EXPENSE MANAGEMENT AND EFFICIENCY COMMITTEE

CHAIRMAN
Süleyman YALÇIN
Executive Vice President

MEMBERS
Yasin ÖZTÜRK
Executive Vice President

Hüseyin ÖZUYSAL
Executive Vice President

Himmet AKSOY
Group Head

The duties and activities of the Committee are as follows:

- to ensure that the development of the Bank's asset-liability, income-expenditure items is in harmony with the determined budget.
- to make projections according to changes in market, conditions and parameters,
- to reveal areas of improvement by identifying areas of productivity,
- to keep operational and purchasing costs at the optimum level by evaluating them together with real income performance,
- to provide banking services to customers at lower cost and higher customer satisfaction.

INFORMATION ON THE ACTIVITIES OF THE TFRS 9 COMMITTEE

CHAIRMAN
Süleyman YALÇIN
Executive Vice President

The duties and activities of the Committee are to ensure high-level governance in the provision (impairment) calculation process and to carry out studies to ensure objectivity and impartiality in the provision calculation process carried out in accordance with TFRS 9 standards.

The committee consists of 1 Chairman and 8 members.

INFORMATION ON THE ACTIVITIES OF THE DATA GOVERNANCE COMMITTEE
The Head of Data Analytics Department, related Business Units and Ziraat Teknoloji IT Architectural Group Manager are natural members of the committee and depending on the agenda, may also be joined by the relevant Data Sponsor (Assistant General Managers), Ziraat Teknoloji General Manager, Group Managers/Service Managers, Board of Inspectors, Internal Control Department Head, Compliance Department Head and Legal Counsel.

The duties and activities of the Committee include ensuring the resolution of possible disputes within the scope of data ownership and responsibilities, to ensure the follow-up of activities and steps to improve quality in order to increase data quality, and to support actions to be taken regarding compliance with legal regulations (such as the regulations stipulated by the Personal Data Protection Authority and the BRSA).

INFORMATION ON THE ACTIVITIES OF THE DATA SHARING COMMITTEE
The Committee consists of representatives from the Internal Audit Department, the Compliance Department, the Legal Counselling and Data Analytics Department and the Related Business Unit Responsible for Sharing, as well as the Asset Owning Business Unit. The Committee is chaired by the Data Analytics Department.

In line with the BRSA's Regulation on the Sharing of Confidential Information, the duties and activities of the Committee include the coordination of the sharing of Bank secrets and customer secret information and to record such evaluations by determining if the requests for sharing are appropriate.

RISK MANAGEMENT, INTERNAL AUDIT, INTERNAL CONTROL, COMPLIANCE

Internal systems activities at Ziraat Bank are performed by the Board of Inspectors, the Internal Control Department, the Risk Management Department, and the Compliance Department. These units' duties and responsibilities, which are strictly segregated from one another, are coordinated by the Group Head for Internal Systems.

This organization is structured so as to embrace all Bank units and branches as well as Bank-owned subsidiaries subject to the Bank's oversight. Its purpose is to minimize any risks that might adversely affect the thoroughgoing and secure conduct of banking operations, the fulfillment of long-term profit targets, the reliability of financial and administrative reporting, and/or the Bank's reputation and financial stability.

RISK MANAGEMENT SYSTEM

Ziraat Bank risk management activities are conducted subject to the requirements of the Regulation on Banks' Internal Systems and Internal Capital Adequacy Assessment Process and other relevant regulations and BRSA Best Practice Guides.

In these activities, the Bank aims to embed the risk culture throughout its business processes and to bring the risk management function closer to good practices by constantly improving the system and human resources.

The principal risk categories are defined as "Credit Risk", "Market Risk", "Operational Risk", "Model and Process Validation", and "Balance Sheet Risks", the last including the interest rate risks and liquidity risks to which the Bank is exposed on account of its banking business accounts.

Policies and implementation procedures regarding the management of risks are carried out on the basis of risk type, in accordance with the regulations and decisions approved by the Board of Directors, and care is taken to ensure that the units included in the line of activity associated with each risk type also contribute to the process.

In addition, the Bank carries out activities to ensure that its foreign branches and subsidiaries comply with local regulations regarding risk management, and closely monitors their risk management ratios.

Within the framework of the "Regulation on Banks' Internal Systems and Internal Capital Adequacy Assessment Process", the Internal Capital Adequacy Assessment Process was set up to determine the capital required to meet the risks which the Bank is exposed to or may be exposed to, and to establish and maintain a system that will evaluate the capital requirements and levels in line with its strategies. The models designed in this context and the model outputs along with the validation activities for these models are used in the TFRS-9 calculations. Work is being carried out to roll out the model outputs to other areas of activity of the Bank.

Analyses are performed in line with BRSA principles and are further supported by means of risk-specific stress tests and scenario analyses. Year-end Stress Test and Internal Capital Adequacy Assessment Process (ICAAP) reports are prepared and are sent to BRSA with the approval of the Board of Directors.

The results of the analysis carried out within the scope of risk management activities and risk indicators are submitted to the Audit Committee and the Board of Directors at six-month intervals, to the Audit Committee on a monthly basis and to the senior management on a monthly, weekly or daily basis.

Ziraat Bank will continue to carry out its activities for all types of risks based on internationally accepted advanced risk management techniques and to turn these activities into an integral part of the strategic decision-making processes in the coming periods.

INFORMATION ABOUT RISK MANAGEMENT POLICIES AND ACTIVITIES ACCORDING TO TYPE OF RISK

Credit Risk

Credit risk is an expression of the likelihood of the Bank's suffering a loss because a debtor fails to fulfill, in a timely manner, some or all of his obligations under an agreement that he has entered into.

Within the framework of credit risk management activities, Ziraat Bank's carries out work on the definition, measurement, monitoring and reporting of credit risk using methods compatible with the Basel-3 criteria.

GRI 2-27, 3-3, 205-1, 205-2

The Bank follows the credit risk limits approved by the Board of Directors and conducts scenario analysis and stress tests by applying internal and external shocks to credit risk factors. Credit risk measurement is carried out using the Standard Approach method within the framework of the "Regulation on Measurement and Evaluation of Capital Adequacy Ratios of Banks". Counterparty Credit Risk is measured by using the Standard Approach (SA-CCR) method. In parallel with this, the results of the amount subject to credit risk calculated using the Standard Approach and Internal Rating Based (IDA) Approach continue to be monitored.

The amount subject to credit risk is reported to the BRSA each month on a solo and consolidated basis. In addition, monthly Internal Rating Notifications are submitted to the TBB Risk Center in accordance with the "Internal Rating Notification Circular" that entered force in January 2014.

Ziraat Bank monitors the credit risk limit and signal values determined on a monthly basis. The Bank bases the data in question on customer segments approved by the Board of Directors and the counterparty credit risk portfolio arising from banking and trading accounts. The risk-weighted assets which the bank can carry on a segment and portfolio basis are maintained within these limits.

Market Risk

Market risk is an expression of the possibility of loss that the Bank may be exposed to on account of its on- or off-balance sheet exchange rate, commodity, interest rate and stock position risk, which are subject to the Bank's trading activities and followed up under the Bank's accounts and positions valued at fair value, and which arise from the movements in market prices.

Within the scope of market risk management activities, Ziraat Bank carries out risk identification, measurement, analysis, monitoring and reporting activities, which are supported by stress testing. The results of these activities are taken into account in the Bank's strategic decision-making process.

In order to manage market risk, market movements that affect the present value of the portfolios which expose the Bank to market risk in line with its trading strategies are kept track of on a daily basis and the impact that both upward/downward and ordinary/extraordinary movements may have on these portfolios is analyzed.

In the conduct of its day-to-day operations, trigger values are monitored as part of the early-warning process that is carried out to protect the Bank's financial strength from being seriously affected by increases in market volatility. Risk exposure levels are kept within prescribed limits.

The Standardized Approach methodology is used to calculate the Bank's exposure to market risk, the amount of which is included in its mandatory capital adequacy ratio. Market risk is also calculated on a daily basis using a VaR-based internal model. The effectiveness of the models being used is also analyzed regularly by means of backtesting.

Operational Risk

Operational risk" is an expression of the likelihood of the Bank's suffering a loss because of changes in value caused by the fact that the actual losses which are incurred on account of inadequate or failed internal processes, people, or systems or on account of external events (including legal risk) differ from expected losses.

Within the scope of operational risk management activities, Ziraat Bank carries out work to define, classify, measure and analyze operational risks, and monitors the operational risk signal and limit values approved by the Board of Directors on a periodic basis. The amount subject to operational risk in the Bank is calculated using the Basic Indicator Method in accordance with the "Regulation on Measurement and Evaluation of Capital Adequacy Ratio of Banks".

The Bank's operational risk loss database, which is integrated with the Bank and is compatible with the accounting system, was established in line with a classification covering the loss event type and activity lines of the Basel Banking Supervision and Audit Committee, and includes data obtained from foreign and domestic branches and subsidiaries. Effective methods are applied to monitor the company's operational risk outlook.

GRI 2-27, 3-3, 205-1, 205-2

RISK MANAGEMENT, INTERNAL AUDIT, INTERNAL CONTROL, COMPLIANCE

Additionally, a self-evaluation study covering the Bank's organization is carried out.

Ziraat Bank employees perform their duties taking into account the operational risk-related principles and procedures set forth in the Bank's internal regulations and in a manner that is both sensitive to the operational risks that may be incurred and mindful of Bank policies intended to create an operational environment that will reduce the likelihood of losses.

Signals and limits approved by the Board of Directors related to operational risks have been established within the scope of internal regulations and are monitored periodically.

Risks and actions taken within the scope of IT are monitored and reported to the senior management regarding operational risk.

In order to ensure the continuity of outsourced support services, the risks that might arise from their procurement are assessed in light of BRSA Regulation on the outsourcing of support services by banks.

As part of the Business Continuity Plan, "business impact analyses" are carried out in order both to identify the risks that might arise if the Bank's operations are interrupted and to determine their potential consequences. Analyses are also conducted into the portfolio custody service database.

Reputation risk management activities are included in operational risk activities. Within the scope of reputation risk studies, various factors are monitored in terms of the Bank's reputation and reputation risk analyzes are reported regularly.

Balance Sheet Risks

Ziraat Bank aims to effectively manage the risks arising from assets, liabilities and off-balance sheet accounts within the scope of balance sheet risks.

In this regard, the Bank carries out definition, measurement, analysis, monitoring and reporting activities regarding liquidity risk and interest rate risk arising from banking accounts. The Bank also supports these studies, the results of which are taken into account in strategic decision-making, with stress tests and scenario analyses.

There are two components of liquidity risk: funding liquidity risk and market liquidity risk. The first is an expression of the likelihood of the Bank's suffering a loss because it is unable to satisfy all of its foreseeable/unforeseeable cash flow requirements without otherwise impairing its day-to-day operations and/or financial structure; the second is an expression of the likelihood of the Bank's suffering a loss because the Bank is unable to close or cover a particular position at the market price owing to insufficient market depth or to excessive market volatility. Interest rate risk consists of the possibility of sustaining losses on risk-sensitive assets, liabilities, and off-balance sheet items owing to changes taking place in interest rates.

Compliance with mandatory ratios pertaining to liquidity and interest rate risks arising from banking business accounts is also monitored. In addition to the foregoing, matters with the potential to affect liquidity risk management are monitored funding and lending maturity mismatches, assets' and liabilities' behavioral as well as contractual maturities, the level of primary (cash and cash-equivalent) liquidity reserves needed to conduct the Bank's normal day-to-day operations, Central Bank liquidity facilities to which recourse may be had in order to cope with unexpected liquidity requirements, secondary reserves whose potential to be converted to cash is exposed to the risk of their being underpriced, and the ability to borrow from conventional markets are monitored. Additionally, within the content of scenario and sensitivity analyses stress test is conducted to assess the Bank's liquidity needs in the worst case scenario.

For the management of the interest rate risk arising on banking business accounts, attention is given to monitoring and analyzing such issues as rate and maturity mismatches between fixed- and variable-interest fundings and lendings, assets' and liabilities' behavioral as well as contractual maturities, both upward/downward and ordinary/extraordinary movements in interest rates, and the impact of interest rate income on the current value of assets and liabilities.

The consolidated and unconsolidated Liquidity Coverage Ratio and Net Stable Funding Ratio and Interest Rate Risk Ratio Arising from Unconsolidated Banking Accounts are reported periodically to the BRSA.

GRI 2-27, 3-3, 205-1, 205-2

In addition, the Bank periodically monitors interest rate risk signal and limit values arising from liquidity and banking accounts through the early warning process application. Risk limits are determined by taking into account the liquidity situation, targeted return level and risk appetite, and enter force upon the approval of the Board of Directors.

In addition to the stress test analysis included in the Bank's periodic internal reports, stress test and ICAAP reports are prepared for referral to the BRSA at the end of the year, and capital and liquidity adequacy levels are determined for the following three years in base-case, negative and extreme negative scenarios, in addition to the scenario sets given by the BRSA.

Validation

Ziraat Bank evaluates the accuracy, consistency and adequacy of the internally used rating models and other measurement methodologies in order to accurately measure and manage the risks the Bank is exposed to, while it evaluates the stability of risk models and output (risk estimates, rating grades) performances, and the reporting of the results of the activities to the senior management at regular intervals.

In this context, the Bank aimed to carry out validation studies of IRB models, especially the integration between IRB models and TFRS-9 standards, administrative models, internal models used in the Bank's decision-making processes such as ICAAP, operational risk and market risk models and to take necessary actions in view of the findings.

Validation activities are carried out under two main headings; initial and periodic validation. Models and methodologies are evaluated qualitatively and quantitatively in both validation types. Models and methodologies, especially data quality controls, performance analyses, evaluation of basic working logic, compliance with legal and internal regulations, documentation and implementation are comprehensively addressed in the validation process. In addition, the preparation of the final validation reports, the evaluation and follow-up of the findings and actions are also included in the validation processes.

The initial validation of the developed IRB-compliant TFRS 9 models has been completed, and the initial validation studies of the newly developed market risk and IRRBB behavior models have got underway. Periodic validation studies of the completed models will be carried out going forward.

INTERNAL AUDIT SYSTEM

The Board of Inspectors takes a risk-focused approach in the fulfillment of its responsibilities to ensure that the activities and operations of the Bank's headquarters units, domestic and international branches, and subsidiaries comply with the requirements of laws and regulations and are compatible with the Bank's own strategies, policies, principles, and objectives. The board conducts its activities in such a way as both to keep the Bank's senior management informed and to contribute to their decision-making processes.

The board conducts its activities in line with internationally-accepted internal auditing standards. Besides checking the Bank's operations for their compliance with statutorily mandated procedures, in 2023 the board also reviewed and assessed the effectiveness and efficiency of the transaction procedures involved in both primary and secondary processes. In addition, processes governed by the BRSA regulations pertaining to information systems and banking processes were also audited in line with the Bank's own practices.

The activities of the Board of Inspectors in 2023 are as follows:

- The Central Audit Team continued its intensive operations in 2023 by performing scenario analyses which are influential in preventing irregularities from being committed. Reviewing the effectiveness of existing scenarios against possible abuses, the team continued its systemic developments to minimize the manual processes used during the audit. Work to integrate Artificial Intelligence (AI) technology into the Central Audit processes continues. Accordingly, the transaction types sent to the branches will be included in machine learning, and the probability of fraud will be calculated with more cases that may be subject to abuse being detected more quickly and more effectively.
- The R&D Team completed work on updating the audit model with a dynamic approach, ensuring the follow-up of international standards and practices in auditing. Under the new audit structure, scenario-

GRI 2-27, 3-3, 205-1, 205-2

RISK MANAGEMENT, INTERNAL AUDIT, INTERNAL CONTROL, COMPLIANCE

based dynamic audits started to be carried out, in addition to on-site branch audits, in order to centralize the audit process and include new situations arising within the scope of audit without wasting time. These activities were geared towards detecting risk before the risk grew, enabling more branches to be reached compared to those currently contacted. The team closely monitored legislation, BRSA decisions and changes foreseen by the Bank's senior management and Head Office units and undertook necessary changes at the audit points.

- Inquiry rules used in branch audits were revised, and new rule sets were created in which customers' PD data was included in the analysis. Accordingly, a sample reflecting risk more accurately was determined where inquiry rules were designed in a dynamic structure and instant actions were taken according to the conjuncture and the Bank's risk appetite.
- The recommendations that inspectors in the field included in their reports or made with respect to a particular transaction or practice were also circulated among the business units concerned and the outcomes of such recommendations were observed.
- Systematic developments on the Web Audit Module enabling generation of web-based reports issued following information systems and processes audits continued in 2023, and revisions were made on the module in order to meet various needs and comply with legal regulations.
- The Inspection Scenario Team that was set up and charged with formulating scenarios both to identify and measure the general spread of shortcomings in Bank processes and to develop and improve the effectiveness of such processes and with submitting these scenarios to the appropriate business unit so as to ensure that speedy and effective solutions for dealing with them are devised throughout the Bank continued to operate in 2023.
- The Data Security Team, which is tasked with protecting the confidential information of customers and the Bank, continued its activities in 2023.
- The Data Science Team, established to increase the efficiency of the auditing process in parallel with the technological transformation brought about by digitalization, accelerated its work in 2023, and the outputs of a range of activities were shared with the relevant General Directorate units. The team also flagged the branches exhibiting anomalies in certain issues and contributed to keeping the audit plan up-to-date.
- To enable the Board of Inspectors to use analytical tools more effectively and efficiently, members of the Inspection Board were provided with training in this area.
- 23 Assistant Inspectors, who were successful in the "Assistant Inspector Entrance Exam" organized by the Bank, started to work in January 2023.
- In 2023, the function of providing qualified human resources to the Bank was maintained by ensuring the transition of 13 inspectors to administrative duties.

In keeping with its strong sense of responsibility and awareness of its duties, the Board of Inspectors will continue to execute the internal auditing plan in line with goals and policies set forth by Ziraat Bank's senior management, to report its findings to the Board of Directors through the Audit Committee, and to observe what action is taken on the basis of its reports.

INTERNAL CONTROL SYSTEM

Internal control activities at Ziraat Bank are designed so as to embrace the operations of all headquarters units, all domestic and international branches and subsidiaries subject to consolidation as required by Article 9 Paragraph 3 of "Regulation on bank internal system and intrinsic capital adequacy assessment processes" which states "Internal control system is structured to include the bank's domestic and foreign branches, business processes and information systems, subsidiaries subject to consolidation and all of their operations."

Such activities are conducted so as to be compatible with the Bank's primary objectives and strategies from the standpoint of their scope and methodology.

This more proactive structure helps ensure that Ziraat Bank's operations exceed sectoral norms and that they are conducted in a manner that is compatible with both internal and external regulations as well as with the demands of competition.

Domestic branch checks are performed both on location and centrally within the framework of a program that is prepared taking into account branches' current levels of risk exposure. Control functions, which

GRI 2-27, 3-3, 205-1, 205-2

for the most part are structured so as to be technology-intensive and centralized, are intended to ensure that commonly-occurring mistakes are quickly corrected at the appropriate business-unit level.

With the Instant Control system operational transactions, accounting records and lending operations in real time are checked. Transactions are evaluated in light of specific scenarios and if a transaction is deemed to be in error, it can be corrected the same day. Real-time transaction checking allows increased efficiency through preventive actions and embeds the internal control system within the Bank's day-to-day operations instead of retrospective transaction controls.

To this end, instant incident and action management tools such as EVAM scenarios that are developed by the internal controllers themselves are also employed effectively. Accordingly, it is adopted as a basic principle to avoid possible errors and omissions in recording assets and liabilities and capturing them in financial reports.

Business unit control programs are prepared taking into account the units' functions, potential risks, terms of reference, and impact on the Bank's balance sheet. These programs are revised as needs may require. Business units are controlled by a sufficient number of Internal Controllers in line with these programs.

Internal control operations at Ziraat Bank branches located outside Turkey are carried out in line with control programs that are prepared for each year.

The findings ascertained as a result of all of these activities are periodically circulated among appropriate business units and the members of senior management.

Besides performing their internal control functions, internal control personnel also share their suggestions of ways to improve existing processes at the Bank and to mitigate the risks inherent in them. The aim of this practice is to preclude risks by spotting them in advance, to make the Bank more competitive by improving its business processes, and to increase customer satisfaction while also taking measures to cut costs.

Employment of internal controllers and continuity of employment have been ensured by the method of utilizing the Bank's own human resources. With the participation of the human resources who worked in the Bank for a certain period of time to the Internal Control team, the adaptation of the team to the internal control processes has accelerated, the training period has been shortened and the team has started to get efficiency in a short time. On another front, banking and field experiences of the team contributed remarkably to internal control processes.

The practice of recruiting qualified human resources for the Bank's administrative staff by allowing internal control personnel to transfer to such positions continued in 2023.

In addition to such matters, compliance reviews were also carried out by internal control personnel as required by article 18 of BRSA Regulation on bank internal system and intrinsic capital adequacy assessment processes. In the course of these reviews, all operations conducted or planned by the Bank as well as new transactions and products are checked to be sure that they comply with laws and regulations, with the Bank's own policies and rules, and with generally-accepted banking practices. During such compliance reviews, existing Bank-internal rules and proposed changes in them are also examined and views concerning them are circulated among appropriate units.

Ziraat Bank contributed significantly to sustainability with a number of major projects aimed at saving resources and labor, implemented in 2023. A total of 16 different scenarios were created within the scope of the project, one being carried out for centralized real-time (instant) monitoring of individual and corporate loans. At the decision stage of the project, a 3-month reference interval was determined and 399 critical findings were reached at a cost of 126 person days.

In the same period, it was understood that reaching this number of findings in loans required 1,053 person-days if monitored under the traditional method, and it was observed that findings with a much higher level of importance could be achieved with just one eighth of the human resources.

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RISK MANAGEMENT, INTERNAL AUDIT, INTERNAL CONTROL, COMPLIANCE

With the progress of central real-time (instant) control projects of individual and corporate loans, the Bank's on-site branch monitoring activities decreased in 2023, paving the way for a decrease in greenhouse gas emissions with no need for flights or hotel accommodation associated with business travel.

Another important project for Ziraat Bank was the integration of physical reports containing the issues examined and findings within the scope of internal auditing activities at the Turkish Republic Of Northern Cyprus Country Management into the internal control modules in the main banking application. As a result, consumption of paper was reduced, saving resources as well as reducing emissions.

In addition, the project raised the efficiency of internal controllers' reporting and finding tracking process, simplifying the detection finding correction of the controlled units and easing the transition to process improvement activities.

COMPLIANCE SYSTEM

Activities aimed at "Preventing Laundering of the proceeds of Crime and the Financing of Terrorism and Weapons of Mass Destruction" at Ziraat Bank were carried out in accordance with national and international regulations.

In accordance with the "Regulation on the Compliance Program on the Prevention of Laundering Proceeds of Crime", updated in line with changes in Law No. 5549 on the Prevention of Laundering Proceeds of Crime, as the main financial institution within the Ziraat Finance Group, the Bank follows the compliance program and the Ziraat Finance Group Compliance Policy on a financial group basis together with the financial institutions operating within the country.

In this regard, the Bank's "Principles of Practice and Procedures for Prevention of Laundering Proceeds of Crime and Proliferation of Terrorism and Weapons of Mass Destruction" was fully updated in order to ensure that the responsibilities imposed by the relevant laws and regulations may be effectively fulfilled. Care is taken to allocate personnel and resources with due regard to the structural characteristics of the group.

With the rapid digitalization brought about by technological developments in banking processes, criminal organizations have also increased the use of technology and started to turn to more complex tools in order to use banks to finance their illegal activities.

Along with its investments in innovations and new products in financial services, the Bank has developed preventive control mechanisms to ensure that the products and services it offers are not used as an instrument for illegal activities, and are structured in such a way that situations which cannot be prevented through preventive controls are detected in a timely manner, with the Bank able to take quick action in the fight against the proceeds from crime with proactive measures.

In addition to the knowledge and analytical skills of the specialized personnel in the Bank, regarding the better definition of potential risks in the field of "Money Laundering, Financing of Terrorism and Proliferation of Weapons of Mass Destruction", and effective management and control of risks, projects are put in place which are focused on creating a system which focuses on the use of digital solutions based on artificial intelligence and machine learning, effectively responding to the needs of combating money laundering and the financing of terrorism.

In this context, the Bank will continue to focus on developing technology-based and innovative processes in the upcoming period, as well as investing in this area in order to ensure that the measures and obligations in place to combat money laundering and the financing of terrorism are more effective and faster.

Work carried out to adapt the Bank's customer acquisition process to the current conjuncture and keep the risks presented by this process to a minimum, along process developments to protect the Bank from possible compliance and risks of money laundering and terrorist financing in remote identification of real persons, which is the crucial part of the process, were completed successfully.

GRI 2-27, 3-3, 205-1, 205-2

In order to effectively combat "Money Laundering, Financing of Terrorism and Proliferation of Weapons of Mass Destruction" by all domestic and international financial institutions operating within the Ziraat Finance Group, an effective risk-based approach is followed, the risks subject to combat are identified, classified, and effective and proportional controls are established based on the identified risks.

New typologies developed by crime and terror groups in all countries and areas of operation are closely monitored, trend analyzes are made, and resource planning is made in accordance with the risk-based approach model. In this context, projects aimed at the more efficient use of technological opportunities are rapidly implemented besides the increase in human resources. In this field, studies are carried out to provide efficiency and speed with machine learning structures.

In this context, necessary measures in the form of written policies and procedures, which are created by the Group and updated with the changes in the regulations and in these matters, are taken in order to prevent the use of the products and services provided by the Bank and the Ziraat Finance Group with the purpose of money laundering, terrorism and the proliferation of weapons of mass destruction, and controls are carried out in a way that the Bank does not expose to any operational, reputational risks and sanctions in these matters.

Checks have been put in place to eliminate the risk of sanctions by preventing the bank from entering into business relations with individuals and organizations which are included in the programs of sanctions followed by the Bank, while also ensuring that the bank does not provide any services for sanctioned activities and halting any banking service which violates the sanctions.

The regulation drafted in the compliance program regulation has enabled the sharing of information within the Ziraat Finance Group with rules introduced on how this sharing can be carried out. In this context, a system supported by the Bank's technological infrastructure was developed in order to ensure information sharing within the Ziraat Finance Group, with the group's information sharing policy established and necessary measures taken regarding the secure sharing of information within the Group.

In addition to the domestic subsidiaries within the Ziraat Finance Group, the Bank is in regular contact with foreign branches and subsidiaries within the framework of the coordinated strategy regarding compliance activities. Remote or on-site support is provided to the relevant branches or affiliates.

The necessary systemic structures are being adapted to carry out compliance checks at the Bank's subsidiaries, ZiraatPay and Ziraat Dinamik Banka, which are currently in the process of establishment.

In-house training continues to be provided in order to develop common standards on "Prevention of Laundering Proceeds of Crime and Financing of Terrorism and Weapons of Mass Destruction", to create common processes, to exchange information in line with the common policy goal and to increase the level of consciousness and awareness among all personnel.

The Bank strengthens its checks by taking into account existing laws and regulations regarding the timely detection, minimization and prevention of compliance risks within the Group.

With their expert staff and analytical infrastructure, Ziraat Bank's compliance units, both as the main financial institution and the financial institutions operating within the Ziraat Finance Group continued to closely follow new trends and best practices in the field of SGA/TFP, as in past years. They will continue their activities with a risk-based approach aimed at maximizing efficiency and effectiveness by achieving the maximum use of technological opportunities.

GRI 2-27, 3-3, 205-1, 205-2

RELATED PARTY TRANSACTIONS

In accordance with article 49 of the Banking Law no 5411 and because the Bank's capital belongs entirely to the Turkey Wealth Fund, the risk group of which Ziraat Bank is a member consists of itself and the companies over which it exercises control over, either directly or indirectly.

Relations between the Bank and the members of the risk group in which it controls a stake consist of banking transactions conducted in compliance with the Banking Law within the framework of normal bank-customer relationships carried out at arm's length, and consist primarily of borrowing and lending and of accepting and extending deposits.

Details of the amounts of the transactions that Ziraat Bank engaged in with members of its own risk group in 2023 and their reasons are presented in Footnote VII of section five of the year-end financial report that is included in this integrated annual report.

ZIRAAT BANK'S FINANCIAL STANDING, PROFITABILITY AND SOLVENCY

Ziraat Bank defines its targets as consistent growth, credit-weighted balance sheet structure, sustainable profitability, and productivity. In 2023 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 was 17.2%.

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 and responsible and sustainable banking approach.

The Bank's total cash loans increased by 56% to TL 1.972 trillion at the end of 2023, and its share in assets was 52%. The share of securities portfolio in assets is approximately 26%. 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 1.2% in 2023. The Bank's consistent ability to maintain an NPL ratio below the sectoral 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 saving and of having recourse to broadly-based sources, total deposits reached TL 2,935 trillion. Ziraat Bank maintained its sector leadership in deposits in 2023 as well as in loans. Deposits and non-deposit sources account for 77% and 10% shares respectively of total liabilities.

The Bank strengthened its funding structure with new collaborations in 2023, within the framework of a management approach focused on ensuring resource diversity and depth, and continued to use alternative sources such as bilateral loans from correspondent banks and post financing, in addition to the syndicated loan and DPR program.

Attaching importance to having a financially strong equity structure, Ziraat Bank's shareholders' equity increased by 64% in 2023, reaching TL 331 billion.

The Bank's most important income item in 2023 was interest income, which amounted to TL 427 billion. The share of interest received from loans in total interest income was 62% as a result of the credit activities carried out during the year. Net fee commission income-another important income item-was increased in 2023 and the incomes were diversified.

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RATIOS

(%)		
CAPITAL	**2022**	**2023**
Capital Adequacy Ratio	16.5	17.15
Shareholders' Equity/Total Assets	8.8	8.7
Shareholders' Equity/(Total Assets+Non-cash Loans)	7.4	7.2
Shareholders' Equity/(Deposits+Non-Deposit Sources)	10.2	10.0
ASSET QUALITY	**2022**	**2023**
Cash Loans/Total Assets	54.8	51.9
NPL (Gross)/Cash Loans	1.1	1.2
NPL (Gross)/(Non-Cash Loans+Cash Loans)	0.8	0.8
Loans/Deposits	72.8	67.2
FC Assets/FC Liabilities	97.0	90.4
LIQUIDITY	**2022**	**2023**
Liquid Assets/Total Assets	16.9	19.2
Liquid Assets/(Deposits+Non-Deposit Sources)	19.6	22.1
PROFITABILITY	**2022**	**2023**
Net Profit/Average Total Assets	2.3	3.0
Net Profit/Average Shareholders' Equity	26.4	34.5
Interest Income/Interest Expenses	222.5	143.5

SUMMARY FINANCIAL INFORMATION FOR THE 5-YEAR PERIOD

(TL million)	2019	2020	2021	2022	2023
ASSETS					
Cash and Cash Equivalents	57,389	91,038	222,061	391,244	731,312
Securities Portfolio	130,335	225,621	341,401	588,320	981,219
Loans*	447,983	600,660	778,404	1,266,351	1,971,572
Associates, Subsidiaries, Jointly Controlled Partnerships	7,602	14,326	20,988	43,205	62,499
Fixed Assets	5,479	6,748	6,655	16,223	19,969
Other Assets	968	4,208	1,381	6,322	33,815
Total	**649,756**	**942,601**	**1,370,890**	**2,311,665**	**3,800,385**
LIABILITIES					
Deposits	447,251	629,874	948,687	1,739,269	2,935,323
Money Markets	49,275	116,401	176,699	85,063	83,337
Loans Borrowed	34,528	36,950	59,317	110,206	200,215
Marketable Securities Issued	13,106	14,355	26,162	27,768	47,188
Provisions	3,819	7,059	9,060	48,739	35,101
Subordinated Debt	9,566	13,048	21,428	28,949	46,621
Other Liabilities	22,146	31,636	32,437	69,191	121,352
Shareholders' Equity	70,065	93,278	97,100	202,480	331,249
Total	**649,756**	**942,601**	**1,370,890**	**2,311,665**	**3,800,385**
STATEMENT OF PROFIT OR LOSS	**2019**	**2020**	**2021**	**2022**	**2023**
Interest Income	65,602	69,476	101,998	220,630	427,255
Interest Expense	40,290	34,862	62,230	99,147	297,658
Net Interest Income	25,312	34,615	39,768	121,483	129,597
Fees and Commissions Income (Net)	3,590	3,093	5,451	13,124	31,451
Dividend Income	1,060	1,119	138	268	526
Trading Profit/Loss (Net)	-7,817	-7,743	-11,044	1,915	18,796
Other Operating Income	1,614	5,182	4,444	7,736	33,258
Expected Loss and Other Provision Expenses	6,425	13,339	15,330	58,340	30,794
Other Operating Expenses	9,685	12,092	14,513	24,936	87,266
Pretax Profit	7,648	10,834	8,913	61,251	95,568
Tax Provision	1,461	3,009	2,622	20,158	5,716
Net Profit/Loss for the Period	**6,187**	**7,825**	**6,291**	**41,092**	**89,851**

*Excluding expected losses

GRI 201-1

CREDIT RATINGS ASSIGNED BY RATING AGENCIES

The international credit rating agency Fitch Ratings affirmed Turkey's long-term credit rating at "B" level on 8 September 2023; and revised the outlook from "Negative" to "Stable". Subsequently, the institution updated the outlook of 16 banks, including Ziraat Bank, to "Stable" on 22 September 2023. Additionally, the institution affirmed all of Ziraat Bank's ratings and updated its outlook from "Negative" to "Stable".

International credit rating agency Moody's affirmed Turkey's ratings at "B3" level on 12 January 2024, and revised the outlook from "Stable" to "Positive". Following the update of Turkey's outlook, the institution revised the outlook of 17 banks, including Ziraat Bank, from "Stable" to "Positive" on 17 January 2024.

JCR Eurasia affirmed Ziraat Bank's Long-Term International Local and Foreign Currency credit ratings and outlooks on 15 January 2024. The credit rating scores of Ziraat Bank are as follows.

Rating Agency	Category	Rating	Revision Date
Fitch Ratings	Foreign Currency Long Term IDR	B-	September 2023
	Outlook	Stable	
	Foreign Currency Short Term IDR	B	
	Local Currency Long Term IDR	B	
	Outlook	Stable	
	Local Currency Short Term IDR	B	
	National Long-Term Rating	AA (tur)	
	Outlook	Stable	
	Government Support Rating	ns	
	Viability Rating	b-	
Moody's	Outlook	Positive	January 2024
	Long-Term Bank Deposit Foreign Currency	B3	
	Short-Term Bank Deposit Foreign Currency	Not-Prime	
	Long-Term Bank Deposit Domestic Currency	B3	
	Short-Term Bank Deposit Domestic Currency	Not-Prime	
	Long-Term Bonds Foreign Currency	B3	
	Senior Unsecured (Medium-Term Note Program)	P(B3)	
	Baseline Credit Assessment	caa1	
	Adjusted Baseline Credit Assessment	caa1	
JCR Eurasia	Long-Term International Foreign Currency	BB	January 2024
	Outlook	Negative	
	Long-Term International Local Currency	BB	
	Outlook	Stable	
	Long-Term National Local Rating	AAA (tr)	
	Outlook	Stable	
	Short-Term International Foreign Currency	J1+ (tr)	
	Outlook	Stable	

AMENDMENTS MADE TO THE ARTICLES OF ASSOCIATION IN 2023

The decision to increase the bank's paid in capital to TL 84,600,000 was approved in the Extraordinary General Meeting held on 29 March 2023, and the capital increase and the related amendment made in the relevant article of the Articles of Association was registered on 30 March 2023 and announced in the Trade Registry Gazette numbered 10801 dated 30 March. The accounting for the capital increase was carried out on 30 March 2023, based on the permission obtained from the BRSA. The relevant article of the Articles of Association has been updated accordingly, as indicated below.

Former Version of Article 6:	**New Version of Article 6:**
Capital:	**Capital:**
Article 6- The Bank's capital is 34,900,000,000.- Turkish Lira, with the entire capital belonging to the Turkey Wealth Fund. The capital is divided into 34,900,000,000 registered shares, each with a nominal value of 1 Turkish Lira. The former capital of 13,100,000,000.- Turkish Lira has been fully paid. The capital increase of 21,800,000,000.- Turkish Liras has been committed in cash and free from collusion and has been fully paid ahead of the registration date.	Article 6- The Bank's capital is 84,600,000,000.- Turkish Lira, with the entire capital belonging to the Turkey Wealth Fund. The capital is divided into 84,600,000,000 registered shares, each with a nominal value of 1 Turkish Lira. The former capital of 34,900,000,000.- Turkish Lira has been fully paid. The capital increase of 49,700,000,000.- Turkish Liras has been committed in cash and free from collusion and has been fully paid ahead of the registration date.

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

(Convenience translation of unconsolidated financial statements and related disclosures originally issued in Turkish)

INDEPENDENT AUDITOR'S REPORT

To the General Assembly of Türkiye Cumhuriyeti Ziraat Bankası Anonim Şirketi

A. Audit of the Unconsolidated Financial Statements

1. Opinion

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

In our opinion, except for the effect of the matter on the unconsolidated financial statements described in the basis for the qualified opinion section of our report, the unconsolidated financial statements present fairly, in all material respects, the unconsolidated financial position of the Bank as at 31 December 2023, and its unconsolidated financial performance and its unconsolidated cash flows for the year then ended in accordance with the Banking Regulation and Supervision Agency ("BRSA") Accounting and Financial Reporting Legislation which includes "Regulation on Accounting Applications for Banks and Safeguarding of Documents" published in the Official Gazette no. 26333 dated 1 November 2006, and other regulations on accounting records of Banks published by Banking Regulation and Supervision Agency and circulars and interpretations published by BRSA and Turkish Financial Reporting Standards ("TFRS") for those matters not regulated by the aforementioned regulations.

2. Basis for Qualified Opinion

As explained in Section Five Part II. 9.3 of Explanations and Notes to the Unconsolidated Financial Statements; the accompanying unconsolidated financial statements as at 31 December 2023 include a free provision amounting to TL 17.300.000 thousand which consist of TL 28.300.000 thousand provided in prior periods and TL 11.000.000 thousand reversed in the current year by the Bank management which is not within the requirements of BRSA Accounting and Financial Reporting Legislation.

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

3. Key Audit Matters

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

Key Audit Matters	*How the key audit matter was addressed in the audit*
Expected credit losses for loans The Bank has total expected credit losses for loans amounting to TL 1.971.571.705 thousand in respect to total loans amounting to TL 67.953.054 thousand which represent a significant portion of the Bank's total assets in its unconsolidated financial statements as at 31 December 2023. Explanations and notes related to expected credit losses provisions for loans are presented Section Three VII, Section Three VIII, Section Four II, Section Four VIII-3, Section Five I.7 and Section Five II-9 in the accompanying unconsolidated financial statements as at 31 December 2023. The Bank recognizes provision for impairment in accordance with "TFRS 9 Financial Instruments" ("TFRS 9") requirements effective in line with the "Regulation on the Procedures and Principles for Classification of Loans and Provisions to be Provided" as published in the Official Gazette dated 22 June 2016 numbered 29750. The Bank exercises significant decisions using subjective judgement, interpretation and assumptions over when and how much to record as loan impairment. To determine expected credit losses the Bank determines stage classification of loans by identifying significant increase in credit risk with quantitative and qualitative assessments and identification of default events. The Bank uses models based on complex data, derived from more than one system to determine significant increase in credit risk and calculate the expected loan loss provision. These models contain judgement and estimations in regard to forward looking estimations, scenarios of macro-economic conditions and weighing of scenarios based on expert opinion. Information used in the individually or collectively assessment of expected credit loss such as historical loss experiences, current conditions and macroeconomic expectations should be supportable and appropriate. Our audit was focused on this area due to existence of complex estimates and information used in the impairment assessment such as macro-economic expectations, current conditions, historical loss experiences; the significance of the loan balances; the classification of loans as per their credit risk (staging) and the importance of determination of the associated expected credit loss. Timely and correct identification of default event and significant increase in credit risk and level of judgements and estimations made by the management have significant impacts on the amount of impairment provisions for loans. Therefore, this area is considered as key audit matter.	With respect to stage classification of loans and calculation of expected credit losses, we have assessed policy, procedure and management principles of the Bank within the scope of our audit. We tested the design and the operating effectiveness of relevant systems and processes implemented in accordance with these principles. For important loan portfolios, we checked appropriateness of matters considered in methodology applied by the Bank with TFRS 9 for calculation of the provision amount through stage classification of loans. For forward looking assumptions made by the Bank's management in its expected credit losses calculations, we held discussions with management and evaluated the assumptions using publicly available information. Regarding expected credit losses methodology; we have assessed and tested model segmentation, lifetime probability of default model, exposure at default model, loss given default model and the approaches to reflecting reasonable and supportable forward looking expectations with our financial risk experts. Together with our financial risk experts, we evaluated and tested reasonableness of the changes in the expected credit loss allowance methodology made within the year and the performance of the impairment models used and the results of validation studies. We have checked Probability of Default (PD) models used in determination of lifetime PD calculations and the inclusion of current and future information in the models for various credit portfolios with our financial risk experts by reperforming on a sample selection basis. We tested sample basis the accuracy of the Exposure at Default (EAD) calculation by checking the prepayments and repayments and arithmetic calculations taken into account in the cash flows. We tested the Loss Given Default (LGD) calculation methodology used by the Bank in the expected credit loss calculation. For a selected sample, we checked expected credit losses determined based on individual assessment per Bank's policy by means of supporting data, and evaluated appropriateness via communications with management. We checked key data sources for data used in expected credit losses calculations. We tested reliability and completeness of the data used in expected credit losses calculations with our information systems specialists. We checked accuracy of resultant expected credit losses calculations. To assess appropriateness of the Bank's determination of staging for credit risk, identification of impairment and timely and appropriate provisioning for impairment we have performed loan review procedures based on a selected sample. We evaluated the adequacy of the disclosures made in the unconsolidated financial statements regarding the provision for impairment of loans.

INDEPENDENT AUDITOR'S REPORT

Key Audit Matters	*How the key audit matter was addressed in the audit*
Pension funds Explanations on Valuation of T.C. Ziraat Bankası and T. Halk Bankası Members Pension and Relief Fund ("TZHEMSAN") Foundation are presented in the Section Three XVI in the accompanying unconsolidated financial statements as at 31 December 2023. TZHEMSAN foundation ("Fund") is established in accordance with the Social Security Law numbered 506 article No 20 and is within the scope of Funds whose members' rights to be transferred to the Social Security Institution (SSI). The President of the Republic is authorized to determine the transfer date. The total obligation of the fund is estimated using separate methods and assumptions for benefits to be transferred and for non-transferrable benefits. The valuations of the pension obligations require significant judgement and technical expertise in choosing appropriate assumptions. Calculation of Fund liabilities include estimates and uncertain assumptions such as transferrable social benefits, discount rates, salary increases, economic and demographic assumptions. The Bank's management uses external actuaries for the purpose of valuations of Fund obligations. During our audit, above mentioned fundamental assumption and estimates used in calculations of Fund obligations, uncertainty of the transfer date, technical interest rate determined in accordance with the law regulating the transfer conditions and significant impact from differentiation of these assumptions were taken into consideration, and this area is considered as key audit matter.	Within our audit we tested on a sample basis the accuracy of the retired and employee data supplied by the Bank management to the external actuary firm for the purpose of evaluation of Fund obligations. In addition, we verified the existence and values of the Fund assets. We examined whether significant changes in actuarial assumptions used in calculation, employee benefits in the period, plan assets and liabilities, and regulations related to valuations exist, and controlled significant changes. Through use of our actuarial specialist, we assessed the reasonableness of assumptions and evaluation made by the external actuaries in the calculation of the liability. In addition to the above procedures, we checked the disclosures made with respect to Fund obligations in the unconsolidated financial statements.

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement in the unconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Assess the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the unconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our independent auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the unconsolidated financial statements, including the disclosures, and whether the unconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

INDEPENDENT AUDITOR'S REPORT

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

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

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

B. Other Responsibilities Arising From Regulatory Requirements

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

Additional Paragraph for Convenience Translation

BRSA Accounting and Financial Reporting Legislation explained in detail in Section Three differ from International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board including the application of IAS 29 - Financial Reporting in Hyperinflationary Economies as of
31 December 2023. Accordingly, the accompanying unconsolidated financial statements are not intended to present fairly the unconsolidated financial position, results of operations, changes in equity and cash flows of the Bank in accordance with IFRS.

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

Didem Demer Kaya, SMMM
Independent Auditor

Istanbul, 16 February 2024

THE UNCONSOLIDATED FINANCIAL REPORT OF TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş. AS OF 31 DECEMBER 2023

The Bank's Headquarter Address: Finanskent Mahallesi Finans Caddesi
No: 44/A Ümraniye/İSTANBUL
Phone: (216) 590 20 00
Facsimile: (312) 584 25 51
Website: www.ziraatbank.com.tr

The unconsolidated financial report for the year ended prepared in accordance with the "Communiqué on the Financial Statements and Related Policies and Disclosures to be Publicly Announced" as regulated by the Banking Regulation and Supervision Agency, is consist of the section listed below.

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

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

Burhaneddin TANYERİ Chairman of the Board	Alpaslan ÇAKAR Member of the Board, CEO	Fazlı KILIÇ Member of the Board, Member of the Audit Committee
Dr. İsmail İlhan HATİPOĞLU Member of the Board, Member of the Audit Committee	Süleyman YALÇIN Executive Vice President for Financial Coordination	Rehber BİRKAN Senior Vice President of Financial Coordination and Reporting

For the questions regarding this financial report, contact details of the personnel in charge are presented below:

Name/Title	:	Menşure BEŞKAYA/Financial Statements Manager
Telephone Number	:	0216 590 59 24

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TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

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

SECTION ONE

GENERAL INFORMATION ABOUT THE BANK

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

The foundation of Türkiye Cumhuriyeti Ziraat Bankası A.Ş. ("Ziraat Bankası" or "the Bank") is based on Government Funds established in 1863. In 1883, Government Funds were replaced with Benefit Funds. The Bank was officially established by the re-organization of the Benefit Funds in 1888, to grant loans to farmers, to accept interest-bearing deposits and to act as a moneylender and an intermediary for agricultural operations. All shares of the Bank, which was given the authority to perform all the banking activities, belonged to the Republic of Türkiye Prime Ministry Undersecretariat of Treasury ("Treasury") transferred to the Türkiye Wealth Fund with the decision of the Council of Ministers numbered 2017/9756 dated 24 January 2017. The Bank's head office is located in İstanbul.

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

The total share capital of the Bank is TL 84.600.000. This capital is divided into 84.600.000.000 registered share with a nominal value of TL 1 each and is fully paid. The Bank's sole and controlling shareholder is the Türkiye Wealth Fund.

The decision to increase the capital to TL 84.600.000 was approved at the Extraordinary General Assembly meeting of the Bank held on 29 March 2023, and the capital increase and the related amendment made in the relevant article of the Articles of Association were registered on 30 March 2023. It was announced in the Trade Registry Gazette dated 30 March 2023 and numbered 10801. The accounting for the mentioned capital increase was carried out on 30 March 2023, based on the permission obtained from the BRSA.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

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

III. INFORMATION ON THE BOARD OF DIRECTORS, MEMBERS OF THE AUDIT COMMITTEE, CEO AND EXECUTIVE VICE PRESIDENTS, CHANGES IN THESE MATTERS (IF ANY) AND SHARES OF THE BANK THEY POSSESS

Name	Administrative Function
Members of the Board of Directors	
Burhaneddin TANYERİ	Chairman
Alpaslan ÇAKAR	CEO and Member
Veysi KAYNAK	Vice Chairman and Member
Dr. İsmail İlhan HATİPOĞLU(*)	Member
Fatih AYDOĞAN(*)	Member
Fazlı KILIÇ	Member
Feyzi ÇUTUR	Member
Serdar KILIÇ(*)	Member
Serruh KALELİ	Member
Audit Committee Members	
Dr. İsmail İlhan HATİPOĞLU(*)	Member
Fazlı KILIÇ	Member
Executive Vice Presidents	
Ahmet ACAR	Credit Risk Monitoring and Liquidation
Cüneyt SAĞLIK	Digital Banking and Payment Systems
Emrah GÜNDÜZ	Banking Operations and Corporate Communications
Ferhat PİŞMAF	Corporate Banking
Hüseyin ÖZUYSAL	Human Resources
Mehmet Şükrü TAŞCI	Credit Allocation and Management
Süleyman YALÇIN	Financial Coordination
Yasin ÖZTÜRK	Treasury Management
Yüksel CESUR	Retail Banking

(*) They were appointed at the Bank's Ordinary General Assembly meeting held on 2 August 2023 and started their duties as of 8 August 2023. Deputy General Manager Recep TÜRK resigned on 11 August 2023 and resigned from his position.

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

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

Name/Trade Name	Amount of Share	Percentage of Share (%)	Paid-in Shares	Unpaid Shares
Türkiye Wealth Fund	84.600.000	100	84.600.000	-

The Bank's sole shareholder is the Türkiye Wealth Fund.

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

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

V. SUMMARY INFORMATION ON THE BANK'S ACTIVITIES AND SERVICES

The purpose of activity of the Bank is stated in articles of association as to perform all kinds of banking activities including acceptance of deposits. For this purpose, the Bank can perform all sorts of operations, without prejudice to the provisions of the banking regulations and other legislations, such as launching all kinds of cash and non-cash loans in terms of Turkish Lira and foreign currencies, acting as an intermediary in trade and issue of the financial instruments that are used in local and international markets, performing investment banking transactions, forwards dealing in domestic and foreign futures markets, providing funds from interbank money market, domestic and foreign markets, making all kinds of capital market transactions, acting as an intermediary in export and import transactions, acting as an agency for insurance and other financial institutions, participating in all sort of partnership that is founded by domestic or foreign banks or participated by them within the terms of the related legislation or establishing new partnerships for this purpose, performing all kinds of transactions, such as; acquiring limited real and personal claims like all kinds of movable and immovable goods, industrial and intellectual properties, right of usufruct, easement, superficies and disposing and transferring acquired properties and rights, placing pledge and mortgage on those properties and rights, releasing pledged and mortgaged items and declaring leasing agreements and sale commitments to the registry office.

As of 31 December 2023, the Bank carries its activities with a grand total of 1.744 branches;
(31 December 2022: 1.733 domestic branches) and branches abroad which are London branch in England, Baghdad and Arbil branches in Iraq, Athens, Komotini, and Xanthi branches in Greece, Sofia, Plovdiv, Kardzhali, Varna and Burgas branches in Bulgaria, Jeddah branch in Saudi Arabia, Prishtina, Prizren, Peja and Ferizaj branches in Kosovo, Bahrain branch in Bahrain, Lefkoşa, Girne, Güzelyurt, Gazimağusa, Gönyeli, Taşkınköy, Karaoğlanoğlu and İskele branches in Turkish Republic of Northern Cyprus, It operates with a total of 25 branches and a total of 1.769 branches. (31 December 2022: 1.758). As of 31 December 2023, the Bank's number of domestic employees are 25.810, number of abroad employees are 94 (31 December 2022: Number of domestic employees are 24.388, Number of abroad employees are 96).

VI. DIFFERENCES BETWEEN THE COMMUNIQUE ON PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS OF BANKS AND TURKISH ACCOUNTING STANDARDS AND SHORT EXPLANATION ABOUT THE ENTITIES SUBJECT TO FULL CONSOLIDATION OR PROPORTIONAL CONSOLIDATION AND ENTITIES WHICH ARE DEDUCTED FROM EQUITY OR ENTITIES WHICH ARE NOT INCLUDED IN THESE THREE METHODS

According to "Communiqué regarding the Preparation of the Consolidated Financial Statements" and "Turkish Accounting Standards", Arap Türk Bankası A.Ş. and Birleşim Varlık Yönetim A.Ş., one of the associates of the Bank, and Turkmen Turkish Joint Stock Commercial Bank, jointly controlled partnership of the Bank, are accounted by using equity method in the consolidated financial statements of the Bank.

As Ziraat Teknoloji A.Ş. is non-financial subsidiaries of the Bank, is not consolidated in the consolidated financial statements of the Bank in accordance with "Communiqué of the Preparation Consolidated Financial Statements". Bileşim Finansal Teknolojiler ve Ödeme Sistemleri A.Ş. is non-financial associates of the Bank is not consolidated in the consolidated financial statements. Central Oto Kiralama A.Ş., ZG Tarım Piyasaları A.Ş., which are subsidiaries of Ziraat Girişim Sermayesi Yatırım Ortaklığı A.Ş. and its subsidiaries, ZY Elektrikli Traktör San. ve Tic. A.Ş. and MESA İmalat Sanayi ve Ticaret A.Ş. as they are not financial institutions, they are not consolidated. All other associates and subsidiaries are fully consolidated.

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

None.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

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

SECTION TWO

Unconsolidated Financial Statements

I. Balance Sheet (Statement of Financial Position) - Assets
II. Balance Sheet (Statement of Financial Position) - Liabilities
III. Statement of Off-Balance Sheet Commitments
IV. Statement of Profit or Loss
V. Statement of Profit or Loss and Other Comprehensive Income
VI. Statement of Changes in Shareholders' Equity
VII. Statement of Cash Flows
VIII. Statement of Profit Distribution

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

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

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

I- BALANCE SHEET (STATEMENT OF FINANCIAL POSITION) ASSETS		Note (Section Five I)	Current Period 31 December 2023			Prior Period 31 December 2022		
			TL	FC	Total	TL	FC	Total
I.	**FINANCIAL ASSETS (Net)**		**574.505.964**	**823.099.933**	**1.397.605.897**	**236.867.343**	**592.221.704**	**829.089.047**
1.1	**Cash and Cash Equivalents**		**301.207.121**	**430.105.001**	**731.312.122**	**34.126.115**	**357.118.201**	**391.244.316**
1.1.1	Cash and Balances with Central Bank	(1)	146.965.722	394.394.600	541.360.322	28.245.022	346.153.321	374.398.343
1.1.2	Banks	(4)	3.473.695	35.588.524	39.062.219	505.686	10.965.746	11.471.432
1.1.3	Money Markets Receivables		150.782.502	128.907	150.911.409	5.380.282	-	5.380.282
1.1.4	Expected Loss Provision (-)		14.798	7.030	21.828	4.875	866	5.741
1.2	**Financial Assets at Fair Value Through Profit or Loss**	**(2)**	**9.650.261**	**56.734.186**	**66.384.447**	**4.302.137**	**28.992.742**	**33.294.879**
1.2.1	Government Debt Securities		356.039	54.185.853	54.541.892	198.276	27.692.529	27.890.805
1.2.2	Equity Instruments		-	-	-	-	-	-
1.2.3	Other Financial Assets		9.294.222	2.548.333	11.842.555	4.103.861	1.300.213	5.404.074
1.3	**Financial Assets at Fair Value Through Other Comprehensive Income**	**(5),(6)**	**258.662.235**	**330.713.089**	**589.375.324**	**195.185.687**	**200.487.478**	**395.673.165**
1.3.1	Government Debt Securities		256.302.662	329.181.650	585.484.312	193.770.230	199.565.626	393.335.856
1.3.2	Equity Instruments		2.359.573	123.873	2.483.446	885.974	41.654	927.628
1.3.3	Other Financial Assets		-	1.407.566	1.407.566	529.483	880.198	1.409.681
1.4	**Derivative Financial Assets**	**(3)**	**4.986.347**	**5.547.657**	**10.534.004**	**3.253.404**	**5.623.283**	**8.876.687**
1.4.1	Derivative Financial Assets at Fair Value Through Profit or Loss		4.986.347	5.547.657	10.534.004	3.253.404	5.623.283	8.876.687
1.4.2	Derivative Financial Assets at Fair Value Through Other Comprehensive Income		-	-	-	-	-	-
II.	**FINANCIAL ASSETS MEASURED AT AMORTISED COST (Net)**		**1.626.456.316**	**602.577.095**	**2.229.033.411**	**983.847.530**	**393.877.661**	**1.377.725.191**
2.1	**Loans**	**(7)**	**1.409.482.677**	**562.089.028**	**1.971.571.705**	**916.747.756**	**349.603.094**	**1.266.350.850**
2.2	**Lease Receivables**	**(12)**	**-**	**-**	**-**	**-**	**-**	**-**
2.3	**Factoring Receivables**		**-**	**-**	**-**	**-**	**-**	**-**
2.4	**Other Financial Assets Measured at Amortized Cost**	**(8)**	**252.717.832**	**72.741.102**	**325.458.934**	**114.911.984**	**44.439.493**	**159.351.477**
2.4.1	Government Debt Securities		249.567.680	71.769.027	321.336.707	111.764.300	43.408.245	155.172.545
2.4.2	Other Financial Assets		3.150.152	972.075	4.122.227	3.147.684	1.031.248	4.178.932
2.5	**Expected Credit Loss (-)**		**35.744.193**	**32.253.035**	**67.997.228**	**47.812.210**	**164.926**	**47.977.136**
III.	**NON-CURRENT ASSETS OR DISPOSAL GROUPS "HELD FOR SALE" AND "HELD FROM DISCOUNTINUED OPERATIONS" (Net)**	**(15)**	**5.784.694**	**-**	**5.784.694**	**6.853.866**	**-**	**6.853.866**
3.1	Held for Sale Purpose		5.784.694	-	5.784.694	6.853.866	-	6.853.866
3.2	Held from Discontinued Operations		-	-	-	-	-	-
IV.	**EQUITY INVESTMENTS**		**48.759.389**	**13.739.415**	**62.498.804**	**35.291.161**	**7.913.605**	**43.204.766**
4.1	**Investments in Associates (Net)**	**(9)**	**336.152**	**-**	**336.152**	**216.867**	**-**	**216.867**
4.1.1	Associates Valued Based on Equity Method		-	-	-	-	-	-
4.1.2	Unconsolidated Associates		336.152	-	336.152	216.867	-	216.867
4.2	**Subsidiaries (Net)**	**(10)**	**48.423.237**	**13.205.120**	**61.628.357**	**35.074.294**	**7.006.700**	**42.080.994**
4.2.1	Unconsolidated Financial Subsidiaries		48.144.532	13.205.120	61.349.652	34.939.335	7.006.700	41.946.035
4.2.2	Unconsolidated Non-Financial Subsidiaries		278.705	-	278.705	134.959	-	134.959
4.3	**Entities under Common Control (Joint Ventures) (Net)**	**(11)**	**-**	**534.295**	**534.295**	**-**	**906.905**	**906.905**
4.3.1	Joint Ventures Valued Based on Equity Method		-	-	-	-	-	-
4.3.2	Unconsolidated Joint Ventures		-	534.295	534.295	-	906.905	906.905
V.	**PROPERTY AND EQUIPMENT (Net)**	**(16)**	**19.790.801**	**177.990**	**19.968.791**	**16.137.593**	**85.466**	**16.223.059**
VI.	**INTANGIBLE ASSETS (Net)**	**(19)**	**3.642.139**	**63.126**	**3.705.265**	**2.229.670**	**42.931**	**2.272.601**
6.1	Goodwill		-	-	-	-	-	-
6.2	Other		3.642.139	63.126	3.705.265	2.229.670	42.931	2.272.601
VII.	**INVESTMENT PROPERTY (Net)**	**(14)**	**-**	**-**	**-**	**-**	**-**	**-**
VIII.	**CURRENT TAX ASSET**		**36.428**	**-**	**36.428**	**-**	**-**	**-**
IX.	**DEFERRED TAX ASSET**	**(20)**	**30.980.950**	**-**	**30.980.950**	**-**	**-**	**-**
X.	**OTHER ASSETS (Net)**	**(22)**	**44.704.723**	**6.066.039**	**50.770.762**	**31.548.535**	**4.747.959**	**36.296.494**
	TOTAL ASSETS		**2.354.661.404**	**1.445.723.598**	**3.800.385.002**	**1.312.775.698**	**998.889.326**	**2.311.665.024**

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

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

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

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

II- BALANCE SHEET (STATEMENT OF FINANCIAL POSITION) LIABILITIES		Note (Section Five II)	Current Period 31 December 2023			Prior Period 31 December 2022		
			TL	FC	Total	TL	FC	Total
I.	**DEPOSITS**	**(1)**	**1.726.707.110**	**1.208.615.971**	**2.935.323.081**	**917.910.341**	**821.358.519**	**1.739.268.860**
II.	**FUNDS BORROWED**	**(3)**	**481.356**	**199.733.799**	**200.215.155**	**10.407.287**	**99.798.785**	**110.206.072**
III.	**MONEY MARKETS BORROWINGS**	**(4)**	**5.033.638**	**78.303.138**	**83.336.776**	**21.024.860**	**64.037.829**	**85.062.689**
IV.	**SECURITIES ISSUED (Net)**	**(5)**	**995.040**	**46.192.885**	**47.187.925**	**1.010.690**	**26.757.289**	**27.767.979**
4.1	Bills		995.040	7.518.533	8.513.573	-	644.547	644.547
4.2	Asset Backed Securities		-	-	-	-	-	-
4.3	Bonds		-	38.674.352	38.674.352	1.010.690	26.112.742	27.123.432
V.	**FUNDS**		**24.055**	**-**	**24.055**	**34.703**	**-**	**34.703**
5.1	Borrower Funds		-	-	-	-	-	-
5.2	Other		24.055	-	24.055	34.703	-	34.703
VI.	**FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS**		**-**	**-**	**-**	**-**	**-**	**-**
VII.	**DERIVATIVE FINANCIAL LIABILITIES**	**(2)**	**784.425**	**2.851.732**	**3.636.157**	**230.714**	**2.925.405**	**3.156.119**
7.1	Derivative Financial Liabilities at Fair Value Through Profit or Loss		784.425	2.851.732	3.636.157	230.714	2.925.405	3.156.119
7.2	Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income		-	-	-	-	-	-
VIII.	**FACTORING LIABILITIES**		**-**	**-**	**-**	**-**	**-**	**-**
IX.	**LEASE LIABILITIES (Net)**	**(7)**	**3.775.749**	**75.286**	**3.851.035**	**1.367.826**	**40.791**	**1.408.617**
X.	**PROVISIONS**	**(9)**	**31.454.847**	**3.645.848**	**35.100.695**	**48.706.257**	**32.511**	**48.738.768**
10.1	Restructuring Provisions		-	-	-	-	-	-
10.2	Reserve for Employee Benefits		5.936.835	-	5.936.835	6.744.741	-	6.744.741
10.3	Insurance Technical Provisions (Net)		-	-	-	-	-	-
10.4	Other Provisions		25.518.012	3.645.848	29.163.860	41.961.516	32.511	41.994.027
XI.	**CURRENT TAX LIABILITY**	**(10)**	**10.733.223**	**49.494**	**10.782.717**	**7.769.264**	**29.300**	**7.798.564**
XII.	**DEFERRED TAX LIABILITY**	**(10)**	**-**	**-**	**-**	**279.092**	**-**	**279.092**
XIII.	**LIABILITIES RELATED TO NON-CURRENT ASSETS "HELD FOR SALE" AND "HELD FROM DISCONTINUED OPERATIONS" (Net)**	**(11)**	**-**	**-**	**-**	-	-	-
13.1	Held for Sale Purpose		-	-	-	-	-	-
13.2	Held from Discontinued Operations		-	-	-	-	-	-
XIV.	**SUBORDINATED DEBT INSTRUMENTS**	**(12)**	**-**	**46.620.531**	**46.620.531**	**-**	**28.949.062**	**28.949.062**
14.1	Loans		-	-	-	-	-	-
14.2	Other Debt Instruments		-	46.620.531	46.620.531	-	28.949.062	28.949.062
XV.	**OTHER LIABILITIES**	**(6)**	**68.996.984**	**34.061.208**	**103.058.192**	**45.004.077**	**11.510.559**	**56.514.636**
XVI.	**SHAREHOLDERS' EQUITY**	**(13)**	**352.011.975**	**(20.763.292)**	**331.248.683**	**227.943.969**	**(25.464.106)**	**202.479.863**
16.1	Paid-in capital		84.600.000	-	84.600.000	34.900.000	-	34.900.000
16.2	Capital Reserves		-	-	-	-	-	-
16.2.1	Share Premium		-	-	-	-	-	-
16.2.2	Share Cancellation Profits		-	-	-	-	-	-
16.2.3	Other Capital Reserves		-	-	-	-	-	-
16.3	Accumulated Other Comprehensive Income or Expense Not Reclassified Through Profit or Loss		55.669.726	(7.985.220)	47.684.506	40.631.246	(5.661.848)	34.969.398
16.4	Accumulated Other Comprehensive Income or Expense Reclassified Through Profit or Loss		5.862.515	(12.778.072)	(6.915.557)	37.318.737	(19.802.258)	17.516.479
16.5	Profit Reserves		115.054.225	-	115.054.225	73.956.519	-	73.956.519
16.5.1	Legal Reserves		7.835.469	-	7.835.469	5.779.782	-	5.779.782
16.5.2	Status Reserves		-	-	-	-	-	-
16.5.3	Extraordinary Reserves		107.218.756	-	107.218.756	68.176.737	-	68.176.737
16.5.4	Other Profit Reserves		-	-	-	-	-	-
16.6	Profit or (Loss)		90.825.509	-	90.825.509	41.137.467	-	41.137.467
16.6.1	Prior Periods' Profit or (Loss)		974.029	-	974.029	45.090	-	45.090
16.6.2	Current Period Profit or (Loss)		89.851.480	-	89.851.480	41.092.377	-	41.092.377
	TOTAL LIABILITIES		**2.200.998.402**	**1.599.386.600**	**3.800.385.002**	**1.281.689.080**	**1.029.975.944**	**2.311.665.024**

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

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

UNCONSOLIDATED STATEMENT OF OFF BALANCE SHEET COMMITMENTS AS OF 31 DECEMBER 2023

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

III. STATEMENT OF OFF-BALANCE SHEET COMMITMENTS		Note (Section Five III)	Current Period 31 December 2023			Prior Period 31 December 2022		
			TL	FC	Total	TL	FC	Total
A.	**OFF-BALANCE SHEET COMMITMENTS (I+II+III)**		**1.154.276.202**	**1.578.672.910**	**2.732.949.112**	**443.044.881**	**926.343.332**	**1.369.388.213**
I.	**GUARANTEES AND WARRANTIES**	**(1),(3)**	**298.846.654**	**489.506.260**	**788.352.914**	**139.416.948**	**275.237.703**	**414.654.651**
1.1	Letters of Guarantee		243.955.688	378.935.016	622.890.704	123.250.008	197.439.272	320.689.280
1.1.1	Guarantees Subject to State Tender Law		5.869.378	67.746.722	73.616.100	3.652.771	28.243.145	31.895.916
1.1.2	Guarantees Given for Foreign Trade Operations		188.621.180	261.519.608	450.140.788	97.271.017	133.916.200	231.187.217
1.1.3	Other Letters of Guarantee		49.465.130	49.668.686	99.133.816	22.326.220	35.279.927	57.606.147
1.2	Bank Acceptances		1.305.171	6.670.601	7.975.772	1.808.014	10.394.731	12.202.745
1.2.1	Import Letter of Acceptance		1.305.171	6.642.316	7.947.487	1.808.014	10.376.020	12.184.034
1.2.2	Other Bank Acceptances		-	28.285	28.285	-	18.711	18.711
1.3	Letters of Credit		635.033	103.537.960	104.172.993	1.446.907	65.974.036	67.420.943
1.3.1	Documentary Letters of Credit		635.033	103.470.983	104.106.016	1.446.907	65.931.029	67.377.936
1.3.2	Other Letters of Credit		-	66.977	66.977	-	43.007	43.007
1.4	Prefinancing Given as Guarantee		-	-	-	-	-	-
1.5	Endorsements		52.950.762	362.683	53.313.445	12.912.019	1.429.664	14.341.683
1.5.1	Endorsements to the Central Bank of Türkiye		52.950.762	362.683	53.313.445	12.912.019	1.429.664	14.341.683
1.5.2	Other Endorsements		-	-	-	-	-	-
1.6	Purchase Guarantees for Securities Issued		-	-	-	-	-	-
1.7	Factoring Guarantees		-	-	-	-	-	-
1.8	Other Guarantees		-	-	-	-	-	-
1.9	Other Collaterals		-	-	-	-	-	-
II.	**COMMITMENTS**		**588.360.976**	**70.530.220**	**658.891.196**	**198.675.812**	**27.851.451**	**226.527.263**
2.1	Irrevocable Commitments	**(1),(3)**	588.360.976	70.530.220	658.891.196	198.675.812	27.851.451	226.527.263
2.1.1	Asset Purchase and Sale Commitments		42.325.811	60.158.640	102.484.451	16.255.671	22.607.820	38.863.491
2.1.2	Deposit Purchase and Sales Commitments		-	-	-	-	-	-
2.1.3	Share Capital Commitments to Associates and Subsidiaries		-	-	-	150.000	-	150.000
2.1.4	Loan Granting Commitments		98.853.463	28.684	98.882.147	51.521.682	3.956	51.525.638
2.1.5	Securities Issue Brokerage Commitments		-	-	-	-	-	-
2.1.6	Commitments for Reserve Requirements		-	-	-	-	-	-
2.1.7	Commitments for Cheque Payments		19.215.328	-	19.215.328	10.117.968	-	10.117.968
2.1.8	Tax and Fund Liabilities from Export Commitments		-	-	-	-	-	-
2.1.9	Commitments for Credit Card Limits		390.622.074	-	390.622.074	100.861.357	-	100.861.357
2.1.10	Commitments for Credit Cards and Banking Services Promotions		258.540	-	258.540	162.372	-	162.372
2.1.11	Receivables from Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.12	Payables for Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.13	Other Irrevocable Commitments		37.085.760	10.342.896	47.428.656	19.606.762	5.239.675	24.846.437
2.2	Revocable Commitments		-	-	-	-	-	-
2.2.1	Revocable Loan Granting Commitments		-	-	-	-	-	-
2.2.2	Other Revocable Commitments		-	-	-	-	-	-
III.	**DERIVATIVE FINANCIAL INSTRUMENTS**	**(2)**	**267.068.572**	**1.018.636.430**	**1.285.705.002**	**104.952.121**	**623.254.178**	**728.206.299**
3.1	Hedging Derivative Financial Instruments		-	-	-	-	-	-
3.1.1	Transactions for Fair Value Hedge		-	-	-	-	-	-
3.1.2	Transactions for Cash Flow Hedge		-	-	-	-	-	-
3.1.3	Transactions for Foreign Net Investment Hedge		-	-	-	-	-	-
3.2	Trading Derivative Financial Instruments		267.068.572	1.018.636.430	1.285.705.002	104.952.121	623.254.178	728.206.299
3.2.1	Forward Foreign Currency Buy/Sell Transactions		17.961.135	22.566.480	40.527.615	1.079.526	1.022.713	2.102.239
3.2.1.1	Forward Foreign Currency Transactions-Buy		9.000.547	11.285.035	20.285.582	898.509	229.297	1.127.806

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

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

UNCONSOLIDATED STATEMENT OF OFF BALANCE SHEET COMMITMENTS AS OF 31 DECEMBER 2023

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

III. STATEMENT OF OFF-BALANCE SHEET COMMITMENTS		Note (Section Five III)	Current Period 31 December 2023			Prior Period 31 December 2022		
			TL	FC	Total	TL	FC	Total
3.2.1.2	Forward Foreign Currency Transactions-Sell		8.960.588	11.281.445	20.242.033	181.017	793.416	974.433
3.2.2	Swap Transactions Related to Foreign Currency and Interest Rates		249.107.437	984.800.252	1.233.907.689	100.584.309	610.138.769	710.723.078
3.2.2.1	Foreign Currency Swap-Buy		14.878.180	533.443.252	548.321.432	22.688.302	282.745.839	305.434.141
3.2.2.2	Foreign Currency Swap-Sell		234.079.257	316.478.780	550.558.037	77.616.007	222.289.742	299.905.749
3.2.2.3	Interest Rate Swap-Buy		75.000	67.439.110	67.514.110	140.000	52.551.594	52.691.594
3.2.2.4	Interest Rate Swap-Sell		75.000	67.439.110	67.514.110	140.000	52.551.594	52.691.594
3.2.3	Foreign Currency, Interest rate and Securities Options		-	11.269.698	11.269.698	2.588.463	11.531.741	14.120.204
3.2.3.1	Foreign Currency Options-Buy		-	5.634.848	5.634.848	1.205.579	5.851.074	7.056.653
3.2.3.2	Foreign Currency Options-Sell		-	5.634.850	5.634.850	1.382.884	5.680.667	7.063.551
3.2.3.3	Interest Rate Options-Buy		-	-	-	-	-	-
3.2.3.4	Interest Rate Options-Sell		-	-	-	-	-	-
3.2.3.5	Securities Options-Buy		-	-	-	-	-	-
3.2.3.6	Securities Options-Sell		-	-	-	-	-	-
3.2.4	Foreign Currency Futures		-	-	-	699.823	560.955	1.260.778
3.2.4.1	Foreign Currency Futures-Buy		-	-	-	-	560.955	560.955
3.2.4.2	Foreign Currency Futures-Sell		-	-	-	699.823	-	699.823
3.2.5	Interest Rate Futures		-	-	-	-	-	-
3.2.5.1	Interest Rate Futures-Buy		-	-	-	-	-	-
3.2.5.2	Interest Rate Futures-Sell		-	-	-	-	-	-
3.2.6	Other		-	-	-	-	-	-
B.	**CUSTODY AND PLEDGES RECEIVED (IV+V+VI)**		**5.721.370.445**	**1.696.415.799**	**7.417.786.244**	**3.379.520.046**	**847.760.601**	**4.227.280.647**
IV.	**ITEMS HELD IN CUSTODY**		**706.604.661**	**316.369.189**	**1.022.973.850**	**585.210.290**	**198.435.705**	**783.645.995**
4.1	Customer Fund and Portfolio Balances		-	-	-	-	-	-
4.2	Investment Securities Held in Custody		14.982.714	143.627.184	158.609.898	23.400.765	84.080.210	107.480.975
4.3	Cheques Received for Collection		106.859.447	3.561.549	110.420.996	54.866.609	2.720.301	57.586.910
4.4	Commercial Notes Received for Collection		61.704.022	3.450.896	65.154.918	37.245.905	2.216.300	39.462.205
4.5	Other Assets Received for Collection		8.816	-	8.816	8.816	-	8.816
4.6	Assets Received for Public Offering		356.075.512	42.469.593	398.545.105	370.354.780	4.478.652	374.833.432
4.7	Other Items Under Custody		166.972.501	123.259.967	290.232.468	99.331.766	104.940.242	204.272.008
4.8	Custodians		1.649	-	1.649	1.649	-	1.649
V.	**PLEDGES RECEIVED**		**5.012.606.866**	**1.360.048.225**	**6.372.655.091**	**2.792.249.655**	**638.206.635**	**3.430.456.290**
5.1	Marketable Securities		3.616.772	5.602.167	9.218.939	3.633.077	3.962.984	7.596.061
5.2	Guarantee Notes		57.969.400	6.986.796	64.956.196	37.835.013	4.706.254	42.541.267
5.3	Commodity		919.630	448.452	1.368.082	919.630	283.969	1.203.599
5.4	Warranty		-	-	-	-	-	-
5.5	Immovable		4.285.990.526	934.952.952	5.220.943.478	2.292.712.885	394.481.029	2.687.193.914
5.6	Other Pledged Items		664.105.329	411.951.093	1.076.056.422	457.143.841	234.704.393	691.848.234
5.7	Pledged Items-Depository		5.209	106.765	111.974	5.209	68.006	73.215
VI.	**ACCEPTED BILL, GUARANTEES AND WARRANTIES**		**2.158.918**	**19.998.385**	**22.157.303**	**2.060.101**	**11.118.261**	**13.178.362**
	TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)		**6.875.646.647**	**3.275.088.709**	**10.150.735.356**	**3.822.564.927**	**1.774.103.933**	**5.596.668.860**

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

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS AS OF 31 DECEMBER 2023

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

IV. STATEMENT OF PROFIT OR LOSS INCOME AND EXPENSE ITEMS		Note (Section Five IV)	Current Period 1 January- 31 December 2023	Prior Period 1 January- 31 December 2022
I.	**INTEREST INCOME**	**(1)**	**427.254.664**	**220.630.224**
1.1	Interest on Loans		264.246.950	121.726.287
1.2	Interest on Reserve Requirements		22.341	470.343
1.3	Interest on Banks		3.478.989	2.404.006
1.4	Interest on Money Market Transactions		2.015.617	89.958
1.5	Interest on Marketable Securities Portfolio		152.124.792	95.410.008
1.5.1	Fair Value Through Profit or Loss		991.341	655.595
1.5.2	Fair Value Through Other Comprehensive Income		92.747.555	66.921.876
1.5.3	Measured at Amortised Cost		58.385.896	27.832.537
1.6	Financial Lease Interest Income		-	-
1.7	Other Interest Income		5.365.975	529.622
II.	**INTEREST EXPENSE (-)**	**(2)**	**297.657.758**	**99.147.327**
2.1	Interest on Deposits		265.808.045	73.694.340
2.2	Interest on Funds Borrowed		10.069.199	3.172.250
2.3	Interest Expense on Money Market Transactions		11.508.128	11.753.912
2.4	Interest on Securities Issued		5.252.550	2.858.366
2.5	Interest on Leases		556.064	211.378
2.6	Other Interest Expenses		4.463.772	7.457.081
III.	**NET INTEREST INCOME/EXPENSE (I - II)**		**129.596.906**	**121.482.897**
IV.	**NET FEES AND COMMISSIONS INCOME**		**31.451.328**	**13.124.251**
4.1	Fees and Commissions Received		46.352.994	17.769.588
4.1.1	Non-cash Loans		5.128.056	2.651.271
4.1.2	Other		41.224.938	15.118.317
4.2	Fees and Commissions Paid (-)		14.901.666	4.645.337
4.2.1	Non-cash Loans		1.389	985
4.2.2	Other		14.900.277	4.644.352
V.	**DIVIDEND INCOME**	**(3)**	**525.552**	**268.092**
VI.	**TRADING PROFIT/(LOSS) (Net)**	**(4)**	**18.795.966**	**1.915.334**
6.1	Trading Gains/(Losses) on Securities		3.758.881	2.371.746
6.2	Gains/(Losses) on Derivative Financial Transactions		(19.326.230)	(8.401.013)
6.3	Foreign Exchange Gains/(Losses)		34.363.315	7.944.601
VII.	**OTHER OPERATING INCOME**	**(5)**	**33.258.005**	**7.735.953**
VIII.	**GROSS OPERATING INCOME (III+IV+V+VI+VII)**		**213.627.757**	**144.526.527**
IX.	**EXPECTED CREDIT LOSS (-)**	**(6)**	**30.669.895**	**29.545.406**
X.	**OTHER PROVISION EXPENSES (-)**	**(6)**	**124.469**	**28.794.112**
XI.	**PERSONNEL EXPENSE (-)**		**22.570.614**	**9.210.322**
XII.	**OTHER OPERATING EXPENSES (-)**	**(7)**	**64.695.009**	**15.726.148**
XIII.	**NET OPERATING PROFIT/(LOSS) (VIII-IX-X-XI-XII)**		**95.567.770**	**61.250.539**
XIV.	**EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER**		**-**	**-**
XV.	**PROFIT/LOSS FROM INVESTMENTS IN SUBSIDIARIES CONSOLIDATED BASED ON EQUITY METHOD**		**-**	**-**
XVI.	**PROFIT/(LOSS) ON NET MONETARY POSITION**		**-**	**-**
XVII.	**PROFIT/LOSS BEFORE TAX FROM CONTINUED OPERATIONS (XIII+...+XVI)**	**(9)**	**95.567.770**	**61.250.539**
XVIII	**TAX PROVISION FOR CONTINUED OPERATIONS (±)**	**(10)**	**(5.716.290)**	**(20.158.162)**
18.1	Current Tax Provision		(22.305.447)	(30.324.299)
18.2	Deferred Tax Expense Effect (+)		(3.068.452)	(4.697.178)
18.3	Deferred Tax Income Effect (-)		19.657.609	14.863.315
XIX.	**CURRENT PERIOD PROFIT/LOSS FROM CONTINUED OPERATIONS (XVII±XVIII)**	**(11)**	**89.851.480**	**41.092.377**
XX.	**INCOME FROM DISCONTINUED OPERATIONS**		-	-
20.1	Income from Non-current Assets Held for Sale		-	-
20.2	Profit from Sales of Associates, Subsidiaries and Entities under Common Control (Joint Ventures)		-	-
20.3	Income from Other Discontinued Operations		-	-
XXI.	**EXPENSES FOR DISCONTINUED OPERATIONS (-)**		-	**-**
21.1	Expenses for Non-current 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 TAX FROM DISCONTINUED OPERATIONS (XX-XXI)**		-	**-**
XXIII	**TAX PROVISION FOR DISCONTINUED OPERATIONS (±)**		-	**-**
23.1	Current Tax Provision		-	-
23.2	Deferred Tax Expense Effect (+)		-	-
23.3	Deferred Tax Income Effect (-)		-	-
XXIV.	**CURRENT PERIOD PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XXII±XXIII)**		-	**-**
XXV.	**NET PROFIT/(LOSS) (XIX+XXIV)**	**(12)**	**89.851.480**	**41.092.377**
	Earnings/(Loss) per share (in TL full)		1,237	1,343

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

UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME AS OF 31 DECEMBER 2023

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

	V. STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	Current Period 1 January- 31 December 2023	Prior Period 1 January- 31 December 2022
I.	**PROFIT (LOSS)**	**89.851.480**	**41.092.377**
II.	**OTHER COMPREHENSIVE INCOME**	**(11.756.689)**	**42.442.637**
2.1	**Other Comprehensive Income That Will Not Be Reclassified To Profit or Loss**	**12.675.347**	**19.090.343**
2.1.1	Gains (Losses) on Revaluation of Property, Plant and Equipment	(1.050.428)	9.832.704
2.1.2	Gains (losses) on revaluation of Intangible Assets	-	-
2.1.3	Gains (losses) on remeasurements of defined benefit plans	1.750.452	(3.961.564)
2.1.4	Other Components of Other Comprehensive Income That Will Not Be Reclassified to Profit Or Loss	6.165.283	17.869.882
2.1.5	Taxes Relating to Components of Other Comprehensive Income That Will Not Be Reclassified to Profit Or Loss	5.810.040	(4.650.679)
2.2	**Other Comprehensive Income That Will Be Reclassified to Profit or Loss**	**(24.432.036)**	**23.352.294**
2.2.1	Exchange Differences on Translation	-	-
2.2.2	Valuation and/or Reclassification Profit or Loss from financial assets at fair value through other comprehensive income	(33.292.881)	30.665.923
2.2.3	Income (Loss) Related with Cash Flow Hedges	-	-
2.2.4	Income (Loss) Related with Hedges of Net Investments in Foreign Operations	-	-
2.2.5	Other Components of Other Comprehensive Income that will be Reclassified to Other Profit or Loss	-	-
2.2.6	Taxes Relating to Components of Other Comprehensive Income That Will Be Reclassified to Profit Or Loss	8.860.845	(7.313.629)
III.	**TOTAL COMPREHENSIVE INCOME (I+II)**	**78.094.791**	**83.535.014**

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

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

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

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

	VI. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY	Paid-in Capital	Share Premiums	Share Cancellation Reserves	Other Capital Reserves	Accumulated Other Comprehensive Income or Expense Not Reclassified through Profit or Loss		
						1	2	3
	CURRENT PERIOD							
	31 December 2023							
I.	**Prior Period End Balance**	**34.900.000**	**-**	**-**	**-**	**13.239.005**	**(2.780.427)**	**24.510.820**
II.	**Corrections and Accounting Policy Changes Made According to TAS 8**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1	Effects of Adjustment	-	-	-	-	-	-	-
2.2	Effects of the Changes in Accounting Policies	-	-	-	-	-	-	-
III.	**New Balance (I+II)**	**34.900.000**	**-**	**-**	**-**	**13.239.005**	**(2.780.427)**	**24.510.820**
IV.	**Total Comprehensive Income (loss)**	**-**	**-**	**-**	**-**	**(318.287)**	**1.410.678**	**11.582.956**
V.	**Capital Increase in Cash**	**49.700.000**	**-**	**-**	**-**	**-**	**-**	**-**
VI.	**Capital Increase Through Internal Reserves**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
VII.	**Paid-in Capital Inflation Adjustment Difference**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
VIII	**Convertible Bonds**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
IX.	**Subordinated Debt Instruments**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
X.	**Increase/(decrease) Through Other Changes**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
XI.	**Profit Distribution**	**-**	**-**	**-**	**-**	**-**	**-**	**39.761**
11.1	Dividends Paid	-	-	-	-	-	-	-
11.2	Transfers to Reserves	-	-	-	-	-	-	-
11.3	Other	-	-	-	-	-	-	**39.761**
	Balance at the end of the period (III+IV+.....+X+XI)	**84.600.000**	**-**	**-**	**-**	**12.920.718**	**(1.369.749)**	**36.133.537**

1. Increases and decreases in Tangible Assets Revaluation Reserve

2. Accumulated Gains/Losses on Remeasurements of Defined Benefit Plans

3. Other (Other Comprehensive Income of Associates and Joint Ventures Accounted for Using Equity Method that will not be Reclassified to Profit or Loss and Other Accumulated Amounts of Not Reclassified Through Profit or Loss)

4. Exchange Differences on Translation

5. Accumulated gains (losses) due to revaluation and/or reclassification of financial assets at fair value through other comprehensive income

6. Other (Accumulated Gains or Losses on Cash Flow Hedges, Other Comprehensive Income of Associates and Joint Ventures Accounted for Using Equity Method that will be Reclassified to Profit or Loss and Other Accumulated Amounts of Reclassified Through Profit or Loss)

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

Accumulated Other Comprehensive Income or Expense Reclassified through Profit or Loss			Profit Reserves	Prior Period Net Profit/(Loss)	Current Period Net Profit/(loss)	Total Equity
4	5	6				
-	17.516.479	-	73.956.519	41.137.467	-	202.479.863
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	17.516.479	-	73.956.519	41.137.467	-	202.479.863
-	(24.432.036)	-	-	-	89.851.480	78.094.791
-	-	-	-	-	-	49.700.000
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	974.029	-	974.029
-	-	-	41.097.706	(41.137.467)	-	-
-	-	-	-	-	-	-
-	-	-	41.092.377	(41.092.377)	-	-
-	-	-	5.329	(45.090)	-	-
-	(6.915.557)	-	115.054.225	974.029	89.851.480	331.248.683

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY AS OF 31 DECEMBER 2022

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

VI. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY		Paid-in Capital	Share Premiums	Share Cancellation Reserves	Other Capital Reserves	Accumulated Other Comprehensive Income or Expense Not Reclassified through Profit or Loss 1	2	3
	PRIOR PERIOD							
	31 December 2022							
I.	**Prior Period End Balance**	**13.100.000**	**-**	**-**	**-**	**4.760.771**	**203.462**	**10.889.174**
II.	**Corrections and Accounting Policy Changes Made According to TAS 8**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1	Effects of Adjustment	-	-	-	-	-	-	-
2.2	Effects of the Changes in Accounting Policies	-	-	-	-	-	-	-
III.	**New Balance (I+II)**	**13.100.000**	**-**	**-**	**-**	**4.760.771**	**203.462**	**10.889.174**
IV.	**Total Comprehensive Income (loss)**	**-**	**-**	**-**	**-**	**8.478.234**	**(2.983.889)**	**13.595.998**
V.	**Capital Increase in Cash**	**21.800.000**	**-**	**-**	**-**	-	-	-
VI.	**Capital Increase Through Internal Reserves**	-	-	-	-	-	-	-
VII.	**Paid-in Capital Inflation Adjustment Difference**	-	-	-	-	-	-	-
VIII	**Convertible Bonds**	-	-	-	-	-	-	-
IX.	**Subordinated Debt Instruments**	-	-	-	-	-	-	-
X.	**Changes**	-	-	-	-	-	-	-
XI.	**Profit Distribution**	**-**	**-**	**-**	**-**	**-**	**-**	**25.648**
11.1	Dividends Paid	-	-	-	-	-	-	-
11.2	Transfers to Reserves	-	-	-	-	-	-	-
11.3	Other	-	-	-	-	-	-	25.648
	Balance at the end of the period (III+IV+.....+X+XI)	**34.900.000**	**-**	**-**	**-**	**13.239.005**	**(2.780.427)**	**24.510.820**

1. Increases and decreases in Tangible Assets Revaluation Reserve

2. Accumulated Gains/Losses on Remeasurements of Defined Benefit Plans

3. Other (Other Comprehensive Income of Associates and Joint Ventures Accounted for Using Equity Method that will not be Reclassified to Profit or Loss and Other Accumulated Amounts of Not Reclassified Through Profit or Loss)

4. Exchange Differences on Translation

5. Accumulated gains (losses) due to revaluation and/or reclassification of financial assets at fair value through other comprehensive income

6. Other (Accumulated Gains or Losses on Cash Flow Hedges, Other Comprehensive Income of Associates and Joint Ventures Accounted for Using Equity Method that will be Reclassified to Profit or Loss and Other Accumulated Amounts of Reclassified Through Profit or Loss)

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

Accumulated Other Comprehensive Income or Expense						
Reclassified through Profit or Loss						
4	5	6	Profit Reserves	Prior Period Net Profit/ (Loss)	Current Period Net Profit/(loss)	Total Equity
-	**(5.835.815)**	**-**	**67.627.159**	**6.355.008**	**-**	**97.099.759**
-	**-**	**-**	**-**	**-**	**-**	**-**
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	**(5.835.815)**	**-**	**67.627.159**	**6.355.008**	**-**	**97.099.759**
-	**23.352.294**	**-**	**-**	**-**	**41.092.377**	**83.535.014**
-	-	-	-	-	-	**21.800.000**
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	**45.090**	-	**45.090**
-	**-**	**-**	**6.329.360**	**(6.355.008)**	**-**	**-**
-	-	-	-	-	-	-
-	-	-	6.291.309	(6.291.309)	-	-
-	-	-	38.051	(63.699)	-	-
-	**17.516.479**	**-**	**73.956.519**	**45.090**	**41.092.377**	**202.479.863**

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

UNCONSOLIDATED STATEMENT OF CASH FLOWS AS OF 31 DECEMBER 2023

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

VII. STATEMENT OF CASH FLOWS		Note (Section Five)	Current Period 1 January- 31 December 2023	Prior Period 1 January- 31 December 2022
A.	**CASH FLOWS FROM BANKING OPERATIONS**			
1.1	**Operating Profit Before Changes in Operating Assets and Liabilities**		**6.521.625**	**67.733.997**
1.1.1	Interest Received		335.621.154	179.020.646
1.1.2	Interest Paid		(252.503.974)	(91.764.043)
1.1.3	Dividend Received		525.552	268.092
1.1.4	Fees and Commissions Received		45.437.285	24.888.411
1.1.5	Other Income		10.978.251	5.535.844
1.1.6	Collections from Previously Written-off Loans and Other Receivables		4.683.498	5.006.546
1.1.7	Cash Payments to Personnel and Service Suppliers		(25.409.873)	(10.414.153)
1.1.8	Taxes Paid		(21.636.706)	(24.426.232)
1.1.9	Other		(91.173.562)	(20.381.114)
1.2	**Changes in Operating Assets and Liabilities**		**340.538.249**	**116.833.398**
1.2.1	Net (Increase)/Decrease in Financial Assets at Fair Value Through Profit or Loss		(31.841.448)	(6.292.383)
1.2.2	Net (Increase)/Decrease in Due from Banks and Other Financial Institutions		(59.287.657)	(64.563.387)
1.2.3	Net (Increase)/Decrease in Loans		(562.921.449)	(469.282.613)
1.2.4	Net (Increase)/Decrease in Other Assets		(15.497.584)	(24.540.989)
1.2.5	Net Increase/(Decrease) in Bank Deposits		(418.099)	19.870.382
1.2.6	Net Increase/(Decrease) in Other Deposits		907.178.683	708.251.687
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		58.113.976	24.779.504
1.2.9	Net Increase/(Decrease) in Payables		-	-
1.2.10	Net Increase/(Decrease) in Other Liabilities		45.211.827	(71.388.803)
I.	**Net Cash Provided from Banking Operation**		**347.059.874**	**184.567.395**
B.	**CASH FLOWS FROM INVESTING ACTIVITIES**			
II.	**Net Cash Provided from Investing Activities**		**(187.390.592)**	**(102.630.939)**
2.1	Cash Paid For Acquisition of Investments, Associates, Subsidiaries and Entities under Common Control (Joint Venture)		(10.684.966)	(3.365.014)
2.2	Cash Obtained From Disposal of Investments, Associates, Subsidiaries and Entities under Common Control (Joint Venture)		-	1.750
2.3	Purchases of Property and Equipment		(4.494.450)	(2.023.106)
2.4	Disposals of Property and Equipment		1.001.984	103.766
2.5	Purchase of Financial Assets at Fair Value Through Other Comprehensive Income		(270.045.053)	(89.075.961)
2.6	Sale of Financial Assets at Fair Value Through Other Comprehensive Income		192.019.084	70.973.847
2.7	Purchase of Financial Assets Measured at Amortized Cost		(106.289.484)	(81.022.121)
2.8	Sale of Financial Assets Measured at Amortized Cost		11.102.293	1.775.900
2.9	Other		-	-
C.	**CASH FLOWS FROM FINANCING ACTIVITIES**			
III.	**Net Cash Provided from Financing Activities**		**53.260.064**	**14.287.974**
3.1	Cash Obtained from Funds Borrowed and Securities Issued		19.050.953	2.678.838
3.2	Cash Used for Repayment of Funds Borrowed and Securities Issued		(14.207.896)	(9.705.529)
3.3	Issued Equity Instruments		49.700.000	21.800.000
3.4	Dividends Paid		-	-
3.5	Payments for Finance Leases		(1.282.993)	(485.335)
3.6	Other		-	-
IV.	**Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents**	**(1)**	**13.197.793**	**4.383.503**
V.	**Net Increase in Cash and Cash Equivalents (I+II+III+IV)**		**226.127.139**	**100.607.933**
VI.	**Cash and Cash Equivalents at Beginning of the Period**	**(1)**	**196.275.719**	**95.667.786**
VII.	**Cash and Cash Equivalents at End of the Period**	**(1)**	**422.402.858**	**196.275.719**

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

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

STATEMENT OF PROFIT DISTRIBUTION AS OF 31 DECEMBER 2023

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

VIII. STATEMENT OF PROFIT DISTRIBUTION (*)		Current Period 31 December 2023	Prior Period 31 December 2022
I.	**DISTRIBUTION OF CURRENT YEAR INCOME**		
1.1	Current Year Income	95.567.770	61.250.539
1.2	Taxes And Duties Payable (-)	(5.716.290)	(20.158.162)
1.2.1	Corporate Tax (Income tax)	(22.305.447)	(30.324.299)
1.2.2	Income withholding tax	-	-
1.2.3	Other taxes and duties(**)	16.589.157	10.166.137
A.	**NET INCOME FOR THE YEAR (1.1-1.2)**	**89.851.480**	**41.092.377**
1.3	Prior Year Losses (-)	-	-
1.4	First Legal Reserves (-)	-	2.054.619
1.5	Other Statutory Reserves (-)	-	-
B.	**NET INCOME AVAILABLE FOR DISTRIBUTION [(A-(1.3+1.4+1.5)]**	**-**	**39.037.758**
1.6	First Dividend to Shareholders (-)	-	-
1.6.1	To Owners of Ordinary Shares	-	-
1.6.2	To Owners of Privileged Shares	-	-
1.6.3	To Owners of Preferred Shares	-	-
1.6.4	To Profit Sharing Bonds	-	-
1.6.5	To Holders of Profit and Loss Sharing Certificates	-	-
1.7	Dividends to Personnel (-)	-	-
1.8	Dividends to Board of Directors (-)	-	-
1.9	Second Dividend to Shareholders (-)	-	-
1.9.1	To Owners of Ordinary Shares	-	-
1.9.2	To Owners of Privileged Shares	-	-
1.9.3	To Owners of Preferred Shares	-	-
1.9.4	To Profit Sharing Bonds	-	-
1.9.5	To Holders of Profit and Loss Sharing Certificates	-	-
1.10	Statutory Reserves (-)	-	-
1.11	Extraordinary Reserves	-	39.037.758
1.12	Other Reserves	-	-
1.13	Special Funds	-	-
II.	**DISTRIBUTION OF RESERVES**		
2.1	Appropriated Reserves	-	-
2.2	Dividends to Shareholders (-)	-	-
2.3.1	To Owners of Ordinary Shares	-	-
2.3.2	To Owners of Privileged Shares	-	-
2.3.3	To Owners of Preferred Shares	-	-
2.3.4	To Profit Sharing Bonds	-	-
2.3.5	To Holders of Profit and Loss Sharing Certificates	-	-
2.3.	Dividends to Personnel (-)	-	-
2.4	Dividends to Board of Directors (-)	-	-
III.	**EARNINGS PER SHARE**		
3.1	To Owners of Ordinary Shares	1,237	1,343
3.2	To Owners of Ordinary Shares (%)	123,7	134,3
3.3	To Owners of Privileged Shares	-	-
3.4	To Owners of Privileged Shares (%)	-	-
IV.	**DIVIDEND PER SHARE**		
4.1	To Owners of Ordinary Shares	-	-
4.2	To Owners of Ordinary Shares (%)	-	-
4.3	To Owners of Privileged Shares	-	-
4.4	To Owners of Privileged Shares (%)	-	-

(*) Profit distribution is decided by the Ordinary General Assembly of the Bank. As of the date the financial statements were prepared, the General Assembly meeting for 2023 has not been held yet.

(**) Deferred tax income is shown in the other taxes and duties line.

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

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

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

SECTION THREE

EXPLANATIONS ON ACCOUNTING POLICIES

I. 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") related with Banking Law numbered 5411 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 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").

Format and content of the publicly announced unconsolidated financial statements and notes to these statements have been prepared in accordance with the "Communiqué on Publicly Announced Financial Statements, Explanations and Notes to These Financial Statements" published in the Official Gazette No. 28337, dated 28 June 2012 and "Communiqué on Public Disclosures on Risk Management", published in the Official Gazette No. 29511, dated 23 October 2015 and amendments to these Communiqué. The Bank maintains its books in Turkish Lira in accordance with the Banking Law, Turkish Commercial Code and Turkish Tax Legislation.

The unconsolidated financial statements have been prepared under the historical cost convention, except for the financial assets and liabilities carried at fair value.

The preparation of financial statements requires the use of certain critical estimates on assets and liabilities reported as of balance sheet date or amount of contingent assets and liabilities explained and amount of income and expenses occurred in related period. Although these estimates rely on the management's best judgment, actual results can vary from these estimates. Judgements and estimates are explained in related notes.

Unless otherwise specified, all balances in the financial statements and related disclosures are expressed in Thousand Turkish Lira ("TL").

The Bank reflected the estimates and judgments into the calculation of expected credit losses with the maximum effort and the best estimation method. The Bank has revised its macroeconomic expectations and has reflected to the financial statement as of 31 December 2023, by taking into account the change in probability of default and loss given default.

In this context, the Bank has measured the impact of its macroeconomic expectations on NPL receivables in different scenarios. In the NPL conversion rate, it has taken into consideration in the calculation by reflecting the coefficient, which is considered to reflect the current situation, to the loan parameters.

On November 23, 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 December 31, 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 December 12, 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 December 31, 2023. Based on the decision dated January 11, 2024 and numbered 10825, these entities are required to implement inflation accounting starting from January 1, 2025.

The Bank has a subsidiary operating in Russia with the title of "Ziraat Bank (Moscow) JSC". The tension between Russia and Ukraine for a long time turned into a hot conflict in the first quarter of 2022. In the process that started with Russia's intervention in Ukraine, international sanctions against the Russian Federation and countermeasures implemented by Russia against them had significant effects on financial markets. Ziraat Bank (Moscow) JSC, the subsidiary of the bank, entered this process with a strong equity structure and high liquidity and did not encounter any difficulties.

The new measures and practices introduced by the Central Bank of Russia were especially aimed at reducing the foreign exchange outflow from the country and keeping the credit channels provided to the real sector open. All financial services previously provided by Ziraat Bank (Moscow) JSC are maintained in line with the rules of the local regulatory authority.

The crisis is not expected to have a negative impact on the Bank's operations. Developments that may occur on a global scale, their possible repercussions on the global and regional economy, and their effects on the Bank's operations are closely monitored and considered with the best estimation approach in the preparation of financial statements.

Benchmark Interest Rate Reform

As of 30 June 2023, the Bank has completed the necessary systemic infrastructure for switching to overnight interest rates in USD Libor indexed derivatives, money market instruments, bonds, loan products and risk management systems. As of 30 June 2023, alternative interest rates have started to be used in floating rate transactions. In terms of current transactions, the transition to alternative interest rates for interbank derivative transactions and money market transactions has been completed, and it does not have a significant impact on the Bank's financials.

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

Main activity of the Bank comprises of banking services, such as launching all kinds of cash and non-cash loans denominated in Turkish Lira and foreign currencies, performing transactions in local, international money and capital markets, supporting agricultural sector financially and collecting deposits denominated in Turkish Lira and foreign currencies. The Bank's main funding sources are deposits, repurchase agreements, issued securities and shareholders' equity. The Bank directs these funds to assets with high return and low risk that include predominantly domestic government bonds and loans. The Bank's liquidity structure is considered the financing of all liabilities at due date. Although most of the sources in the Bank's balance sheet are with fixed interest rate, some of the securities in assets return have floating interest rate. Since the remaining time to re-pricing date of sources is short, cost of sources is repriced in short periods based on the market conditions. Moreover, the Bank adopts higher return principle for its long-term placements.

Loans and securities are instruments from which the Bank gets returns above the average returns within its activity. Letter of guarantees, bank loans, commercial letter of credits, commitments for cheque payments and commitments for credit card limits are the most important risk areas within the off-balance sheet accounts.

Since the Bank's total debt to the market is low among its total liabilities, the Bank can borrow easily from short-term markets, such as Borsa Istanbul ("BIST"), Central Bank of the Republic of Türkiye, Money Market or Interbank Money Market in case of need. In case of a liquidity crisis, the deposit base of the Bank is not presumed to be significantly affected from liquidity risk since the Bank is a public bank with an extensive branch network.

The cost of foreign currency resources and the return on assets are closely monitored. Deposit interest rates are adjusted in line with market rates to maintain a positive profit margin.

Foreign currency operations are valued by Bank's prevailing counter currency buying rate at transaction date and reflected to records. At period ends, foreign currency asset and liability balances are valued at the Bank's period end counter currency buying rates and converted to Turkish currency and the resulting exchange differences are recognized as a foreign exchange profit or loss.

USD-denominated capital amounts and valuation differences sent to partnerships operating abroad are converted into Turkish currency at the exchange rate valid as of the valuation date and presented in the financial statements. For the exchange risk arising from foreign currency conversion of Ziraat Bank International AG, Ziraat Bank BH dd and Ziraat Bank Montenegro AD, the Bank's subsidiaries to which capital was paid in Euro amounts, Euro deposits are used for hedging purposes. Information regarding the investment hedge accounting for the operation abroad, which is applied to protect the total capital amount associated for this purpose, 346.853 thousand Euros (31 December 2022: 336.627 thousand Euros), from the effect of exchange rate risk arising from changes in foreign exchange rates, in the Fourth Chapter VIII. It is given in article no. The assets and liabilities of the Bank's branches established abroad are converted into Turkish currency at the Bank's counter foreign exchange buying rates valid on the balance sheet date.

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

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

III. EXPLANATIONS ON INVESTMENTS IN ASSOCIATES, SUBSIDIARIES AND JOINT VENTURES

Investments related to joint ventures and financial subsidiaries are monitored with their fair values in the unconsolidated financial statements according to "Separate Financial Statements Türkiye Accounting Standard 27 (TAS 27)" and the scope of TFRS 9 Financial Instruments Standard. The fair values were determined with the valuation reports prepared for the mentioned partnerships and the changes in the fair values were accounted under equity as of the valuation date.

Subsidiaries are accounted for at their cost value within the scope of TAS 27 and are reflected in the unconsolidated financial statements after the provision for depreciation is deducted, if any.

IV. EXPLANATIONS ON FORWARD TRANSACTIONS, OPTIONS AND DERIVATIVE INSTRUMENTS

The Bank's derivative transactions include cross currency swaps, interest rate swaps, currency and precious metal swaps, long-term financing transactions, fully or partially covered options and forward foreign currency buy/sell transactions. The Bank has no embedded derivative instruments separated from the articles of association.

Derivative financial instruments of the Bank are classified under "TFRS 9 Financial Instruments Standard" ("TFRS 9"), "Derivative Financial Assets Measured at Fair Value Through Profit or Loss".

Derivative financial instruments are initially recognized at fair value. Derivative transactions, depending on the fair value being positive or negative is shown as derivative financial assets at fair value through profit or loss or derivative financial liabilities measured at fair value through profit or loss in the following periods of the recording. Differences in fair value as a result of the valuation are accounted for under profit/loss from derivative financial transactions and profit/loss from foreign exchange transactions in the commercial profit/loss item in the profit or loss statement.

The fair value of derivative instruments is calculated by taking into account the market values or by applying the cash flow model discounted with market rates.

Liabilities and receivables arising from the derivative instruments are followed in the off-balance sheet accounts with their contractual values.

V. EXPLANATIONS ON INTEREST INCOME AND EXPENSE

Interest income and expenses are recognized according to the effective interest method (rate equal to the rate in calculation of present value of future cash flows of financial assets or liabilities).

Interest income from financial assets is recognized as gross carrying amount according to the effective interest rate method except for interest income from purchased or originated credit-impaired financial assets or financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. The Bank has started to calculate rediscount as of 1 January 2018 for its non-performing loans. Rediscount is calculated over the net book value (Gross Book Value - Expected Credit Losses) of the non-performing loans.

If the expectations for the cash flows in the financial asset are revised for reasons other than the credit risk, the amendment is reflected in the carrying amount of the asset and in the related profit or loss statement line and is amortized over the estimated life of the financial asset.

VI. EXPLANATIONS ON FEE AND COMMISSION INCOME AND EXPENSE

Income and expenses from banking, agency and intermediary services are recognized as income/expense and conformant with TFRS 15 Revenue from Contracts with Customers on the date they are collected.

Prepaid expense amounts are recognized as expense on an accrual basis during the service period.

Commission income from individual, corporate and commercial loans are transferred to income accounts according to periodicity principle using effective interest rate method on an accrual basis.

VII. EXPLANATIONS ON FINANCIAL ASSETS

Financial assets are recognized or derecognized according to TFRS 9 Financial Instruments Part 3 "Recognition and Derecognition". Financial assets are measured at fair value at initial recognition in the financial statements. They are included in the balance sheet of the Bank if the Bank is a legal party to these instruments.

The Bank classifies and recognizes its financial assets as "Financial Assets Measured at Fair Value Through Profit/Loss", "Financial Assets Measured at Fair Value Through Other Comprehensive Income" or "Financial Assets Measured at Amortised Cost". This classification is based on the contractual cash flow characteristics of the related business model used for management of the financial assets at initial recognition.

Financial assets mainly constitute the Bank's commercial activities and operations. These instruments have the ability to expose, affect and diminish the liquidity, credit and interest rate risks in the financial statements.

Classification and Measurement Within the Scope of 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.

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

Financial Assets at Fair Value Through Profit or Loss

Financial assets at fair value through profit or loss;

- managed by a business model other than the business model aimed at holding contractual cash flows for collection and the business model aiming at collecting and selling contractual cash flows,
- are obtained in order to profit from fluctuations in prices and similar factors in the short-term in the market, or are part of a portfolio aimed at making a profit in the short-term, regardless of the reason for the acquisition,
- the terms of the contract for the financial asset do not result in cash flows that only include principal and interest payments on the principal balance at specified dates.

are financial assets.

Financial assets at the fair value through profit or loss are initially recognized at fair value. All gains and losses arising from these valuations are included in the profit/loss accounts, and the interest earned is shown in interest income.

Among the financial assets at fair value through profit or loss, Government Bonds and Treasury Bills traded in the BIST, the weighted average clearing prices formed in the BIST on the balance sheet date, and the financial assets not traded in the BIST, with the prices of the Central Bank of the Republic of Türkiye, Eurobonds Bench The transaction prices in the Upmarket and the funds in the Bank's portfolio are valued according to the fund price announced for the relevant day. Gains and losses resulting from the valuation are included in the profit/loss accounts.

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

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

Financial Assets at Fair Value Through Other Comprehensive Income

Financial assets are classified as financial assets at 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 of interest at certain dates.

Financial assets at fair value through other comprehensive income are subsequently measured at their fair value. The interest income of financial assets at fair value through other comprehensive income that are calculated by effective interest rate method and dividend income from equity instruments are reflected in the statement of profit or loss. "Unrealized profits and losses", the difference between the fair value of debt instruments at fair value through other comprehensive income and their amortized cost, are not reflected in the statement of profit or loss for the period until the corresponding financial asset is collected, sold, disposed of or weakened and is followed in the "Other Comprehensive Income or Expenses to be Reclassified in Profit or Loss" account under equity. Accumulated fair value differences under equity are reflected to the income statement when such securities are collected or disposed.

Securities representing a share in the capital are recognized at fair value if they are traded in organized markets and/or their fair value can be determined reliably, and if they are not traded in organized markets, they are reflected in the financial statements with their values found using other valuation models. The valuation differences of the said securities are followed in the "Other Accumulated Comprehensive Income or Expenses Not to be Reclassified in Profit or Loss" account under equity.

Financial Assets at Measured at Amortized Cost

A financial asset is classified as a financial asset measured at amortized cost when the Bank's policy within a business model is to hold the asset to collect contractual cash flows and the terms give rise to cash flows that are solely payments of principal of interest at certain dates.

Measured at amortized cost is recognized at cost which represents its fair value at initial recognition by adding the transaction costs and subsequently measured at amortized cost by using the "effective interest rate method". Interest income related to the financial asset measured at amortized cost is recognized in the statement of profit or loss.

Financial assets measured at fair value through other comprehensive income and measured at amortized cost portfolios of the Bank include Consumer Price Index (CPI) indexed bonds. Mentioned securities are valued and accounted according to the effective interest rate method which is calculated according to the real coupon rate and the reference inflation index on the issue date. The actual coupon payment amounts of these securities, purchase and sale transactions and year-end valuations are calculated by using the index announced by the treasury. Index calculations related to CPI indexed bonds are made by the method specified in Ministry of Treasury and Finance's CPI Indexed Bonds Investor Guide.

Loans

Loans consist of financial assets which are created by providing money, goods or services to the debtor. Loans are initially recognized at acquisition cost presenting their fair value and thereafter measured at amortized cost using the "Effective Interest Rate 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. Foreign exchange loans are recognized with fixed price and revalued by the counter foreign exchange buying rate of the Bank.

VIII. EXPLANATIONS ON IMPAIRMENT OF FINANCIAL ASSETS

Explanations on Expected Loss Provisions

The Bank sets aside the expected loss provision 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" 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.

In calculating the expected loss provision for its loans, the Bank has also taken into account the possible difficulties that the uncertainties related to the earthquake disaster experienced on 6 February 2023 may cause in the cash flows or payments of the customers.

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

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

In addition, the Bank made provision on the model outputs for customer groups, which it believed that the model did not statistically respond to credit risk factors, using expert opinion. In accordance with TFRS 9, in the expected credit loss calculation, a certain part of commercial and corporate loans are obtained in accordance with internal policies, taking into account the threshold amounts determined for risk according to the bank's current classification policy and segment structure. The calculation is made by discounting the cash flows expected from the customer or collateral sales to their present value with the effective interest rate. The reserve will be reviewed in the following reporting periods, taking into account the loan portfolio and changes in future expectations.

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, 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.

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Expected credit loss is an estimate of the expected credit losses over the life of a financial instrument and the following aspects are important for the measurement.

- Probability-weighted and neutral amount determined by taking into account possible outcomes,
- Time value of the money,
- Reasonable and supportable information on past events, current conditions and forecast of future economic conditions at the time of reporting.

These financial assets are divided into three categories depending on the gradual increase in credit risk observed since their initial recognition:

12 Month Expected Credit Losses (Stage 1)

These are the financial assets that do not have a significant increase in credit risk at the time of recognition or since initial recognition. For such assets, impairment for credit risk 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 credit quality.

The expected 12-month 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 lifetime loss expectancy.

Significant Increase in Credit Risk (Stage 2)

While the expected loss provision is calculated for 1 year for loans in the 1st stage, it is calculated by taking into account the entire remaining maturity for loans in the 2nd stage.

The basic criteria for the classification of financial assets in the second stage are as follows;

- Receivables with a delay of 30 days or more
- Restructring of the loan
- Close monitoring criteria in the Bank's Early Warning System
- Early warning note
- Significant increase in credit risk

In identifying customers with a significant increase in credit risk, the probability of default at the time of loan allocation/ disbursement and the change in the probability of default produced by behavioral models as of the reporting date are taken into account. Customers whose changes exceed the determined threshold value are classified under the second group. Corporate loans are processed on a customer basis, while individual loans are processed on a product basis.

Credit-Impaired Losses (Stage 3)

Includes financial assets that have objective evidence of impairment at the reporting date. For these assets, lifetime expected credit losses are recognized.

The Bank considers the debt to be in default in the following two cases:

- Objective Default Definition: It means debt having past due more than 90 days. This assumption can be proved otherwise in the light of supportable information.
- Subjective Default Definition: It means it is considered as unlikeliness to pay. Whenever it is considered that an obligor is unlikely to pay its credit obligations, it should be considered as defaulted regardless of the existence of any past-due amount or of the number of days past due.

Collective assessment of financial instruments is based on homogeneous group assets referring to portfolio segmentation including similar credit risk and product characteristics. This section provides an overview of the risk parameter estimation methods for the expected loss calculation approach on a common basis for each stage.

Credits that differ in cash flows or have different characteristics with other credits may be subject to individual valuation instead of aggregate valuation. A credit loss can be defined as the difference between all contractual cash flows that are outstanding under the contract and the original expected Effective Interest Rate value and discounted cash flows.

When cash flows are estimated, the following situations are considered:

- All contractual terms of the financial instrument during the expected life,
- 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 (PD)

Probability of default refers to the likelihood that a loan will default at a certain time. In default probability models, sectorial information for the corporate portfolio and product information for the individual portfolio are taken as the basis.

Exposure at Default (EAD)

The EAD represents an estimate of the exposure to credit risk at the time of a potential default occurring during the life of a financial instrument.

Loss Given Default (LGD)

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. The Bank uses the macroeconomic forecasting model developed during the creation of multiple scenarios to be used in expected credit loss calculations. The macroeconomic variables that stand out during the estimation are the Gross Domestic Product (GDP) and the Consumer Price Index (CPI), and the risk parameters are updated if deemed necessary, taking into account the compatibility with the portfolio. In addition to macroeconomic indicators, the Bank preferred the precautionary approach by adding expert opinion while creating macroeconomic models, taking into account the economic conditions, and the numerical effects of these risks were also included 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.

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.

IX. EXPLANATIONS ON OFFSETTING FINANCIAL INSTRUMENTS

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.

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X. EXPLANATIONS ON SALES AND REPURCHASE AGREEMENTS AND SECURITIES LENDING TRANSACTIONS

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 Receivables" account and interest expense accruals for the period are calculated with the effective interest rate method.

Securities purchased with resale commitment ("Reverse Repo") are accounted in "Money Markets Receivables" on the balance sheet and interest income accruals for the period are calculated with the effective interest rate method.

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

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.

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 are continued 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.

The properties acquired by the Bank due to receivables are shown in the line of held for sale purpose in the financial statements depending on the termination of the term sales contract.

A discontinued operation is a division of a business that is classified as disposed or held for sale. The results related to discontinuing operations are presented separately in the profit or loss statement. The Bank does not have any discontinued operations.

XII. EXPLANATIONS ON GOODWILL AND OTHER INTANGIBLE ASSETS

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

Other intangible assets are based on their initial acquisition amounts and other direct costs required to make the asset available. Other intangible assets were revalued over their remaining amounts after deducting the accumulated depreciation and, if any, the accumulated depreciation from the cost value in the period following their recording.

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. Expenditures for other intangible assets are amortized with equal amounts within the lease period, and if the lease period is not certain or is more than five years, the redemption period is accepted as five years (depreciation rate 20%).

The Bank recognizes its software costs incurred under the intangible assets-intangible rights account and the expenses that do qualify as development are added to software's initial costs and amortized over 3 years considering the useful lives. The Bank has determined estimated useful lives of the intangible assets between 3 and 15 years and it applies depreciation rates between 33,3% to 6,7%.

XIII. EXPLANATIONS ON PROPERTY AND EQUIPMENT

Property and equipment are 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. As of 31 January 2014, the Bank has changed its accounting policies and has decided to pursue the real estates registered in its portfolio at fair values. The valuation differences resulting from the valuations of real estate's made by independent appraisal firms are accounted for in the revaluation differences account of tangible fixed assets under shareholders' equity.

Property and equipment (except for immovables) are presented in the financial statements over their remaining cost after deducting accumulated depreciation from cost amounts, if any, and after deducting accumulated depreciation from their fair values. Property and equipment are depreciated over their estimated useful lives using the straight-line method. The amortization method applied in the current period has not been changed.

Estimated useful lives and amortization rates of property and equipment are below:

	Estimated Useful Lives (Year)	Amortization Rate
Buildings	50	2%
Safe-deposit boxes	50	2%
Other movable properties	3-15	33.33-6.66%
Assets held under leases	10	10%

Gains or losses arising from the disposal of property and equipment are reflected in the profit or loss accounts as the difference between the net disposal revenue of the tangible asset and the net book value.

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.

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

Leases in TFRS 16

The Bank measures the operational lease liabilities based on the present value of the lease payments that have not been paid at the date of lease is actually started, in accordance with TFRS 16. Lease payments are discounted by using the Bank's incremental borrowing rate. 2-year government bond indicator interest rates are used for Turkish Lira rentals, and Eurobond indicator interest rates are used for foreign currency leasing transactions for ongoing contracts.

After the lease actually started, the Bank; Increases the carrying amount to reflect the interest in the lease obligation, reduce the carrying value to reflect the lease payments made, and re-measure the carrying value to reflect reassessments and changes to the lease, or to reflect fixed lease payments in revised core.

The interest on the lease liability for each period of the lease term, is the amount calculated by charging a fixed periodic interest rate on remaining balance of lease liability.

After the date of lease actually started, the Bank remeasures the lease liability to reflect the changes in lease payments. The Bank reflects the remeasurement amount of the lease liability, in financial statements as adjustments in right to use assets.

The Bank uses a revised discount rate that reflects changes in the interest rate if there is a change in the initial lease period or the use of the purchase option.

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The Bank remeasures the lease liability by discounting the revised lease payments using a revised discount rate for a lease modification that is not accounted for as a separate lease, at the effective date of the lease modification. The revised discount rate is determined as the alternative borrowing interest rate at the effective date of the modification. The Bank decreases carrying amount of the right-of-use asset to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease. Any gain or loss relating to the partial or full termination of the lease is recognized in profit or loss. A corresponding adjustment to the right-of-use asset is made for all other lease modifications.

The Bank does not apply the standard provisions for leases shorter than 1 year in line with the exception provisions of the relevant standard. The Bank reflects the lease payments associated with these leases linearly throughout the lease period and reflects them in the financial statements.

Tangible assets that are acquired under leasing are amortized with respect to the rates used for directly acquired assets that have similar nature. Assets held under leases are recognized under the tangible assets account and are depreciated on annual and monthly basis with respect to their useful lives. Principal and installment paid for tangible fixed assets that are acquired under leasing are charged to liability account "Lease Liabilities", whereas interests are recognized in "Deferred Leasing Expenses" account. At installment payments, principal and interest amount of installment amount is debited to "Lease Liabilities" account, whereas interest is credited in "Deferred Leasing Expenses" account and recorded to the "Other Interest Expenses".

The Bank does not perform financial operations as "Lessor".

XV. EXPLANATIONS ON PROVISIONS, CONTINGENT ASSET AND LIABILITIES

Provisions other than provisions for impairment set for loans and other receivables and provisory liabilities are accounted in accordance with TAS 37 "Turkish Accounting Standard on Provisions, Contingent Liabilities and Contingent Assets Corresponding".

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 from the Bank 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

Employment Termination and Vacation Benefits

The Bank recognizes its liabilities of employment terminations and vacation benefits in accordance with TAS 19 "Turkish Accounting Standard about Benefits for Employee" and estimates the net present value of future liabilities arising from employment terminations and vacation benefits and reflects this provision amount in the financial statements.

Under the Turkish legislation as supplemented by union agreements, Employment Termination Benefit payments are made in case of retirement or employment termination or resignation depending on the arise of the legal conditions. According to the related legislation, depending on the status and position of the employee in the Bank and social security institution, retirement bonus pension/severance payments are calculated for the time that the personnel has worked. Employment termination is calculated based on actuarial assumptions. These assumptions based on the calculation are below:

The Bank uses independent actuaries in determining liability, and also makes assumptions about issues such as discount rate and inflation. As of 31 December 2023, retirement benefit obligation is TL 5.081.185 (31 December 2022: TL 5.997.944).

	Current Period	Prior Period
Discount Rate	28,00%	10,60%
Inflation	23,67%	10,08%

The Bank recognize its actuarial profit and loss under shareholders' equity in accordance with the revised TAS 19 Turkish Accounting Standard for Employee Benefits, which entered into force as of 1 January 2013. The Bank has reclassified actuarial loss of TL 1.369.749 after deferred tax effect under shareholders' equity in the financials (31 December 2022: TL 2.780.427 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.

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

Liability of T.C. Ziraat Bankası and T. Halk Bankası Members Pension and Relief Fund

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 31 March 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 interest rate of 9,80%. Moreover, the unfulfilled other social rights and payments existed in the settlement deeds of the subjected pension funds of the transferred participants, members or the rightful owners will be continued to be fulfilled by the employer entities of the funds and its participants.

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

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

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

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

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

The technical balance sheet report as of 31 December 2023 which is prepared in accordance with the new law and the rate determined as 9,80%, concluded no technical deficit arises in the above-mentioned fund. Since the Bank has no legal right to hold the present value of any economic benefits available in the form of refunds from Pension Fund or reductions in future contributions to Pension Fund, no asset is recognized in the Bank's financial statements.

XVII. EXPLANATIONS ON TAXATION

Current Tax

The corporate tax rate of 20% was designated in Corporate Tax Law No. 5520 which was taken into effect on 1 January 2006 after being published in the Official Gazette dated 21 June 2006 numbered 26205 for corporate earnings.

However;

Pursuant to Article 25 of Law No. 7394 published in the Official Gazette dated 15 April 2022 and numbered 31810; Corporate tax rate has been determined as 25% for banks, companies within the scope of Law No. 6361, electronic payment and money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies is determined as 25%, and this rate will be effective as of 1 July 2022. It came into force to start with the declarations that must be submitted and to be applied to corporate earnings for accounting periods starting from 1 January 2022.

In accordance with Article 21 of the Law No. 7456 published in the Official Gazette dated 15 July 2023 and numbered 32249, starting from the declarations that must be submitted as of 1/10/2023; The corporate tax rate to be applied to the earnings 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. As of 31 December 2023, the corporate tax rate has been applied as 30% in the financial statements.

The corporate tax rate is applied to the tax base to be found as a result of the addition of the non-deductible expenses in accordance with the tax laws to the commercial income of the corporations and deducting the exceptions (such as the participation earnings 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 exempted part of revenue to the other accounts with other ways out of capitalizing in five years or withdrawn from company or transferring from limited taxpayer corporations to the headquarters, are considered as tax loss. This is also applicable in the condition of liquidation of business (Except transfers and divisions that make according to this code).

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.

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 previous 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.

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With the Communiqué on Amendments to the Tax Procedure Law General Communiqué numbered 547 (sequence number 537), published in the Official Gazette numbered 32073 dated 14 January 2023, the procedures and principles of the articles of law allowing the revaluation of immovable properties and depreciable economic assets have been rearranged. Accordingly, the Bank has revalued the real estate and depreciable economic assets in its balance sheet until 30 September 2023, provided that the conditions stipulated in the Provisional Article 32 of the Tax Procedure Law and the Duplicate Article 298/ç are met. Since the financial statements were subject to inflation adjustment as of 31 December 2023, real estate and depreciable economic assets were not revalued as of 31 December 2023. Corporate tax is calculated by taking into account the depreciation allocated on the revalued values of real estate and depreciable economic assets until 30 September 2023.

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. and accounting.

With the Law No. 7394 on the Evaluation of Immovable Property Owned by the Treasury and Amending the Value Added Tax Law, which was published in the Official Gazette dated April 15, 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 October 1, 2023; The corporate tax rate to be applied to the profits of corporations in 2023 and the following taxation periods has been increased from 25% to 30% for banks and other institutions mentioned in the law.

Deferred tax liability or assets are determined by calculating the tax effects of the temporary differences between the amounts of assets and liabilities shown in the financial statements and the amounts taken into account in the calculation of the legal tax base, according to the balance sheet method, taking into account the enacted tax rates. In the calculation of deferred tax, the Bank estimates the time when temporary differences will be taxable/deductible and uses enacted tax rates as of the balance sheet date in accordance with the current tax legislation. As the deferred tax assets or liabilities within the scope of TAS 12 are calculated based on the tax rates (and tax laws) that are in effect or nearly effective as of the end of the reporting period (balance sheet date), using the tax rates expected to be applied in the periods when the assets are converted into income or the liabilities are paid, As of 31 December 2023, the Bank has deferred tax calculations were made based on rates varying 30% on assets and liabilities. While deferred tax liabilities are calculated for all taxable temporary differences, deferred tax assets consisting of deductible temporary differences are calculated provided that it is highly probable to benefit from these differences by generating taxable profit in the future. Except for goodwill or business combinations, deferred tax liability or asset is not calculated for temporary timing differences arising from the initial recognition of assets or liabilities and which do not affect both commercial and financial profit or loss.

According to the temporary article 33 of the Tax Procedure Law, in the financial statements dated 31 December 2023, the tax effects arising from the inflation adjustment of corporate taxes are included in the deferred tax calculation as of 31 December 2023.

XVIII. EXPLANATIONS ON BORROWING

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 interest rate method. The Bank has no borrowings that require hedging techniques for accounting and revaluation of debt instruments and liabilities representing the borrowings.

If required, the Bank borrows from domestic and foreign real people and entities with debt instruments such as bill/bond issuance. These transactions are recognized at fair value including acquisition costs at the transaction date while accounted with effective interest rate method over their discounted costs in the following periods. The Bank has issued no convertible bonds to shares and has no instruments representing its own borrowings.

XIX. EXPLANATIONS ON ISSUANCE OF SHARE CERTIFICATES

There are no issued shares by The Bank.

XX. EXPLANATIONS ON AVALIZED DRAFTS AND ACCEPTANCES

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

XXI. EXPLANATIONS ON GOVERNMENT GRANTS

There are no government incentives utilized by the Bank as of the balance sheet date.

XXII. 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. FC cash equivalents and balances regarding banks are valued by the period end counter foreign currency buying rate of the Bank.

For the purposes of the cash flow statement, "Cash" includes cash, effectives, 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. EXPLANATIONS ON SEGMENT REPORTING

Information about operating segments which are determined in line with TFRS 8 "Turkish Accounting Standard Operating Segments" together with organizational and internal reporting structure of the Bank, are disclosed in Note X of Section Four.

XXIV. EXPLANATIONS ON OTHER MATTERS

None.

SECTION FOUR

EXPLANATIONS RELATED TO THE FINANCIAL POSITION AND RISK MANAGEMENT

I. EXPLANATIONS ON THE COMPONENTS OF SHAREHOLDERS' EQUITY

Shareholders "equity and capital adequacy ratio were calculated 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 31 January 2023 and numbered 10496, the Central Bank's foreign exchange buying rate of 31 December 2022 was used while calculating the valued amounts in foreign currency in calculating the amount subject to credit risk.
- Within the framework of the regulation dated 21 December 2021 No. 9996, if the net valuation differences of the securities held by banks in the portfolio of "Financial Assets at Fair Value through Other Comprehensive Income" are negative, these differences may not be taken into consideration in the calculation of equity amount. As of 31 December 2023, Bank's total regulatory capital has been calculated as TL 397.939.053 (31 December 2022: TL 244.685.816), capital adequacy ratio is 17,15% (31 December 2022: 16,53%). This ratio is well above the minimum ratio required by the legislation.

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1. Information Related to The Components of Shareholders' Equity

	Current Period 31 December 2023	Prior Period 31 December 2022
COMMON EQUITY TIER 1 CAPITAL		
Paid-in capital following all debts in terms of claim in liquidation of the Bank	84.600.000	34.900.000
Share issue premiums	-	-
Reserves	115.054.225	73.956.519
Gains recognized in equity as per TAS	63.382.758	81.600.342
Profit	90.825.509	41.137.467
Current Period Profit	89.851.480	41.092.377
Prior Period Profit	974.029	45.090
Shares acquired free of charge from subsidiaries, affiliates and entities under common control and cannot be recognized within profit for the period	1.127.113	279.341
Common Equity Tier 1 Capital Before Deductions	**354.989.605**	**231.873.669**
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	23.740.922	29.393.805
Improvement costs for operating leasing	11.624	10.269
Goodwill (net of related tax liability)	-	-
Other intangibles other than mortgage-servicing rights (net of related tax liability)	3.705.265	2.272.601
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	-	-

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	Current Period 31 December 2023	Prior Period 31 December 2022
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	-	-
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	**27.457.811**	**31.676.675**
Total Common Equity Tier I Capital	**327.531.794**	**200.196.994**
ADDITIONAL TIER I CAPITAL		
Preferred Stock not Included in Common Equity Tier I Capital and the Related Share Premiums	-	-
Debt instruments and premiums approved by BRSA	45.076.220	27.979.840
Debt instruments and premiums approved by BRSA(Temporary Article 4)	-	-
Additional Tier I Capital before Deductions	**45.076.220**	**27.979.840**
Deductions from Additional Tier I Capital	-	-
Direct and Indirect Investments of the Bank on its own Additional Tier I Capital (-)	-	-
Investments of Bank to Banks that invest in Bank's additional equity and components of equity issued by financial institutions with compatible with Article 7.	-	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital	-	-
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital	-	-
Other Items to be defined by the BRSA (-)	-	-
Transition from the Core Capital to Continue to deduce Components		
Goodwill and other intangible assets and related deferred tax liabilities which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
Net deferred tax asset/liability which is not deducted from Common Equity Tier 1 capital for the purposes of the sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-	-
Total Deductions from Additional Tier I Capital	**-**	**-**
Total Additional Tier I Capital	**45.076.220**	**27.979.840**
Total Tier I Capital (Tier I Capital= Common Equity Tier I Capital + Additional Tier I Capital)	**372.608.014**	**228.176.834**
TIER II CAPITAL		
Debt instruments and share issue premiums deemed suitable by the BRSA	-	-
Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)	-	-
Provisions (Article 8 of the Regulation on the Equity of Banks)	25.388.186	16.524.427
Tier II Capital Before Deductions	**25.388.186**	**16.524.427**
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	**25.388.186**	**16.524.427**
Total Capital (The sum of Tier I Capital and Tier II Capital)	**397.996.200**	**244.701.261**

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	Current Period 31 December 2023	Prior Period 31 December 2022
Total Capital (The sum of Tier I Capital and Tier II Capital)	**397.996.200**	**244.701.261**
Deductions from Capital Loans granted contrary to the 50th and 51st Article of the Law	-	-
Net Book Values of Movables and Immovables Exceeding the Limit Defined in the Article 57, Clause 1 of the Banking Law and the Assets Acquired against Overdue Receivables and Held for Sale but Retained more than Five Years	-	-
Other items to be defined by the BRSA	57.147	15.445
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 (-)	-	-
CAPITAL		
Total Capital (Total of Tier I Capital and Tier II Capital)	397.939.053	244.685.816
Total Risk Weighted Assets	2.320.739.731	1.480.273.848
CAPITAL ADEQUACY RATIOS		
CET 1 Capital Ratio (%)	14,11	13,52
Tier I Capital Ratio (%)	16,06	15,42
Capital Adequacy Ratio (%)	17,15	16,53
BUFFERS		
Total additional core capital requirement ratio (a+b+c)	2,531	2,531
a) Capital conservation buffer requirement (%)	2,5	2,50
b) Bank specific countercyclical buffer requirement (%)	0,031	0,031
c) Higher bank buffer requirement ratio (%) (*)	-	-
Additional CET 1 Capital Over Total Risk Weighted Assets Ratio Calculated According to the Article 4 of Capital Conservation and Counter-Cyclical Capital Buffers Regulation	9,61	9,02
Amounts Lower than Excesses as per Deduction Rules		
Remaining 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	435.190	311.791
Remaining Total of Net Long Positions of the Investments in Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% or less of the Issued Share Capital	210.486	135.876
Remaining Mortgage Servicing Rights		-
Net Deferred Tax Assets arising from Temporary Differences	30.980.950	-
Limits for Provisions Used in Tier II Capital Calculation		
General Loan Provisions for Exposures in Standard Approach (before limit of one hundred and twenty five per the thousand	56.438.340	44.106.096
General Loan Provisions for Exposures in Standard Approach Limited by 1.25% of Risk Weighted Assets	25.388.186	16.524.427
Total Loan Provision that Exceeds Total Expected Loss Calculated According to Comminique on Calculation of Credit Risk by Internal Ratings Based Approach	-	-
Total Loan Provision that Exceeds Total Expected Loss Calculated According to Comminique on Calculation of Credit Risk by Internal Ratings Based Approach, Limited by 0.6% Risk Weighted Assets	-	-
Debt Instruments Covered by Temporary Article 4 (effective between 1.1.2018-1.1.2022)		
Upper Limit for Additional Tier I Capital Items subject to Temporary Article 4	-	-
Amount of Additional Tier I Capital Items Subject to Temporary Article 4 that Exceeds Upper Limit	-	-
Upper Limit for Additional Tier II Capital Items subject to Temporary Article 4	-	-
Amount of Additional Tier II Capital Items Subject to Temporary Article 4 that Exceeds Upper Limit	-	-

(*) The systemic significant bank buffer ratio has been shown as "-" in the unconsolidated financial report since it is necessary to fill in the systematic significant banks that are not required to prepare financial statements in the context of the 4th paragraph of Article 4 of the "Regulation on Systemic Significant Banks.

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2. Items Included in Capital Calculation

Information about instruments included in total capital calculation-Current Period	
Issuer	T.C Ziraat Bankası A.Ş.
Identifier (CUSIP, ISIN etc.)	XS1984644739
Governing law (s) of the instrument	Subject to English Law and in terms of certain articles to Turkish Regulations. It is issued within the scope of the Communiqué VII-128.8 on Debt Instruments of the Capital Markets Board and the Regulation on Bank Capital of the BRSA.
Regulatory treatment	
Subject to 10% deduction as of 1/1/2015	No
Eligible on unconsolidated and/or consolidated basis	Eligible on unconsolidated and consolidated
Instrument type	Additional Capital Bond Issuance (Tier 1 Capital)
Amount recognized in regulatory capital (Currency in TL million, as of most recent reporting date)	45.076
Nominal value of instrument (TL million)	45.076
Accounting classification of the instrument	347001-Subordinated Debts
Original date of issuance	24 April 2019
Maturity structure of the instrument (perpetual/dated)	Perpetual
Issue date of the instrument	24 April 2019
Issuer call subject to prior supervisory (BRSA) approval	Yes
Call option dates, conditioned call dates and call amount	Subject to the approval of the BRSA, a repayment option is available at the end of each 5-year period from the date of issue.
Subsequent call dates, if applicable	24 April 2024
Interest/dividend payment	
Fixed or floating coupon/dividend payments	Fixed
Coupon rate and any related index	First 5 years fixed 5,076%, next 5 years MS + 5,031% fixed
Existence of any dividend payment restriction	None
Fully discretionary, partially discretionary or mandatory	Fully discretionary
Existence of step up or other incentive to redeem	None
Noncumulative or cumulative	Noncumulative
Convertible into equity shares	
If convertible, conversion trigger (s)	None
If convertible, fully or partially	None
If convertible, conversion rate	None
If convertible, mandatory or optional conversion	None
If convertible, type of instrument convertible into	None
If convertible, issuer of instrument to be converted into	None
Write-down feature	
If bonds can be written-down, write-down trigger(s)	Yes. Article 7 of the Regulation on Bank Capital
If bond can be written-down, full or partial	Has full or partial write down feature
If bond can be written-down, permanent or temporary	Has permanent or temporary write down feature
If temporary write-down, description of write-up mechanism.	Has-write up mechanism
Position in subordination hierarchy in case of liquidation (instrument type immediately senior to the instrument)	After the debt instruments to be included in secondary capital calculation, the depositors and all other creditors
In compliance with article number 7 and 8 of Regulation on Bank Capital	Instrument is in compliant with Article 7 of the Regulation on Bank Capital.
Details of incompliances with article number 7 and 8 of Regulation on Bank Capital	Instrument is in compliant with Article 7 of the Regulation on Bank Capital.

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3. Necessary Explanations in order to Reach an Agreement Between the Statement of Shareholder' Equity and Balance Sheet Amounts

	Current Period	Prior Period
Balance Sheet - Equity	**331.248.683**	**202.479.863**
Operational Leasing Development Costs	(11.624)	(10.269)
Goodwill and Other Intangible Assets and Related Deferred Taxes Liabilities	(3.705.265)	(2.272.601)
TIER 2 Capital (Provisions)	25.388.186	16.524.427
Debt Instruments and the Related Issuance Premiums Defined by the BRSA TIER 2 Capital (Provisions)	45.076.220	27.979.840
Other deductions from common equity	(57.147)	(15.445)
Other regulations	-	-
Amount recognized in regulatory capital	**397.939.053**	**244.685.816**

II. EXPLANATIONS ON CREDIT RISK

1. Information on Credit Risk

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

The limits of the credit customers are identified, after combined assessment of various factors like the financial and non-financial information of the credit customers, credit requirements, sectoral and geographical features and, in conformity with the legal legislation, in line with the credit authorization limits of the branches, Group Presidencies, Department Presidencies, Assistant General Management, General Manager, Credit Committee and Board of Directors.

In order to prevent the risk intensity on the Corporate/Commercial loan portfolio, limits are determined and followed on the basis of group companies, private and public firms, and different debtor groups. Similarly, in determining the limits of the agricultural loan portfolio the structures of the regions are considered. The bank's credit authority limits on given consumer loans are defined with the separation of type and guarantee and these limits are updated according to economic conjuncture and demands of Regional Directorates/Branches.

The limits, subjects, collateral structure, maturities, accounts booked, outstanding balances of the loans allocated by the branches are periodically analyzed depending on the number of customers and monitored on customer and regional basis.

In corporate/commercial loans, companies continue to be monitored after the allocation of the loan, and changes in the financial structures and market relations of loan companies are followed. Credit limits are determined and approved to be valid for one year, and renewals are made provided that there is no negative change in the customer's situation (financial structure, market, collateral, etc.).

The Bank is assessing credibility of the customer as the essential factor in issuing credits and creditors' credit worthiness are ascertained during credit application and limit allocation/renewal. Documents to be obtained during the application are evidently mentioned in regulations and appropriateness of the documents obtained during application is controlled by internal audit departments. The Bank considers guarantees as important in minimization and elimination of the risk. As a result of policies and process based on obtaining reliable and robust guarantees, the Bank's credit risk significantly declines.

On August 2012 the Bank started applying internal ratings processes as a decision support system for analyzing credit worthiness and determining credit allocation for Corporate/Commercial consumer loans.

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

Identification of limits for domestic and foreign banks are done by rating which is determined by considering the needs of clients and departments together with financial and economic conditions of the banks and their countries. When banks and/or countries are financially or economically risky, identified limits can be restricted with maturity, amount or type of transaction or use of credit is called off.

Since the Bank's abroad lending operations have no significant effect on the financial statements, and operations and transactions are diversified via the use of different financial institutions in various countries, the Bank is not believed to be exposed to a significant credit risk as a result of these operations.

Foreign financial institution and country risks of the Bank are generally taken on financial institutions and countries which are rated by international rating institutions. Treasury operations are executed in the frame of pre-determined authorization and limits, these authorization and limits are monitored. Client transactions within the context of Fund Management are done in the frame of general loan limits determined for the client.

The Bank engages in foreign currency swaps and forward transactions considering its asset-liability balance and legal limits within the framework of the authorities and limits determined by the Board of Directors. These are not considered to generate material risk given the amount of these transactions in the balance sheet.

Non-cash risks of customers classified as non-performing loans in accordance with the Communiqué on "Methods and Principles on Determining the Nature of Loans and Other Receivables and Allocation of Provisions" are subjected to expected loss provision (Stage 3) under the same regulation, when the related risks are reimbursed and transformed into cash receivables, they are followed up in the same risk group as the cash loan which was previously classified as non-performing loans and the expected losses provision (Stage 3) continues to be provided.

Restructured and rescheduled loans are also booked in line with procedures and under accounts defined by the related regulation. Furthermore, they are monitored by the bank in line with credit risk policies. In this context, financial situation and commercial operations of related customers are analyzed and in terms of restructured plan, whether principal and interest payments have been paid is being checked and necessary measures are taken.

The percentage of top 100 and top 200 cash loans in the total cash loan portfolio is 28% and 33% respectively (31 December 2022: 31% and 36%).

The percentage of top 100 and top 200 non-cash loans in the total non-cash loan portfolio is 51% and 62% respectively (31 December 2022: 50% and 62%).

The percentage of top 100 and top 200 cash and non-cash loans in the total cash and non-cash loan portfolio is 30% and 37% respectively (31 December 2022: 31% and 39%).

TFRS 9 expected loss provisions for the loans for the Stage 1 and Stage 2 are amounted TL 56.171.763 (31 December 2022: TL 44.002.849).

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2. The Profile of Important Risks of Important Regions

	Conditional and unconditional receivables from central governments or central banks	Conditional and unconditional receivables from regional or local governments	Conditional and unconditional receivables from administrative units and non-commercial enterprises	Conditional and unconditional receivables from multilateral development banks	Conditional and unconditional receivables from international organisations	Conditional and unconditional receivables from banks and brokerage houses	Conditional and unconditional corporate receivables	Conditional and unconditional retail receivables
Current Period								
Domestic	1.305.205.357	6.939.816	32.315.902	-	-	31.069.672	908.852.817	644.516.607
European Union Countries	1.147.600	-	-	-	-	17.120.368	5.333.479	605.360
OECD Countries (1)	-	-	-	-	-	147.336.075	2.503.095	91.378
Off-shore Banking Regions	8	-	-	-	-	4.191.069	-	697
USA, Canada	-	-	-	-	-	8.128.592	2.026.701	49.708
Other Countries	8.537.060	1.690	24	-	-	18.321.793	7.583.364	1.509.367
Subsidiaries, Associates and Joint Ventures	-	-	-	-	-	-	-	-
Unallocated Assets/Liabilities (2)	-	-	-	-	-	-	-	-
Total	**1.314.890.025**	**6.941.506**	**32.315.926**	**-**	**-**	**226.167.569**	**926.299.456**	**646.773.117**

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

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

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

	Conditional and unconditional receivables from central governments or central banks	Conditional and unconditional receivables from regional or local governments	Conditional and unconditional receivables from administrative units and non-commercial enterprises	Conditional and unconditional receivables from multilateral development banks	Conditional and unconditional receivables from international organisations	Conditional and unconditional receivables from banks and brokerage houses	Conditional and unconditional corporate receivables	Conditional and unconditional retail receivables
Current Period								
Domestic	707.229.093	727.678	12.669.548	-	-	17.796.817	673.531.394	345.579.907
European Union Countries	808.846	-	-	-	-	21.936.594	3.399.482	339.801
OECD Countries (1)	-	-	-	-	-	55.527.541	639.944	38.663
Off-shore Banking Regions	41	-	-	-	-	1.728.423	-	1.935
USA, Canada	-	-	-	-	-	1.834.745	1.005.136	24.857
Other Countries	2.974.267	5.193	27	-	-	6.287.110	6.369.277	885.628
Subsidiaries, Associates and Joint Ventures	-	-	-	-	-	-	-	-
Unallocated Assets/Liabilities (2)	-	-	-	-	-	-	-	-
Total	**711.012.247**	**732.871**	**12.669.575**	**-**	**-**	**105.111.230**	**684.945.233**	**346.870.791**

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

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

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

Conditional and unconditional receivables secured by mortgages	Past due receivables	Receivables defined in high risk category by BRSA	Securities collateralised by mortgages	Securitisation positions	Short-term receivables from banks, brokerage houses and corporates	Investments similar to collective investment funds	Investments in Equity Instruments	Other Receivables	Total
286.345.884	4.601.922	185.560.018	-	-	-	1.078.541	2.359.573	93.486.922	3.502.333.031
431.858	8.895	35.223	-	-	-	-	29	-	24.682.812
79.269	1.194	3.200	-	-	-	-	-	-	150.014.211
1.599	6	3	-	-	-	-	-	-	4.193.382
59.721	3.195	3.494	-	-	-	-	-	-	10.271.411
690.828	356.751	4.652.339	-	-	-	-	78.402	14.474	41.746.092
-	-	-	-	-	-	27.573.982	36.330.597	-	63.904.579
-	-	-	-	-	-	-	-	-	-
287.609.159	**4.971.963**	**190.254.277**	**-**	**-**	**-**	**28.652.523**	**38.768.601**	**93.501.396**	**3.797.145.518**

Conditional and unconditional receivables secured by mortgages	Past due receivables	Receivables defined in high risk category by BRSA	Securities collateralised by mortgages	Securitisation positions	Short-term receivables from banks, brokerage houses and corporates	Investments similar to collective investment funds	Investments in Equity Instruments	Other Receivables	Total
228.218.605	2.036.524	92.863.777	-	-	-	2.197.033	835.974	70.409.894	**2.154.096.244**
314.382	4.091	58.227	-	-	-	-	22	-	**26.861.445**
46.822	484	3.669	-	-	-	-	-	-	**56.257.123**
1.803	5	249	-	-	-	-	-	-	**1.732.456**
37.669	749	3.069	-	-	-	-	-	-	**2.906.225**
434.984	3.994	3.213.474	-	-	-	-	29.734	7.244	**20.210.932**
-	-	-	-	-	-	24.824.308	19.339.316	-	**44.163.624**
-	-	-	-	-	-	-	-	-	**-**
229.054.265	**2.045.847**	**96.142.465**	**-**	**-**	**-**	**27.021.341**	**20.205.046**	**70.417.138**	**2.306.228.049**

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

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

3. Risk Profile by Sectors or Counterparties

	Risk Classes								
Current Period	**Conditional and unconditional receivables from central governments or central banks**	**Conditional and unconditional receivables from regional or local governments**	**Conditional and unconditional receivables from administrative units and non-commercial enterprises**	**Conditional and unconditional receivables from multilateral development banks**	**Conditional and unconditional receivables from international organisations**	**Conditional and unconditional receivables from banks and brokerage houses**	**Conditional and unconditional corporate receivables**	**Conditional and unconditional retail receivables**	**Conditional and unconditional receivables secured by mortgages**
Sectors/Counter Parties									
Agriculture	82	932.565	16.609.230	-	-	-	43.793.280	331.127.189	35.474.353
Farming and Stockbreeding	5	932.565	16.609.230	-	-	-	41.075.926	329.831.797	35.294.568
Forestry	77	-	-	-	-	-	475.699	885.557	90.223
Fishing	-	-	-	-	-	-	2.241.655	409.835	89.562
Manufacturing	135.243	5.011	94.504	-	-	-	412.999.868	56.414.526	4.628.836
Mining and Quarrying	-	-	-	-	-	-	19.805.442	774.685	81.964
Production	135.225	36	2.443	-	-	-	317.363.011	54.982.772	4.492.824
Electric, Gas and Water	18	4.975	92.061	-	-	-	75.831.415	657.069	54.048
Construction	-	-	-	-	-	-	103.821.181	13.584.266	3.410.892
Services	531.139.735	27.783	1.595.341	-	-	226.166.881	320.238.856	81.555.609	9.954.600
Wholesale and Retail Trade	-	26	14.781	-	-	-	86.120.463	60.953.481	7.293.421
Hotel Food and Beverage Services	37.972	35	4.302	-	-	-	24.063.142	5.189.977	886.941
Transportation and Telecommunication	-	25	1.501.876	-	-	-	104.208.504	6.502.032	846.478
Financial Institutions	522.005.189	-	6.193	-	-	222.550.492	20.538.640	35.804	680
Real Estate and Leasing Services	8.874.406	27.696	253	-	-	3.616.389	80.875.101	6.781.290	736.665
Self Employment Services	-	-	-	-	-	-	-	-	-
Education Services	220.701	-	61.323	-	-	-	1.182.125	787.041	52.819
Health and Social Services	1.467	1	6.613	-	-	-	3.250.881	1.305.984	137.596
Other	783.614.965	5.976.147	14.016.851	-	-	688	45.446.271	164.091.527	234.140.478
Total	**1.314.890.025**	**6.941.506**	**32.315.926**	**-**	**-**	**226.167.569**	**926.299.456**	**646.773.117**	**287.609.159**

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

Risk Classes										
Past due Receivables	Receivables defined in high risk category by BRSA	Securities collateralised by mortgages	Securitisation positions	Short-term from banks, brokerage houses and corporatse	Investments similar to collective investment Funds	Investments in Equity Instruments	Other Receivables	TL	FC	Total
241.441	10.453.882	-	-	-	-	-	-	435.091.360	3.540.662	438.632.022
238.885	10.416.071	-	-	-	-	-	-	432.328.140	2.070.907	434.399.047
1.665	17.694	-	-	-	-	-	-	1.420.584	50.331	1.470.915
891	20.117	-	-	-	-	-	-	1.342.636	1.419.424	2.762.060
1.230.907	26.826.593	-	-	-	-	-	-	285.051.908	217.283.580	502.335.488
1.772	2.283.520	-	-	-	-	-	-	7.206.260	15.741.123	22.947.383
906.922	21.265.601	-	-	-	-	-	-	247.046.094	152.102.740	399.148.834
322.213	3.277.472	-	-	-	-	-	-	30.799.554	49.439.717	80.239.271
642.067	9.052.718	-	-	-	252.272	-	-	60.598.192	70.165.204	130.763.396
1.337.210	24.827.826	-	-	-	28.399.687	34.268.718	93.501.396	690.164.248	662.849.394	1.353.013.642
454.439	14.711.882	-	-	-	-	-	305	143.951.266	25.597.532	169.548.798
194.790	870.596	-	-	-	-	-	-	14.478.544	16.769.211	31.247.755
27.798	951.047	-	-	-	-	-	-	16.626.774	97.410.986	114.037.760
5	3.620.327	-	-	-	28.199.516	29.014.544	93.501.091	462.497.572	456.974.909	919.472.481
485.786	3.780.546	-	-	-	200.171	5.254.174	-	45.806.021	64.826.456	110.632.477
-	-	-	-	-	-	-	-	-	-	-
168.089	382.125	-	-	-	-	-	-	2.496.667	357.556	2.854.223
6.303	511.303	-	-	-	-	-	-	4.307.404	912.744	5.220.148
1.520.338	119.093.258	-	-	-	564	4.499.883	-	999.801.057	372.599.913	1.372.400.970
4.971.963	**190.254.277**	**-**	**-**	**-**	**28.652.523**	**38.768.601**	**93.501.396**	**2.470.706.765**	**1.326.438.753**	**3.797.145.518**

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

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

	Risk Classes								
Prior Period	**Conditional and unconditional receivables from central governments or central banks**	**Conditional and unconditional receivables from regional or local governments**	**Conditional and unconditional receivables from administrative units and non-commercial enterprises**	**Conditional and unconditional receivables from multilateral development banks**	**Conditional and unconditional receivables from international organisations**	**Conditional and unconditional receivables from banks and brokerage houses**	**Conditional and unconditional corporate receivables**	**Conditional and unconditional retail receivables**	**Conditional and unconditional receivables secured by mortgages**
Sectors/Counter Parties									
Agriculture	82	59.512	35.150	-	-	-	32.067.410	151.232.587	17.529.251
Farming and Stockbreeding	5	59.512	35.150	-	-	-	30.887.803	150.608.304	17.442.092
Forestry	77	-	-	-	-	-	162.855	511.958	52.862
Fishing	-	-	-	-	-	-	1.016.752	112.325	34.297
Manufacturing	129.541	1.104	8.273	-	-	-	296.842.879	28.496.203	2.724.212
Mining and Quarrying	-	-	-	-	-	-	13.781.811	374.356	49.616
Production	129.530	9	1.384	-	-	-	214.055.227	27.876.706	2.632.079
Electric, Gas and Water	11	1.095	6.889	-	-	-	69.005.841	245.141	42.517
Construction	-	-	-	-	-	-	76.703.593	8.698.490	2.662.512
Services	291.479.555	19.759	978.124	-	-	105.110.837	257.946.455	52.881.868	7.620.920
Wholesale and Retail Trade	-	26	4.431	-	-	-	61.619.047	38.762.183	5.458.386
Hotel Food and Beverage Services	13.886	35	2.452	-	-	-	17.088.891	3.302.831	584.852
Transportation and Telecommunication	-	25	932.590	-	-	-	104.325.980	4.791.721	658.358
Financial Institutions	289.043.698	-	8.941	-	-	103.385.043	7.321.761	22.815	-
Real Estate and Leasing Services	2.300.128	19.672	3.788	-	-	1.725.794	63.975.732	4.504.162	764.569
Self Employment Services	-	-	-	-	-	-	-	-	-
Education Services	120.403	-	17.670	-	-	-	1.309.211	552.806	43.978
Health and Social Services	1.440	1	8.252	-	-	-	2.305.833	945.350	110.777
Other	419.403.069	652.496	11.648.028	-	-	393	21.384.896	105.561.643	198.517.370
Total	**711.012.247**	**732.871**	**12.669.575**	**-**	**-**	**105.111.230**	**684.945.233**	**346.870.791**	**229.054.265**

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

Risk Classes										
Past due Receivables	Receivables defined in high risk category by BRSA	Securities collateralised by mort gages	Securitisation positions	Short-term from banks, brokerage houses and corporatse	Investments similar to collective investment Funds	Investments in Equity Instruments	Other Receivables	TL	FC	Total
171.057	4.339.066	-	-	-	-	-	-	203.956.016	1.478.099	205.434.115
169.715	4.298.892	-	-	-	-	-	-	202.620.874	880.599	203.501.473
708	4.271	-	-	-	-	-	-	710.808	21.923	732.731
634	35.903	-	-	-	-	-	-	624.334	575.577	1.199.911
301.369	25.935.368	-	-	-	-	-	-	209.998.041	144.440.908	354.438.949
1.923	1.939.423	-	-	-	-	-	-	5.319.289	10.827.840	16.147.129
287.254	21.290.909	-	-	-	-	-	-	173.847.724	92.425.374	266.273.098
12.192	2.705.036	-	-	-	-	-	-	30.831.028	41.187.694	72.018.722
114.591	6.086.853	-	-	-	303.180	-	-	45.004.621	49.564.598	94.569.219
313.110	21.766.559	-	-	-	26.717.979	19.569.454	70.417.138	320.072.564	534.749.194	854.821.758
237.660	12.766.641	-	-	-	-	-	-	101.218.758	17.629.616	118.848.374
27.472	940.636	-	-	-	-	-	-	8.608.780	13.352.275	21.961.055
16.596	1.684.942	-	-	-	-	-	-	13.548.159	98.862.053	112.410.212
1	4.543.161	-	-	-	25.725.418	17.333.231	70.417.138	160.545.307	357.255.900	517.801.207
25.172	1.393.628	-	-	-	992.561	2.236.223	-	31.674.515	46.266.914	77.941.429
-	-	-	-	-	-	-	-	-	-	-
2.983	151.875	-	-	-	-	-	-	1.512.910	686.016	2.198.926
3.226	285.676	-	-	-	-	-	-	2.964.135	696.420	3.660.555
1.145.720	38.014.619	-	-	-	182	635.592	-	545.374.933	251.589.075	796.964.008
2.045.847	**96.142.465**	**-**	**-**	**-**	**27.021.341**	**20.205.046**	**70.417.138**	**1.324.406.175**	**981.821.874**	**2.306.228.049**

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

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

4. Analysis of maturity-bearing exposures according to remaining maturities

Current Period	Term to Maturity				
	1 Month	1-3 Months	3-6 Months	6-12 Months	Over 1 Year
Exposure Classifications					
Conditional and unconditional exposures to central governments or central banks	180.148.779	7.147.223	47.215.052	20.694.521	1.059.684.450
Conditional and unconditional exposures to regional governments or local authorities	6.802	8.616	29.284	41.821	6.854.983
Conditional and unconditional receivables from administrative units and non-commercial enterprises	18.758	4.534	451.074	207.036	31.634.524
Conditional and unconditional exposures to multilateral development banks	-	-	-	-	-
Conditional and unconditional exposures to international organisations	-	-	-	-	-
Conditional and unconditional exposures to banks and brokerage houses	42.603.142	11.449.085	20.999.899	8.014.677	143.100.766
Conditional and unconditional exposures to corporates	27.265.776	39.006.000	36.650.037	258.066.284	565.311.359
Conditional and unconditional retail exposures	10.110.614	35.114.825	46.553.978	282.836.938	272.156.762
Conditional and unconditional exposures secured by real estate property	1.068.326	3.215.721	5.097.807	25.934.245	252.293.060
Past due receivables	2.537.303	278.132	353.056	487.019	1.316.453
Receivables defined in high risk category by BRSA	3.667.730	1.147.419	2.384.674	134.149.572	48.904.882
Exposures in the form of bonds secured by mortgages	-	-	-	-	-
Securitization Positions	-	-	-	-	-
Short term exposures to banks, brokerage houses and corporates	-	-	-	-	-
Exposures in the form of collective investment undertakings	-	2.776	6.575	451.348	28.191.824
Investments in Equity Instruments	-	-	-	-	38.768.601
Grand Total	**267.427.230**	**97.374.331**	**159.741.436**	**730.883.461**	**2.448.217.664**

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

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

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

Prior Period	Term to Maturity				
	1 Month	1-3 Months	3-6 Months	6-12 Months	Over 1 Year
Exposure Classifications					
Conditional and unconditional exposures to central governments or central banks	96.939.345	2.691.628	11.584.202	57.232.466	542.564.606
Conditional and unconditional exposures to regional governments or local authorities	6.482	7.227	16.959	57.798	644.405
Conditional and unconditional receivables from administrative units and non-commercial enterprises	10.023	1.829	11.808	1.660.385	10.985.530
Conditional and unconditional exposures to multilateral development banks	-	-	-	-	-
Conditional and unconditional exposures to international organisations	-	-	-	-	-
Conditional and unconditional exposures to banks and brokerage houses	30.951.009	13.005.293	10.989.235	4.152.065	46.013.628
Conditional and unconditional exposures to corporates	26.583.421	47.319.620	58.342.380	172.037.104	380.662.708
Conditional and unconditional retail exposures	3.526.625	14.845.252	21.705.995	156.359.193	150.433.726
Conditional and unconditional exposures secured by real estate property	380.058	1.557.721	2.049.708	15.976.422	209.090.356
Past due receivables	509.351	127.365	531.432	239.937	637.762
Receivables defined in high risk category by BRSA	2.264.503	3.025.290	8.545.722	41.549.914	40.757.036
Exposures in the form of bonds secured by mortgages	-	-	-	-	-
Securitization Positions	-	-	-	-	-
Short term exposures to banks, brokerage houses and corporates	-	-	-	-	-
Exposures in the form of collective investment undertakings	-	51.094	107.646	1.079.210	25.783.391
Investments in Equity Instruments	-	-	-	-	20.205.046
Grand Total	**161.170.817**	**82.632.319**	**113.885.087**	**450.344.494**	**1.427.778.194**

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

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

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

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NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

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

Fitch Rating's and the Islamic International Rating Agency's (IIRA) risk ratings as per the credit quality grades and the risk weights according to exposure categories are presented below:

		Exposure to Banks and Brokerage Houses	
Credit Quality Grade	**Fitch Ratings Long Term Credit Rating**	**Exposures with Original Maturities Less Than 3 Months**	**Exposures with Original Maturities More Than 3 Months**
1	AAA to AA-	20%	20%
2	A+ to A-	20%	50%
3	BBB+ to BBB-	20%	50%
4	BB+ to BB-	50%	100%
5	B+ to B-	50%	100%
6	CCC+ and below	150%	150%

Credit Quality Grade	**IIRA Long Term Credit Rating**	**Receivables from the Central Governments and the Central Banks**
1	AAA to AA-	0%
2	A+ to A-	20%
3	BBB+ to BBB-	50%
4	BB+ to BB-	100%
5	B+ to B-	100%
6	CCC+ and below	150%

5. Exposures by risk weights

Current Period

	Risk Weights	0%	10%	20%	25%	35%	50%	75%	100%	150%	250%	Other	Deductions from Equity
1	Exposures before Credit Risk Mitigation	1.325.028.748	-	83.629.129	-	-	274.508.390	774.537.703	1.149.910.209	120.967.825	-	68.563.514	3.774.036
2	Exposures after Credit Risk Mitigation	1.514.151.700	-	53.005.015	-	148.119.215	213.791.298	570.760.559	1.107.956.472	120.797.745	-	68.563.514	3.774.036

Prepared with the numbers after conversion rate to credit.

Prior Period

	Risk Weights	0%	10%	20%	25%	35%	50%	75%	100%	150%	250%	Other	Deductions from Equity
1	Exposures before Credit Risk Mitigation	731.969.000	-	34.209.475	-	-	156.248.969	464.225.195	823.408.000	39.630.078	-	56.537.332	2.298.315
2	Exposures after Credit Risk Mitigation	806.107.297	-	31.896.117	-	131.098.235	140.892.998	313.252.546	786.941.888	39.501.636	-	56.537.332	2.298.315

Prepared with the numbers after conversion rate to credit.

(*) In accordance with the Regulation on Measurement and Evaluation of Banks' Capital Adequacy risk weights of 2% and 4% have been added to the Calculation of the Capital Liability for Risks Arising from Central Counterparties as of the current period.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

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

6. Information in terms of major sectors and type of counterparties

Current Period	Loans		Provisions
	Impaired (TFRS 9)		
	Significant Increase in Credit Risk (Stage 2)	Non-performing loans (Stage 3)	Provisions for Expected Credit Loss (TFRS)
Agriculture	**8.833.843**	**750.019**	**775.443**
Farming and Stockbreeding	8.758.327	735.295	762.386
Forestry	41.637	9.166	7.768
Fishery	33.879	5.558	5.289
Manufacturing	**53.134.275**	**3.477.981**	**29.884.410**
Mining and Quarrying	141.220	18.465	24.465
Production	46.372.681	2.839.325	26.296.552
Electricity, Gas and Water	6.620.374	620.191	3.563.393
Construction	**13.391.092**	**8.469.883**	**12.370.637**
Services	**46.595.754**	**6.015.625**	**10.522.559**
Wholesale and Retail Trade	15.481.040	2.535.686	2.628.406
Accommodation and Dining	8.316.169	464.901	933.659
Transportation and Telecom.	329.284	138.761	133.467
Financial Institutions	2.517	6.040	4.269
Real Estate and Rental Services	21.061.648	1.856.605	5.922.804
Professional Services	-	-	-
Educational Services	332.367	988.495	725.627
Health and Social Services	1.072.729	25.137	174.327
Other	**15.727.898**	**4.207.445**	**5.461.662**
Total	**137.682.862**	**22.920.953**	**59.014.711**

Prior Period	Loans		Provisions
	Impaired (TFRS 9)		
	Significant Increase in Credit Risk (Stage 2)	Non-performing loans (Stage 3)	Provisions for Expected Credit Loss (TFRS)
Agriculture	**3.740.940**	**910.556**	**973.450**
Farming and Stockbreeding	3.730.026	900.086	964.040
Forestry	6.166	5.067	4.560
Fishery	4.748	5.403	4.850
Manufacturing	**35.387.983**	**2.103.218**	**16.421.902**
Mining and Quarrying	10.548	24.153	22.645
Production	28.851.310	1.837.499	14.876.961
Electricity, Gas and Water	6.526.125	241.566	1.522.296
Construction	**8.542.835**	**3.005.429**	**5.884.659**
Services	**30.425.055**	**3.943.231**	**12.759.166**
Wholesale and Retail Trade	5.391.489	2.525.448	3.141.195
Accommodation and Dining	6.264.528	325.349	2.048.132
Transportation and Telecom.	268.430	155.323	146.852
Financial Institutions	5.966	7.141	5.877
Real Estate and Rental Services	16.729.335	887.488	6.818.840
Professional Services	-	-	-
Educational Services	858.314	17.864	183.326
Health and Social Services	906.993	24.618	414.944
Other	**8.535.351**	**3.738.457**	**4.205.533**
Total	**86.632.164**	**13.700.891**	**40.244.710**

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NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

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

7. Information about Value Adjustment and Change in Provisions

	Current Period	Opening Balance	Provision for Period	Provision Reversals	Other Adjustments	Closing Balance
1	Stage 3 Expected Loss Provisions	11.619.697	10.206.994	(4.771.894)	-	17.054.797
2	Stage 1 and 2 Expected Loss Provisions	36.335.940	23.423.604	(8.861.287)	-	50.898.257

	Prior Period	Opening Balance	Provision for Period	Provision Reversals	Other Adjustments	Closing Balance
1	Stage 3 Expected Loss Provisions	12.148.761	4.122.512	(4.651.576)	-	11.619.697
2	Stage 1 and 2 Expected Loss Provisions	16.923.608	19.412.385	(53)	-	36.335.940

8. Risks Included Capital Capacity Buffer Calculations

Current Period

Country	Banking Accounts RWA	Trading Accounts RWA	Total
Iraq	4.395.783	921.119	5.316.902
Turkish Republic of Northern Cyprus	4.522.575	-	4.522.575
USA	1.701.637	2.548.333	4.249.970
Kazakhstan	3.544.340	-	3.544.340
Germany	3.229.376	-	3.229.376
Azerbaijan	2.845.721	-	2.845.721
Holland	2.463.365	-	2.463.365
Bulgaria	2.328.741	-	2.328.741
Kosovo	1.928.043	222.278	2.150.321
Uzbekistan	1.826.974	-	1.826.974
Other	9.130.259	-	9.130.259

Prior Period

Country	Banking Accounts RWA	Trading Accounts RWA	Total
Turkish Republic of Northern Cyprus	3.375.288	-	3.375.288
Germany	2.798.736	-	2.798.736
Bosnia and Herzegovina	2.232.284	-	2.232.284
Iraq	1.508.709	590.783	2.099.492
Kazakhstan	1.854.641	-	1.854.641
Holland	1.668.243	-	1.668.243
Azerbaijan	1.618.160	-	1.618.160
Kosovo	1.524.252	136.256	1.660.508
Uzbekistan	1.388.487	-	1.388.487
Bulgaria	1.225.215	-	1.225.215
Other	5.854.172	1.300.213	7.154.385

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

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

III. EXPLANATIONS ON THE CURRENCY RISK

1. 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 Director

The Bank's policy is to avoid carrying significant position by means of foreign currency management. 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 approved by the Board of Directors is also monitored on daily basis. Additionally, dealer's position and operational limits for foreign exchange transactions are under the authorization of the Board of Directors.

2. Hedge Against Foreign Exchange Debt Instruments and Net Foreign Exchange Investments by Hedging Derivative Instruments, if Material

None.

3. Management Policy for Foreign Currency Risk

Periodic "Liquidity Gap Analysis" and "Repricing Gap Analysis" to determine the liquidity and structural interest rate risks in the US Dollar and Euro, which are the most important foreign currencies in which the Bank operates, and the historical renewal rates of foreign exchange deposit accounts. "Structural Liquidity Gap Analysis" is performed. In addition, daily VAR analysis for the follow-up of the currency risk and within the scope of legal reporting, Foreign Currency Net General Position/Equity Standard Ratio and Foreign Currency Liquidity Position are regularly monitored. The Bank manages the Turkish Lira or foreign currency risks that may occur in domestic and international markets and follow the transactions that create these risks and manages these risks at the optimum level within the framework of market expectations and within the scope of its strategies by considering the balance with other financial risks. Sensitivity analysis regarding the currency risk that the Bank is exposed to is explained in Note 6.

4. 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
22.12.2023	28,7758	31,7305	19,6020	4,2569	2,8839	33,7486	21,7311	2,8293	36,6133	7,6641	20,2464
25.12.2023	28,7842	31,6641	19,5795	4,2490	2,8710	33,5805	21,6953	2,8245	36,5020	7,6663	20,1985
26.12.2023	28,8984	31,8271	19,6534	4,2704	2,8758	33,7698	21,8604	2,8296	36,7003	7,6976	20,2754
27.12.2023	28,9541	32,0652	19,7899	4,3020	2,8958	34,0039	21,9423	2,8619	36,9163	7,7133	20,2880
28.12.2023	29,0154	32,1636	19,8188	4,3162	2,9139	34,6653	21,9706	2,8590	36,9898	7,7300	20,5822
29.12.2023	29,1205	32,1973	19,8068	4,3211	2,8988	34,6727	21,9885	2,8743	37,0415	7,7580	20,5612

5. Simply Arithmetic Average of The Bank's Current Foreign Exchange Bid Rates for The Last 30 Days Prior to The Balance Sheet Date

USD	EUR	AUD	DKK	SEK	CHF	CAD	NOK	GBP	SAR	100 JPY
28,1270	30,2164	18,2877	4,0525	2,6391	31,6983	20,6379	2,5981	34,8540	7,4861	19,0193

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

6. 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	151.275.079	195.358.283	47.757.009	394.390.371
Banks [6]	5.556.411	17.278.912	12.750.400	35.585.723
Financial Assets at Fair Value Through Profit and Loss	-	7.400.207	49.333.979	56.734.186
Money Markets Receivables	128.907	-	-	128.907
Financial Assets at Fair Value Through Other Comprehensive Income	22.163.803	308.103.479	445.807	330.713.089
Loans[1]	262.934.129	264.737.798	2.180.392	529.852.319
Subsidiaries, Associates, Entities Under Common Control (Joint Ventures)	6.613.124	7.126.291	-	13.739.415
Financial Assets Measured at Amortised Cost	56.799.198	15.779.144	152.703	72.731.045
Derivative Financial Assets for Hedging Purposes	-	-	-	-
Tangible Fixed Assets	76.179	11.853	89.958	177.990
Intangible Assets	18.420	14.869	29.837	63.126
Other Assets [3]	3.391.141	7.751.981	309.615	11.452.737
Total Assets [4]	**508.956.391**	**823.562.817**	**113.049.700**	**1.445.568.908**
Liabilities				
Interbank Deposits	42.769.473	4.982.933	1.490.136	49.242.542
Foreign Currency Deposits	493.001.439	468.065.083	198.306.907	1.159.373.429
Money Market Borrowings	-	78.303.138	-	78.303.138
Funds Provided from Other Financial Institutions	86.054.374	110.814.840	2.864.585	199.733.799
Issued Marketable Securities[5]	46.620.531	46.192.885	-	92.813.416
Miscellaneous Payables	10.898.219	5.848.740	83.709	16.830.668
Derivative Financial Liabilities for Hedging Purposes	-	-	-	-
Other Liabilities	4.005.736	13.763.573	6.083.591	23.852.900
Total Liabilities	**683.349.772**	**727.971.192**	**208.828.928**	**1.620.149.892**
Net Balance Sheet Position	**(174.393.381)**	**95.591.625**	**(95.779.228)**	**(174.580.984)**
Net Off-Balance Sheet Position [2]	**174.285.731**	**(54.114.220)**	**96.796.549**	**216.968.060**
Financial Derivative Assets	212.839.884	299.845.051	105.117.310	617.802.245
Financial Derivative Liabilities	38.554.153	353.959.271	8.320.761	400.834.185
Non-Cash Loans	**173.785.941**	**268.433.911**	**47.286.408**	**489.506.260**
Prior Period				
Total Assets	302.354.197	625.330.476	71.218.584	998.903.257
Total Liabilities	435.412.765	504.715.466	115.311.819	1.055.440.050
Net Balance Sheet Position	**(133.058.568)**	**120.615.010**	**(44.093.235)**	**(56.536.793)**
Net Off-Balance Sheet Position [2]	**130.762.635**	**(114.769.780)**	**44.630.485**	**60.623.340**
Financial Derivative Assets	160.463.664	131.768.443	49.706.652	341.938.759
Financial Derivative Liabilities	29.701.029	246.538.223	5.076.167	281.315.419
Non-Cash Loans	**96.706.419**	**155.445.406**	**23.085.878**	**275.237.703**

[1] TL 6.269 equivalent of loans granted is USD and there is no EUR balance (31 December 2022: TL 26.837 equivalent of US Dollars and TL 6.049 equivalent EUR balance of the loans given are from foreign currency indexed loans.).

[2] Indicates the net balance of receivables and payables on derivative financial instruments.

[3] Prepaid expenses in other assets amounting to TL 160.959 are not included in the table. (31 Aralık 2022: Prepaid expenses amounting to TL 18.955 within other assets are not included in the table).

[4] Expected loss provisions for financial assets and other assets are reflected in related items.

[5] Includes subordinated debt instruments.

[6] Includes the guarantees given for derivative and repo transactions with foreign banks

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

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Analysis of Sensitivity to Currency Risk

The effect of 10% depreciation of TL against the USD, Euro and other currencies on the equity and profit or loss statement (excluding tax effects) for the one year accounting periods ending on 31 December 2023 and 31 December 2022 is shown in the table below.

This analysis has been prepared with the assumption that all other variables, especially interest rates, remain constant.

	Current Period - 31 December 2023		Prior Period - 31 December 2022	
	Profit/Loss Statement	**Equity (*)**	**Profit/Loss Statement**	**Equity (*)**
USD	3.733.041	3.020.412	60.803	(396.729)
EUR	(879.391)	(1.540.703)	(284.588)	(618.416)
Other currencies	96.891	96.891	12.062	12.062
Total (Net) (**)	**2.950.541**	**1.576.600**	**(211.723)**	**(1.003.083)**

(*) Equity effect also includes the effect of the profit or loss to occur due to the 10% depreciation of the against the relevant foreign currencies.

(**) Associates, subsidiaries, and entities under common control are included in the profit or loss statement impact calculation, but not in equity impact calculation. Tangible and intangible assets are not included in the equity and profit or loss statement impact calculation.

The effect of 10% appreciation of TL against the USD, Euro and other currencies on the equity and profit or loss statement (excluding tax effects) for the one year accounting periods ending on 31 December 2023 and 31 December 2022 is shown in the table below.

	Current Period - 31 December 2023		Prior Period - 31 December 2022	
	Profit/Loss Statement	**Equity (*)**	**Profit/Loss Statement**	**Equity (*)**
USD	(3.733.041)	(3.020.412)	(60.803)	396.729
EUR	879.391	1.540.703	284.588	618.416
Other currencies	(96.891)	(96.891)	(12.062)	(12.062)
Total (Net) (**)	**(2.950.541)**	**(1.576.600)**	**211.723**	**1.003.083**

(*) Equity effect also includes the effect of the profit or loss to occur due to the 10% appreciation of the against the relevant foreign currencies.

(**) Associates, subsidiaries, and entities under common control are included in the profit or loss statement impact calculation, but not in equity impact calculation. Tangible and intangible assets are not included in the equity and profit or loss statement impact calculation.

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IV. EXPLANATIONS ON THE INTEREST RATE RISK

1. Information Related to Interest Rate Sensitivity of Assets, Liabilities and Off-Balance Sheet Items

(Based on days to repricing dates)

Current Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-Interest Bearing	Total
Assets							
Cash (Cash in Vault, Effectives, Money in Transit, Cheques Purchased) and Balances with Central Bank of the Republic of Türkiye	139.306.543	-	-	-	-	402.047.985	541.354.528
Banks [7]	9.610.065	144.513	-	-	-	29.291.607	39.046.185
Financial Assets at Fair Value Through Profit and Loss	152.430	17.552.911	20.362.348	12.187.879	4.286.324	11.842.555	66.384.447
Money Markets Receivables	150.911.409	-	-	-	-	-	150.911.409
Financial Assets at Fair Value Through Other Comprehensive Income	130.077.474	51.370.176	110.280.474	176.038.121	117.037.547	4.571.532	589.375.324
Loans Given [3]	769.020.303	252.542.388	355.397.113	435.351.791	85.440.900	5.866.156	1.903.618.651
Financial Assets Measured at Amortised Cost	34.898.144	69.387.096	93.098.615	49.895.561	78.135.344	-	325.414.760
Other Assets [2]	4.596.451	4.451.961	1.555.238	309.374	38.028	173.328.646	184.279.698
Total Assets [1] [5]	**1.238.572.819**	**395.449.045**	**580.693.788**	**673.782.726**	**284.938.143**	**626.948.481**	**3.800.385.002**
Liabilities							
Interbank Deposits	48.298.872	31.435.472	-	-	-	8.832.882	88.567.226
Other Deposits	1.372.775.573	302.110.779	283.725.985	7.504.899	53.245	880.585.374	2.846.755.855
Money Market Borrowings	22.908.925	7.535.254	8.781.615	44.110.982	-	-	83.336.776
Miscellaneous Payables	-	-	-	-	-	65.128.299	65.128.299
Issued Marketable Securities [6]	995.039	1.456.303	53.620.034	37.737.080	-	-	93.808.456
Funds Provided from Other Financial Institutions	73.279.984	82.977.496	30.883.571	12.489.573	584.531	-	200.215.155
Other Liabilities [4]	1.355.878	629.293	1.624.909	2.585.046	1.316.121	415.061.988	422.573.235
Total Liabilities [1]	**1.519.614.271**	**426.144.597**	**378.636.114**	**104.427.580**	**1.953.897**	**1.369.608.543**	**3.800.385.002**
Balance Sheet Long Position	**-**	**-**	**202.057.674**	**569.355.146**	**282.984.246**	**-**	**1.054.397.066**
Balance Sheet Short Position	**(281.041.452)**	**(30.695.552)**	**-**	**-**	**-**	**(742.660.062)**	**(1.054.397.066)**
Off-Balance Sheet Long Position	1.710.407	-	1.577	655.969	-	-	2.367.953
Off-Balance Sheet Short Position	-	(1.771.415)	-	-	(1.015.345)	-	(2.786.760)
Total Position	**(279.331.045)**	**(32.466.967)**	**202.059.251**	**570.011.115**	**281.968.901**	**(742.660.062)**	**(418.807)**

[1] Balances without fixed maturity are shown in the "Non-Interest Bearing" columns.

[2] Deferred tax asset is shown under the "Non-Interest Bearing" column.

[3] Net balance of loans under follow-up is shown under the "Non-Interest Bearing" column in loans given.

[4] Total shareholders' equity is shown under the "Non-Interest Bearing" column.

[5] Allowance for expected losses for financial assets and other assets are reflected in the related items.

[6] Includes subordinated debt instruments.

[7] Includes the guarantees given for derivative and repo transactions with foreign banks.

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(Based on days to repricing dates)

Prior Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-Interest Bearing	Total
Assets							
Cash (Cash in Vault, Effectives, Money in Transit, Cheques Purchased) and Balances with Central Bank of the Republic of Türkiye	23.833.556	-	-	-	-	350.560.829	374.394.385
Banks	2.183.979	137.416	-	-	-	9.148.254	11.469.649
Financial Assets at Fair Value Through Profit and Loss	85.080	73.869	39.864	27.673.058	18.934	5.404.074	33.294.879
Money Markets Receivables	5.380.282	-	-	-	-	-	5.380.282
Financial Assets at Fair Value Through Other Comprehensive Income	96.599.354	21.764.806	124.793.492	76.978.487	73.459.368	2.077.658	395.673.165
Loans Given [3]	449.812.713	135.106.786	266.775.244	275.177.974	89.441.302	2.081.194	1.218.395.213
Financial Assets Measured at Amortised Cost	2.731.393	50.061.035	22.778.137	60.817.641	22.941.772	-	159.329.978
Other Assets [2]	4.570.330	2.350.830	2.072.668	386.820	71.640	104.275.185	113.727.473
Total Assets [1][5]	**585.196.687**	**209.494.742**	**416.459.405**	**441.033.980**	**185.933.016**	**473.547.194**	**2.311.665.024**
Liabilities							
Interbank Deposits	50.842.278	10.190.916	9.120.029	-	-	8.296.037	78.449.260
Other Deposits	748.232.969	239.271.172	102.969.345	3.829.858	29.287	566.486.969	1.660.819.600
Money Market Borrowings	50.167.586	20.373.383	6.970.742	7.550.978	-	-	85.062.689
Miscellaneous Payables	-	-	-	-	-	35.403.969	35.403.969
Issued Marketable Securities [6]	-	1.435.966	12.381.209	42.899.866	-	-	56.717.041
Funds Provided from Other Financial Institutions	25.344.316	47.016.823	24.468.356	9.814.082	3.562.495	-	110.206.072
Other Liabilities [4]	580.697	716.088	1.868.940	871.365	562.349	280.406.954	285.006.393
Total Liabilities [1]	**875.167.846**	**319.004.348**	**157.778.621**	**64.966.149**	**4.154.131**	**890.593.929**	**2.311.665.024**
Balance Sheet Long Position	**-**	**-**	**258.680.784**	**376.067.831**	**181.778.885**	**-**	**816.527.500**
Balance Sheet Short Position	**(289.971.159)**	**(109.509.606)**	**-**	**-**	**-**	**(417.046.735)**	**(816.527.500)**
Off-Balance Sheet Long Position	3.604.188	2.684.526	262.625	-	-	-	6.551.339
Off-Balance Sheet Short Position	-	-	-	-	(1.015.345)	-	(1.015.345)
Total Position	**(286.366.971)**	**(106.825.080)**	**258.943.409**	**376.067.831**	**180.763.540**	**(417.046.735)**	**5.535.994**

[1] Balances without fixed maturity are shown in the "Non-Interest Bearing" columns.

[2] Deferred tax asset is shown under the "Non-Interest Bearing" column.

[3] Net balance of loans under follow-up is shown under the "Non-Interest Bearing" column in loans given.

[4] Total shareholders' equity is shown under the "Non-Interest Bearing" column.

[5] Allowance for expected losses for financial assets and other assets are reflected in the related items.

[6] Includes subordinated debt instruments.

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2. Average Interest Rate Applied to the Monetary Financial Instruments (%)

	EUR	USD	JPY	TL
Current Period				
Assets				
Cash (Cash in Vault, Effectives, Money in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Türkiye	-	-	-	-
Banks	4,55	5,65	-	43,50
Financial Assets at Fair Value Through Profit or Loss	-	5,36	-	-
Money Market Receivables	-	-	-	42,95
Financial Assets at Fair Value Through Other Comprehensive Income	3,70	6,18	-	24,85
Loans Given [1]	7,71	9,06	-	27,89
Financial Assets Measured at Amortised Cost	4,55	8,39	-	17,81
Liabilities				
Interbank Deposits	4,87	5,65	-	43,61
Other Deposits	1,59	3,44	-	37,11
Money Market Borrowings	-	7,62	-	36,53
Miscellaneous Payables	-	-	-	-
Issued Marketable Securities [2]	5,08	6,89	-	36,38
Funds Provided from Other Financial Institutions	6,71	7,72	-	34,74

[1] Credit card loan balances are not included.

[2] Subordinated debt instruments are included.

	EUR	USD	JPY	TL
Prior Period				
Assets				
Cash (Cash in Vault, Effectives, Money in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Türkiye	-	-	-	-
Banks	4,30	-	-	-
Financial Assets at Fair Value Through Profit or Loss	-	5,36	-	-
Money Market Receivables	-	5,41	-	26,23
Financial Assets at Fair Value Through Other Comprehensive Income	3,70	5,16	-	26,73
Loans Given [1]	5,83	7,71	-	13,59
Financial Assets Measured at Amortised Cost	4,66	7,58	-	15,90
Liabilities				
Interbank Deposits	1,40	4,17	-	10,43
Other Deposits	1,03	3,44	-	15,67
Money Market Borrowings	3,52	5,58	-	9,17
Miscellaneous Payables	-	-	-	-
Issued Marketable Securities [2]	5,08	5,05	-	16,99
Funds Provided from Other Financial Institutions	2,84	4,85	-	8,83

[1] Credit card loan balances are not included.

[2] Subordinated debt instruments are included.

V. EXPLANATIONS ON THE POSITION RISK OF EQUITY INSTRUMENTS

1. Equity Instruments Position Risk Derived from Banking Books

Comparison with the market value if the market value is significantly different from the fair value for balance sheet, fair and market values of equity share

	Comparison		
Investments in Equity Instruments - Current Period	**Balance Sheet Value**	**Fair Value**	**Market Value**
1. Investment in Equity Instruments Group A	3.802.478	3.802.478	3.802.478
Traded on Stock Exchange	-	-	-
2. Investment in Equity Instruments Group B	16.453.029	16.453.029	16.453.029
Traded on Stock Exchange	16.453.029	16.453.029	16.453.029
3. Investment in Equity Instruments Group C	-	-	-
Traded on Stock Exchange	-	-	-
4. Investment in Equity Instruments Group Other	-	-	-
Other [1]	2.483.448	2.483.448	-

[1] The mentioned stock investments are not traded on the stock exchange and there is no stock market price since they are not publicly traded.

	Comparison		
Investments in Equity Instruments - Prior Period	**Balance Sheet Value**	**Fair Value**	**Market Value**
1. Investment in Equity Instruments Group A	4.033.616	4.033.616	4.033.616
Traded on Stock Exchange	-	-	-
2. Investment in Equity Instruments Group B	17.453.146	17.453.146	17.453.146
Traded on Stock Exchange	17.453.146	17.453.146	17.453.146
3. Investment in Equity Instruments Group C	-	-	-
Traded on Stock Exchange	-	-	-
4. Investment in Equity Instruments Group Other	-	-	-
Other [1]	927.626	927.626	-

[1] The mentioned stock investments are not traded on the stock exchange and there is no stock market price since they are not publicly traded.

The breakdown of capital requirements on the basis of related investments in equity instruments depending on the method of the calculation of capital requirement which is chosen by Bank among approaches that are allowed to be used within the Communiqué regarding Credit Risk Standard Method or the Calculation of Counterparty Credit Risk based upon Internal Rating Approaches

The investments in equity instruments, partaking in banking accounts according to the credit risk standard method, are amounted TL 2.483.448 and all of them are 100% risk weighted (31 December 2022: are amounted TL 927.626 and all of them are 100% risk weighted).

Total unrealized gains or losses, total revaluation value increases and their amounts included in principal and contribution capital

		Revaluation Surplus		Unrealized Gain and Loss		
Portfolio	**Realized Gain/Loss in Current Period**	**Total**	**Included in Supplementary Capital**	**Total**	**Included in Supplementary Capital**	**Included in Contribution Capital**
1. Private Capital Investments	-	-	-	-	-	-
2. Publicly Traded Stocks	-	15.992.017	15.992.017	-	-	-
3. Other Stocks	-	1.922.777	1.922.777	-	-	-
Total	**-**	**17.914.794**	**17.914.794**	**-**	**-**	**-**

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VI. EXPLANATIONS ON THE LIQUIDITY RISK MANAGEMENT AND LIQUIDITY COVERAGE RATIO

Matters related to liquidity and financial emergency management are determined in the Liquidityand Financial Emergency Management-Liquidity Funding Plan Approved by the Board of Directors.

The Bank conducts the remaining maturity analysis in order to observe the maturity structure of its balance sheet, liquidity gap and structural liquidity gap analysis to monitor the liquidity need by periods, and Liquidity Stress Test in order to evaluate the liquidity need of the Bank in the worst possible situation. Core deposit analysis is carried out to determine the stable part of the deposit, which is the most important fund resource of the Bank. In addition, the Bank-sector maturity structures and legal liquidity ratios are monitored in order to compare the Bank's liquidity risk level with the sector.

1. Liquidity Risk

Explanations related to the liquidity risk management including the Bank's risk capacity, responsibilities and structure of liquidity risk management, reporting of liquidity risk in internal banking, the strategy of liquidity risk and how to provide the communication of policies and implementations with board of directors and business lines

The Bank's risk capacity, risk appetite, responsibilities and tasks of liquidity risk management and sharing of issues related to liquidity risk management with the bank network are explained in Bank's "Regulations of Risk Management, Stress Test Program and ICAAP Regulations" of the Bank. In this context, liquidity risk strategies, policies and implementations are shared within the Bank on a weekly, monthly, quarterly and annual basis with all relevant departments and the Bank's senior management. The analysis and reports made within this scope are handled at the Asset-Liability Committee meetings and the Board of Directors is informed through the Audit Committee.

Liquidity management and the degree of centralization of fund strategies, the information about the procedure between Bank and the subsidiaries of Bank

Continuously the information exchange is actualized about the liquidity need and surpluses between the Bank and its subsidiaries, the necessary guidance and procedures are moderated by Treasury Management and International Banking Group Presidency in order to manage liquidity need and surplus in effective way.

Information on the Bank's funding strategy, including policies on diversity of funding sources and duration

The Bank's main funding resource is deposit and the strategy of preserving the granular deposit structure is sustained. Moreover, within the diversification of funding strategy, long-term and cost-effective non-deposit funding is also targeted. In the non-deposit funding; repurchase agreements, post finance, syndication loan facility, loans from international financial institutions, marketable securities issuances, subordinated debt instruments and bilateral loan agreements are at the forefront.

Explanation related to liquidity management as currencies forming at least 5 percentage of aggregate liabilities of the Bank

The Bank's total liabilities are consisted of mostly TL, USD and EUR currencies. Besides these currencies, for other currencies, daily and long-term cash flows are monitored, and future projections are made for effective liquidity management purposes.

Information related to the techniques about the reduction of current liquidity risk

The Bank's source of funds is mainly formed of deposits. The Bank's deposits do not fluctuate considerably in line with the broadly dispersed customer network and the granular structure of the deposits. Besides, in order to increase the diversification of funds and decrease the maturity gap between assets and liabilities, non-deposit funds such as bond/bill issuances, repo transactions and funds borrowed are executed.

Explanation regarding the usage of the stress test

In the presence of unexpected negative circumstances, periodical stress tests being done in order to test the endurance of the bank. These actions have been shared with key management of the Bank and all related units for the purpose of taking necessary precautions. Additionally, stress tests also taken into consideration on subjects like the Bank's estimated financial position for the next period, the progress of legal ratios and the liquidity need in short and long term as part of budget practices.

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General information on liquidity urgent and unexpected situation plan

The internal and external sources which can be used in an emergency case to satisfy the liquidity need are periodically monitored and the borrowing limits of the Bank from organized market and other banks are on the level where they meet the structural liquidity deficits on different maturity segments. The Bank lines off its exposition to liquidity risk by limits that are approved by Board of Directors and within the frame of "Regulation on Risk Management, Stress Test Program and ICAAP Regulations". In addition, matters related to liquidity and financial emergency management have been identified.

2. Liquidity Coverage Ratio

Within the framework of "Regulation on Calculation of Liquidity Covered Rate of Banks" published in the Official Gazette dated 21 March 2014 and numbered 28948 by the BRSA, the Bank calculates the liquidity coverage ratio and transmits unconsolidated on weekly and consolidated on monthly basis to the BRSA. The lowest and highest unconsolidated rates in the last three months are shown in the table below.

Current Period - 31 December 2023

	FC		TL+FC	
Liquidity Coverage Ratio	**Date**	**Ratio**	**Date**	**Ratio**
The Lowest	6 October 2023	328,11	6 October 2023	168,53
The Highest	17 November 2023	503,49	29 December 2023	203,73

Prior Period - 31 December 2022

	FC		TL+FC	
Liquidity Coverage Ratio	**Date**	**Ratio**	**Date**	**Ratio**
The Lowest	7 October 2022	336,22	7 October 2022	177,16
The Highest	23 December 2022	451,68	30 December 2022	203,51

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	Total Unweighted Value (Average) (*)		Total Weighted Value (Average) (*)	
Current Period	**TL+FC**	**FC**	**TL+FC**	**FC**
HIGH QUALITY LIQUID ASSETS				
High Quality Liquid Assets			1.012.526.104	459.782.024
CASH OUTFLOWS				
Retail and Small Business Customers, of which;	1.651.122.177	706.980.492	146.130.892	70.698.049
Stable deposits	379.626.518	-	18.981.326	-
Less stable deposits	1.271.495.659	706.980.492	127.149.566	70.698.049
Unsecured wholesale funding, of which;	1.036.174.936	427.398.825	485.867.320	207.424.998
Operational deposit	33.027.757	4.303.648	8.256.939	1.075.912
Non-operational deposits	871.017.916	371.286.614	375.670.600	155.153.998
Other unsecured funding	132.129.263	51.808.563	101.939.781	51.195.088
Secured funding			-	-
Other cash outflows, of which;	613.516.305	59.112.625	71.464.229	27.115.027
Derivatives cash outflow and liquidity needs related to market valuation changes on derivatives or other transactions	21.558.419	21.643.587	21.558.419	21.643.587
Obligations related to structured financial products	-	-	-	-
Commitments related to debts to financial markets and other off-balance sheet obligations	591.957.886	37.469.038	49.905.810	5.471.440
Other revocable off-balance sheet commitments and contractual obligations	-	-	-	-
Other irrevocable or conditionally revocable off-balance sheet obligations	195.761.229	126.781.603	10.907.355	6.339.080
TOTAL CASH OUTFLOWS			**714.369.796**	**311.577.154**
CASH INFLOWS				
Secured lending	-	-	-	-
Unsecured lending	202.943.379	89.903.418	149.401.601	76.184.700
Other cash inflows	5.637.630	106.335.847	5.637.630	106.335.847
TOTAL CASH INFLOW	**208.581.009**	**196.239.265**	**155.039.231**	**182.520.547**
			Upper Limit Applied Values	
TOTAL HQLA STOCK			**1.012.526.104**	**459.782.024**
TOTAL NET CASH OUTFLOWS			**559.330.565**	**129.056.607**
LIQUIDITY COVERAGE RATIO (%)			**181,02**	**356,26**

(*) The average of last three months' liquidity coverage ratio calculated by weekly simple averages.

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	Total Unweighted Value (Average) (*)		Total Weighted Value (Average) (*)	
Prior Period	**TL+FC**	**FC**	**TL+FC**	**FC**
HIGH QUALITY LIQUID ASSETS				
High Quality Liquid Assets			667.210.887	425.824.875
CASH OUTFLOWS				
Retail and Small Business Customers, of which;	938.174.603	503.453.039	83.648.337	50.345.304
Stable deposits	203.382.476	-	10.169.124	-
Less stable deposits	734.792.127	503.453.039	73.479.213	50.345.304
Unsecured wholesale funding, of which;	683.071.175	326.241.383	315.380.061	158.917.974
Operational deposit	29.898.821	1.696.100	7.474.705	424.025
Non-operational deposits	568.987.053	284.775.401	242.743.155	119.347.850
Other unsecured funding	84.185.301	39.769.882	65.162.201	39.146.099
Secured funding			-	-
Other cash outflows, of which;	222.857.471	33.502.393	28.510.672	21.272.889
Derivatives cash outflow and liquidity needs related to market valuation changes on derivatives or other transactions	14.041.376	18.607.584	14.041.376	18.607.584
Obligations related to structured financial products	-	-	-	-
Commitments related to debts to financial markets and other off- balance sheet obligations	208.816.095	14.894.809	14.469.296	2.665.305
Other revocable off-balance sheet commitments and contractual obligations	-	-	-	-
Other irrevocable or conditionally revocable off-balance sheet obligations	120.470.284	83.658.058	7.183.869	4.182.903
TOTAL CASH OUTFLOWS			**434.722.939**	**234.719.070**
CASH INFLOWS				
Secured lending	-	-	-	-
Unsecured lending	124.404.168	51.608.797	84.123.630	36.510.970
Other cash inflows	1.061.122	91.291.081	1.061.122	91.291.081
TOTAL CASH INFLOW	**125.465.290**	**142.899.878**	**85.184.752**	**127.802.051**
			Upper Limit Applied Amounts	
TOTAL HQLA STOCK			**667.210.887**	**425.824.875**
TOTAL NET CASH OUTFLOWS			**349.538.187**	**106.917.019**
LIQUIDITY COVERAGE RATIO (%)			**190,88**	**398,28**

(*) The average of last three months' liquidity coverage ratio calculated by weekly simple averages.

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3. Explanations on Liquidity Coverage Ratio

Important points affecting the results of liquidity coverage ratio and the changes of the considered items in the course of time to calculate this ratio

Bank deposits, which constitute a significant part of its resources and cash outflows in the liquidity coverage ratio, have a non-fluctuating structure, but may cause periodic changes in total deposits compared to public deposits and other deposits. While considering the previous periods, the amount of the total deposits has an increasing trend.

Although they have low conversion into cash rate, non-cash loans also have a remarkable extent in proportion to financial statement, they have an impact on the calculation of liquidity coverage ratio. Comparing to previous periods, non-cash loans are in increasing trend.

Bonds and bills in the securities portfolio are being used in repo transactions as collateral. Since the securities used in repo transactions lose the characteristic of being free, in accordance with that securities can be used as collateral, liquidity coverage ratio is affected.

The content of high-quality liquid assets

All of the high-quality liquid assets in the calculation of liquidity coverage ratio are first quality liquid assets. These are cash, the accounts in Central Bank, reserve requirements and securities portfolio (the important part of bonds and T-bills issued by Republic of Türkiye Ministry of Treasury and Finance and other bonds).

The content of funds and their share in the total liabilities and funding

A major part of the resources of funds in Bank is comprised of deposits, the remaining is divided according to their share in the balance sheet as repo, funds borrowed, and issued securities.

Information about cash out-flows arising from derivative operations and margin operations likely to processing

Derivative operations in Bank are carried out on the purpose of protection from the risks that may exist or occur in the balance sheet, liquidity management, or meeting customer demand. Customer operations are carried out under the "Framework Agreement on Purchase and Sale of Derivative Instruments" or ISDA (International Swaps and Derivatives Association) and CSA (Credit Support Annex), as well as transactions with banks are performed again under ISDA and CSA agreements signed. Operations performed under the said contracts in the determined periods are subject to daily market valuation and additional cash margining. Operations could create additional collateral inflow or outflow depending on market valuation.

The concentration limits regarding collateral and counterparty and product-based fund resources

For the counterparty and product-based concentration limits are determined under Regulation on Risk Management, Stress Test Program, and the Bank's Internal Capital Adequacy Assessment Process ("ICAAP") with the approval of Senior Management. These limits are followed in particular frequency. Besides, it is being reported to the relevant units and senior management. There is no excess regarding the limits during operating period.

Liquidity risk and needed funding on the basis of the bank itself, the branches in foreign countries and the partnerships consolidated by considering operational and legal factors preventing liquidity transfer

The needed and surplus of liquidity of the branches in foreign countries of the bank and partnerships consolidated are followed and managed regularly. There is no constraint of operational and legal factors preventing liquidity transfer. In the analysis made, it is observed that the impact of the foreign branches and subsidiaries on the Bank's liquidity structure remain limited comparing to the size of the balance sheet. The need and surplus of the liquidity is encountered properly between partnerships, as well as the branches abroad.

Explanations of cash in-flow and cash out-flow items that are considered to be related to liquidity profile of the Bank and to be placed on the calculation of liquidity coverage ratio but not on the second paragraph of the disclosure template

All items on the calculation of liquidity coverage ratio are included in calculation in aggregated form on the table. In this context, there is no point included in the calculation of liquidity coverage ratio and not included in the disclosure template.

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4. Presentation of Assets and Liabilities According to Their Remaining Maturities

	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Undistributed [1]	Total
Current Period								
Assets								
Cash (Cash in Vault, Effectives, Money in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Türkiye	234.113.009	307.241.519	-	-	-	-	-	541.354.528
Banks [4]	29.291.607	9.610.065	144.513	-	-	-	-	39.046.185
Financial Assets at Fair Value Through Profit and Loss	-	152.430	17.552.911	20.362.348	12.187.879	4.286.324	11.842.555	66.384.447
Money Market Receivables	-	150.911.409	-	-	-	-	-	150.911.409
Financial Assets at Fair Value Through Other Comprehensive Income	-	46.797.624	20.015.540	76.573.573	307.372.279	136.132.862	2.483.446	589.375.324
Loans Given	-	70.577.112	223.819.418	850.841.788	564.786.614	187.727.563	5.866.156	1.903.618.651
Investments Held-to-Maturity	-	1.404.407	36.847.004	80.574.957	92.364.030	114.224.362	-	325.414.760
Other Assets	26.839.299	4.596.451	4.451.961	1.591.666	309.374	38.028	146.452.919	184.279.698
Total Assets[2]	**290.243.915**	**591.291.017**	**302.831.347**	**1.029.944.332**	**977.020.176**	**442.409.139**	**166.645.076**	**3.800.385.002**
Liabilities								
Interbank Deposits	8.832.882	48.298.872	31.435.472	-	-	-	-	88.567.226
Other Deposits	880.585.374	1.371.478.141	302.804.604	284.214.968	7.616.628	56.140	-	2.846.755.855
Funds Provided from Other Financial Institutions	-	11.697.179	4.258.052	68.756.946	106.208.960	9.294.018	-	200.215.155
Money Market Borrowings	-	22.908.925	7.535.254	8.781.615	44.110.982	-	-	83.336.776
Issued Marketable Securities [3]	-	995.039	1.456.303	53.620.034	37.737.080	-	-	93.808.456
Miscellaneous Payables	23.718.467	41.409.832	-	-	-	-	-	65.128.299
Other Liabilities	34.754.382	6.213.007	6.554.880	1.624.909	2.585.046	7252956	363.588.055	422.573.235
Total Liabilities	**947.891.105**	**1.503.000.995**	**354.044.565**	**416.998.472**	**198.258.696**	**16.603.114**	**363.588.055**	**3.800.385.002**
Liquidity Gap	**(657.647.190)**	**(911.709.978)**	**(51.213.218)**	**612.945.860**	**778.761.480**	**425.806.025**	**(196.942.979)**	**-**
Net Off-Balance Sheet Position	**-**	**982.397**	**(7.203.844)**	**1.577**	**(53.931)**	**4.080.743**	**-**	**(2.193.058)**
Financial Derivative Assets	-	372.766.405	185.144.272	6.034.429	5.200.668	5.096.088	-	574.241.862
Financial Derivative Liabilities	-	371.784.008	192.348.116	6.032.852	5.254.599	1.015.345	-	576.434.920
Non-cash Loans	**214.779.913**	**33.695.785**	**58.477.210**	**238.257.663**	**164.235.011**	**78.907.332**	**-**	**788.352.914**
Prior Period								
Total Assets	205.330.392	291.622.138	153.335.296	610.555.422	624.309.201	326.266.694	100.245.881	2.311.665.024
Total Liabilities	600.828.709	877.437.493	287.231.979	182.450.543	95.449.741	17.986.828	250.279.731	2.311.665.024
Liquidity Gap	**(395.498.317)**	**(585.815.355)**	**(133.896.683)**	**428.104.879**	**528.859.460**	**308.279.866**	**(150.033.850)**	**-**
Net Off-Balance Sheet Position	**-**	**3.136.730**	**(120.249)**	**262.625**	**-**	**2.256.893**	**-**	**5.535.999**
Financial Derivative Assets	-	219.758.868	74.538.453	14.240.461	2.369.535	3.272.238	-	314.179.555
Financial Derivative Liabilities	-	216.622.138	74.658.702	13.977.836	2.369.535	1.015.345	-	308.643.556
Non-cash Loans	**121.162.934**	**13.767.347**	**43.662.871**	**137.071.719**	**84.474.216**	**14.515.564**	**-**	**414.654.651**

[1] 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.

[2] Expected Loss Provision for financial assets and other assets are recognized in the related account.

[3] Includes subordinated debt instruments.

[4] Includes the guarantees given for derivative and repo transactions with foreign banks.

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5. Representation of Financial Liabilities by Remaining Contractual Maturities

Current Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	More than 5 Years	Total
Banks Deposit	57.019.148	31.823.997	-	-	-	88.843.145
Other Deposits	2.259.751.246	313.778.627	308.710.910	9.154.272	58.383	2.891.453.438
Funds Provided to Other Financial Institutions	11.904.962	5.133.611	75.603.843	115.378.697	10.077.536	218.098.649
Payables to Money Markets	22.961.009	7.610.695	9.133.530	51.803.867	-	91.509.101
Total	**2.351.636.365**	**358.346.930**	**393.448.283**	**176.336.836**	**10.135.919**	**3.289.904.333**
Prior Period						
Banks Deposit	59.075.245	10.275.348	9.742.189	6.858.732	3.064.964	89.016.478
Other Deposits	1.317.026.000	243.457.792	105.578.414	4.279.483	37.108	1.670.378.797
Funds Provided to Other Financial Institutions	792.807	9.541.657	50.915.555	35.740.057	8.276.490	105.266.566
Payables to Money Markets	50.242.180	20.501.945	7.034.894	8.237.972	-	86.016.991
Total	**1.427.136.232**	**283.776.742**	**173.271.052**	**55.116.244**	**11.378.562**	**1.950.678.832**

VII. EXPLANATIONS ON LEVERAGE RATIO

1. Explanations on Issues that Cause Differences Between Leverage Ratios

The Bank's leverage calculated by force of the regulation "Regulation on Measurement and Assessment of Leverage Ratios of Banks" is 6,85% (31 December 2022: 7,58%). The regulation sentenced the minimum leverage ratio as 3%.

Balance sheet assets	Current Period (*)	Prior Period (*)
On-balance sheet items (excluding derivative financial instruments and credit derivatives but including collateral)	3.604.441.683	2.216.761.493
(Assets deducted in determining Tier 1 capital)	(36.242.876)	(28.827.832)
Total on-balance sheet risks (sum of lines 1 and 2)	3.568.198.807	2.187.933.661
Derivative financial instruments and credit derivatives		
Replacement cost associated with all derivative financial instruments and credit derivatives	11.444.922	8.549.253
Add-on amounts for PFE associated with all derivative financial instruments and credit derivatives	13.630.532	7.697.119
Total risks of derivative financial instruments and credit derivatives	25.075.454	16.246.372
Securities or commodity financing transactions (SCFT)		
Risks from SCFT assets(Excluding the balance sheet)	89.467.451	40.472.923
Risks from brokerage activities related exposures	-	-
Total risks related with securities or commodity financing transactions	89.467.451	40.472.923
Other off-balance sheet transactions		
Gross notional amounts of off-balance sheet transactions	1.345.022.909	623.647.421
(Adjustments for conversion to credit equivalent amounts)	-	-
Total risks of off-balance sheet items	1.345.022.909	623.647.421
Capital and total risks		
Tier 1 capital	344.198.784	217.487.486
Total risks	5.027.764.621	2.868.300.377
Leverage ratio		
Leverage ratio %	6,85	7,58

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

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VIII. EXPLANATIONS ON RISK MANAGEMENT

Notes and explanations prepared in accordance with "the Communiqué on Disclosures about Risk Management to Be Announced to Public by Banks" published in Official Gazette no. 29511 on 23 October 2015 and became effective as of 31 March 2016 are presented in this section.

1. Explanations on Risk Management and Risk Weighted Amount

1.1. Bank's Risk Management Approach

How the business model determines the Bank's risk profile; how it interacts with it (e.g., key risks related to the business model and how each of these risks is reflected on explanations); and how the Bank's risk profile interacts with the risk appetite approved by the board of director

While risk appetite determines the Bank's risk level, risk capacity determines its risk appetite and, therefore, risk profile. Local and international conjuncture is also considered to determine the risk level. Establishment of forward-looking strategies and policies is also considered in this regard. The Bank's risk level is restricted to the limits consistent with its risk appetite.

Risk limits are determined in accordance with the level of risks that may be assumed by the Bank, its activities, size and complexity of its products and services. The limits are revised and, if needed, updated regularly in line with the developments in market conditions, the Bank's strategy, and risk appetite.

Critical thresholds (signal and limit values) indicating that limits are approached due to internal or external developments have been identified. In the event that these values are approached or exceeded, relevant units take required actions.

Parameters regarding signal and limit structure as well as limit values of parameters are determined in coordination with the relevant units and implemented upon approval of the Audit Commission and Board of Directors.

Risk weighted asset-based signal and limit values are regularly monitored by the Bank Risk Management Department, and actual values are periodically reported to the Bank's Senior Management.

Risk management structure: Responsibilities distributed at the Bank (e.g., supervision and delegation of authority); segregation of duties by risk type, business unit, etc.; relations between structures included in risk management processes (e.g., board of directors, top management, separate risk committee, risk management unit, compliance and internal audit function)

The Bank's Top Management and relevant units perform their risk management duties, authorities and responsibilities in line with the relevant legal legislation and internal Bank regulations.

Structure of the Bank's risk management is compliance with the Regulation on Internal Systems and Internal Capital Adequacy Assessment Processes of Banks. Accordingly, internal system units consisting of the Inspection Board, the Internal Audit Department, the Compliance Department, and the Risk Management Department, report to the Audit Committee and the Board of Directors through the Head of Group responsible for internal systems, which operates separately from the executive units.

Risk measurement and monitoring activities are conducted as part of risk management and the results are considered in strategic decision-making process by relevant units and bodies. Risk management operations are conducted in accordance with the Regulation on the Internal Systems and Internal Capital Adequacy Assessment Process (ICAAP) Regulation approved by the Board of Directors, Risk Appetite Statement Regulation, Risk Management Regulation, Stress Test Regulation and Validation Regulation.

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

Organizational structure of the Bank's Risk Management Department consists of credit risk management, market risk management, operational risk management, balance sheet risks management and Credit Risk Control Unit (KRKB) and validation unit services. Duties of risk management:

- Ensuring identification, measurement, reporting, monitoring, and control of risks exposed through policies, practices and limits established to monitor, control and revise, when necessary, the risk-return structure of the Bank's cash flows in the future, quality, and level of its associated activities
- Preparing ICAAP reports periodically.
- Conducting stress tests and scenario analyses
- Establishing and maintaining a system that will ensure determination of capital required to cover significant risks that are or may be exposed and the evaluation of the level of capital adequacy/requirement in line with strategic objectives
- Developing internal models of our Bank's Probability of Default (PD), Loss at Default (THK) Default Amount (TT) within the scope of TFRS 9 expected credit risk loss calculation, monitoring their performance, developing scenario-based macroeconomic models of parameters regarding future expectations
- Ensuring the accuracy, consistency and adequacy of the analytical models and processes used in decision-making processes and to evaluate their performance and to report the results at regular intervals

The analyzes and studies carried out at ICAAP, including the validation studies, are examined by the Inspection Board and an Analysis Report is prepared regarding the results.

Channels used for disseminating and implementing risk culture within the Bank (e.g., codes of conduct, manuals including operational limits or procedures to be performed when risk thresholds are exceeded, procedures for identifying and sharing risk issues between business units and risk units

The Bank exercises maximum efforts to perceive both risks and returns accurately during its activities and maintain its perspective for disseminating risk culture across the Bank. Accordingly, goals, vision and strategic approaches are shared in large group meetings held by the Bank's Top Management with employees.

Signal and limit structure established based on risk weighted assets is one of the channels used to disseminate risk culture within the Bank. Parameters for signal and limit structure and limit values of parameters are determined by risk management by consulting the relevant units and approved by the Board of Directors.

It is ensured that risk signal and limit structure is forwarded to relevant units in the Bank and the structure is understood by the staff. Utilization levels for signal and risk parameters are reported submitted to the Top Management.

If limits are exceeded, the Bank's Top Management is notified. In such a case, matters such as risk mitigation, risk transfer or risk-averse, increasing collaterals and similar issues can be considered as part of required actions. If limits are exceeded, forward-looking strategies and policies of the Bank including budget figures - can be reviewed or, where necessary, revised.

Another channel used to disseminate the risk culture is in the scope of ICAAP activities. It is essential to include assessment results for capital adequacy in the ICAAP Report covering all significant risks of the Bank. The report is prepared in coordination with risk management and with participation from other relevant units. Similarly, the Bank's budget goals for the upcoming years are also established with the participation of relevant units. The Bank's Top Management and relevant units conduct their ICAAP duties, authorities, and responsibilities in line with the Bank regulations and relevant legal legislation.

Principal elements and scope of risk measurement system

The Bank's risk measurement system functions in line with the best practices, legal regulations, fields of activity and product ranges in a consistent, reliable and integrated way. Regarding the inclusion of risk measurement results in decision-making processes, reports are elaborated with extensive explanations and assumptions to avoid any misinterpretation that may arise from errors and deficiencies.

Required activities are performed to engage in design, selection, implementation and pre-approval processes for risk measurement models; review accuracy, reliability and performance of models regularly through various methodologies and make required revisions; accordingly, and report results of analyses conducted with such models.

The Bank's capital adequacy ratio is calculated in accordance with the Communiqué on Measurement and Assessment of Capital Adequacy of Banks, Communiqué on Credit Risk Mitigation Techniques, and other relevant legal regulations.

Counter parties/operations related to the credit risk are separated on the basis of risk classes mentioned in Appendix-1 of the Communiqué on Measurement and Assessment of Capital Adequacy of Banks, and each of them is assigned by the weight of risk in line with the matters specified for relevant risk class. Then, they are subject to risk mitigation in accordance with the principles of Communiqué on Credit Risk Mitigation Techniques and weighted based on the risk weights.

After deduction of expected loss provisions for the loans for the stage 3 in accordance with Communiqué on Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves, non-cash loans and commitments are included in the calculation of credit-risk-weighted amount with loan conversion rates presented in article 5 of Communiqué on Measurement and Assessment of Capital Adequacy of Banks.

Trading accounts and the values deducted from the capital base in the shareholders' equity computation are excluded from calculation of credit risk-weighted assets.

Calculations regarding to the counter party credit risk are made for repurchase agreement and derivative transactions. These transactions are added to the calculations after applying the rates presented in the amendments of the Communiqué on Measurement and Assessment of Capital Adequacy of Banks and Communiqué on Credit Risk Mitigation Techniques.

Calculations regarding counter parties credit risks are made with the basic financial collateral method and extensive collateral method for banking accounts and trading accounts respectively.

The amount subject to the total market risk is calculated through the standard method. Furthermore, value at risk forecasts is made on a daily basis and backward testing is performed so as to measure performance of the model.

Liquidity Coverage Ratio and Liquidity Risk Analysis reports for the liquidity risk are prepared in accordance with the relevant regulations. Furthermore, stress test is performed to assess maturity mismatch between sources and uses, contractual maturities as well as behavioural maturities of assets and liabilities, the Bank's liquidity requirement in a worst-case scenario and relevant damages that may be incurred based on scenario and sensitivity analysis activities.

Control of interest rate risk on banking accounts entails monitoring rate and maturity mismatch between sources and uses of fixed and variable interest rates, contractual maturities as well as behavioural maturities assets and liabilities and the effects of the usual and unusual changes in interest rates which is possibly uptrend and downtrend.

Explanations provided to the Board of Directors and Top Management on risk reporting processes, particularly scope and main contents of reporting

It is essential to inform the Top Management about developments and results of the analysis and activities conducted in order to achieve efficiency in risk management. Accordingly, a reporting system for informing Top Management is established and required measures are taken for healthy functioning of the system.

Informing process as part of reporting should be based on the most current data available on a periodical basis. Reports issued contain, at minimum, information on risk amount and development, legal capital requirement, legal ratios for liquidity and interest rate risks, stress test analysis results, effect of such results on capital adequacy level and ratios, realization level of risk limits and limitations, and assumptions of risk measurement method used.

As part of the reporting system, an information systems infrastructure is established for external reporting and required actions are taken to fulfill legal obligations fully in a timely manner in this regard.

Explanations on stress test (e.g., assets subject to stress test, scenarios applied, methodologies used and the use of stress test in risk management)

Stress test is intended to pre-assess the effect of negative developments in specified risk factors on amounts subject to risk and capital adequacy/requirement level.

Conducting the stress test periodically is essential, and test result must be included in internal reporting and considered in strategic decision-making process or capital management. Results of stress test analysis are considered while establishing risk management policies.

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In stress test activities, shock is applied to risk factors determined (factors specific to debtor or transaction or macroeconomic variables such as exchange rate, price, interest and so on), and the effects of results on risk-weighted asset amount and capital adequacy ratio are identified. Accordingly, risk factors are identified first and then assumptions to be implemented are determined and possible losses in the future are estimated. Stress test activities include creating scenarios, which are unlikely, if not impossible, and which may affect the Bank's risk level significantly.

The results of stress test are subject to internal Bank reporting and ICAAP Report. The results of stress test may be used in processes to determine the Bank's risk appetite or risk limits and identify new and current business strategies as a planning instrument and their effect on capital utilization.

Analyses of credit risk based on internal and external risk factors, counter party credit risk, liquidity risk, interest rate risk, operational risk and market risk are conducted in the case of stress tests which are subject to internal reporting.

The Board of Directors is responsible for assessing the results of the Stress Test Program and taking actions based on the results. Accordingly, actions such as revision of risk appetite, strategy and risk limits or restriction of activities to specific sectors or portfolios can be taken.

The Bank's risk management, aversion and mitigation strategies and processes based on business model and monitoring processes for continuous efficiency of safeguards and mitigants

Amounts subject to credit risk can be mitigated by using one or more risk mitigation techniques in line with the legal regulations.

Funded or unfunded credit safeguard instruments are considered while using the risk mitigation technique. Whether credit safeguard instruments meet minimum compulsory conditions specified in legal regulations is checked via the system.

The Bank's risk management, aversion and mitigation strategies and processes based on business model and monitoring processes for continuous efficiency of safeguards and mitigants

The Bank performs risk mitigation through simple financial method. Credibility of guarantors are monitored and assessed in the scope of credit revision maturity.

All Bank employees are responsible for control and mitigation of operational risks based on their job definitions and business processes. All Bank units are obliged to take risk mitigation measures for mitigation of operational risks that may occur in their respective fields of activity through insurance and other risk transfer mechanisms.

The Bank's market risk is mitigated through derivatives or other financial products by considering current conjuncture and risk appetite, risk capacity and risk level. Long term liabilities are obtained and the interest rate risk arising from liquidity and banking accounts is limited through the transactions performed.

Diversification of fund is deemed important for managing the liquidity risk that may occur. While the Bank's main funding sources are deposits, the strategy of preserving the granular structure of deposits is sustained. Besides, in order to increase the diversification of funds and decrease the maturity gap between assets and liabilities, non-deposit funds such as bond/bill issuances, repo transactions and funds borrowed are executed as for the asset side of the Bank, policies are pursued as part of measures to improve short term cash cycle and minimize maturity mismatch between assets and liabilities. As part of management of interest rate risk, measures are taken to reduce repricing maturity mismatch of interest sensitive assets and liabilities.

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Overview of Risk Weighted Amounts

		Risk Weighted Amount		Minimum capital Requirement
		Current Period	**Prior Period**	**Current Period**
1	Credit Risk (excluding counterparty credit risk)	1.965.549.599	1.267.703.360	157.243.968
2	Standardized approach	1.965.549.599	1.267.703.360	157.243.968
3	Internal rating-based approach	-	-	-
4	Counterparty credit risk	36.864.018	27.821.921	2.949.121
5	Standardized approach for counterparty credit risk	36.864.018	27.821.921	2.949.121
6	Internal model method	-	-	-
7	Basic risk weight approach to internal model's 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	28.641.253	26.428.914	2.291.300
10	Investments made in collective investment companies-1250% weighted risk approach	-	-	-
11	Settlement risk	-	-	-
12	Securitization positions in banking accounts	-	-	-
13	IRB ratings-based approach	-	-	-
14	IRB Supervisory Formula approach	-	-	-
15	SA/simplified supervisory formula approach	-	-	-
16	Market risk	160.843.457	102.338.444	12.867.477
17	Standardized approach	160.843.457	102.338.444	12.867.477
18	Internal model approaches	-	-	-
19	Operational risk	128.841.404	55.981.209	10.307.312
20	Basic Indicator approach	128.841.404	55.981.209	10.307.312
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)**	**2.320.739.731**	**1.480.273.848**	**185.659.178**

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2. Connections Between Financial Statements and the Risk Amounts

Differences Between Accounting Consolidation and Legal Consolidation and Matching of the Subject

		Carrying values of items				
Current Period	**Valued amount according to TAS within legal consolidation (*)**	**Subject to credit risk framework**	**Subject to counterparty credit risk framework**	**Subject to the securitization framework**	**Subject to the market risk framework**	**Not subject to capital requirements or subject to deduction from capital**
Assets						
Cash and Balances at Central Bank	541.354.528	541.354.528	-	-	-	-
Banks	39.046.185	39.046.185	-	-	-	-
Receivables from Money Markets	150.911.409	150.911.409	-	-	-	-
Financial Assets Measured at Fair Value to Profit or Loss	66.384.447	-	-	-	66.384.447	-
Financial Assets Measured at Fair Value to Other Comprehensive İncome	589.375.324	534.591.308	102.193.100	-	54.783.607	-
Financial Assets Measured at Amortized Cost	325.414.760	325.414.760	9.155.480	-	-	-
Derivative Financial Assets	10.534.004	-	10.534.004	-	-	-
Loans (Net)	1.903.618.651	1.954.459.759	-	-	-	57.147
Investments in Associates (Net)	336.152	336.152	-	-	-	-
Investments in Subsidiaries (Net)	61.628.357	61.628.357	-	-	-	-
Jointly Controlled Partnerships (Joint Ventures) (Net)	534.295	534.295	-	-	-	-
Receivables Form Leasing Transactions	-	-	-	-	-	-
Tangible Assets (Net)	19.968.791	19.957.167	-	-	-	11.624
Intangible Assets (Net)	3.705.265	-	-	-	-	3.705.265
Investment Properties (Net)	-	-	-	-	-	-
Tax Asset	31.017.378	31.017.378	-	-	-	-
Non-Currents Assets or Disposal Groups "Held for Sale" And "From Discontinued Operations (Net)	5.784.694	5.784.694	-	-	-	-
Other Assets	50.770.762	50.770.762	-	-	-	-
Total Assets	**3.800.385.002**	**3.715.806.754**	**121.882.584**	**-**	**121.168.054**	**3.774.036**
Liabilities						
Deposits	2.935.323.081	-	-	-	-	-
Funds Borrowed	200.215.155	-	60.723.379	-	-	-
Money Markets	83.336.776	-	83.336.776	-	-	-
Securities Issued (Net)	47.187.925	-	-	-	-	-
Funds	24.055	-	-	-	-	-
Derivative Financial Liabilities	3.636.157	-	-	-	-	-
Factoring Liabilities	-	-	-	-	-	-
Other Liabilities	103.058.192	-	-	-	-	-
Factoring Liabilities	3.851.035	-	-	-	-	-
Provisions	35.100.695	-	-	-	-	-
Tax Liability	10.782.717	-	-	-	-	-
Non-Currents Liabilities or Disposal Groups "Held For Sale" And "From Discontinued Operations (Net)	-	-	-	-	-	-
Subordinated Debt Instruments	46.620.531	-	-	-	-	-
Equity	331.248.683	-	-	-	-	-
Total Liabilities	**3.800.385.002**	**-**	**144.060.155**	**-**	**-**	**-**

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

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

		Carrying values of items				
Prior Period	**Valued amount according to TAS within legal consolidation (*)**	**Subject to credit risk framework**	**Subject to counterparty credit risk framework**	**Subject to the securitization on framework**	**Subject to the market risk framework**	**Not subject to capital requirements or subject to deduction from capital**
Assets						
Cash and Balances at Central Bank	374.394.385	374.394.385	-	-	-	-
Banks	11.469.649	11.469.649	-	-	-	-
Receivables from Money Markets	5.380.282	5.380.282	-	-	-	-
Financial Assets Measured at Fair Value to Profit or Loss	33.294.879	-	-	-	33.294.879	-
Financial Assets Measured at Fair Value to Other Comprehensive İncome	395.673.165	310.511.955	83.133.879	-	85.160.754	-
Financial Assets Measured at Amortized Cost	159.329.978	159.329.978	22.603.804	-	-	-
Derivative Financial Assets	8.876.687	-	8.876.687	-	-	-
Loans (Net)	1.218.395.213	1.254.715.708	-	-	-	15.445
Investments in Associates (Net)	216.867	216.867	-	-	-	-
Investments in Subsidiaries (Net)	42.080.994	42.080.994	-	-	-	-
Jointly Controlled Partnerships (Joint Ventures) (Net)	906.905	906.905	-	-	-	-
Receivables Form Leasing Transactions	-	-	-	-	-	-
Tangible Assets (Net)	16.223.059	16.212.790	-	-	-	10.269
Intangible Assets (Net)	2.272.601	-	-	-	-	2.272.601
Investment Properties (Net)	-	-	-	-	-	-
Tax Asset	-	-	-	-	-	-
Non-Currents Assets or Disposal Groups "Held for Sale" And "From Discontinued Operations (Net)	6.853.866	6.853.866	-	-	-	-
Other Assets	36.296.494	36.296.494	-	-	-	-
Total Assets	**2.311.665.024**	**2.218.369.873**	**114.614.370**	**-**	**118.455.633**	**2.298.315**
Liabilities						
Deposits	1.739.268.860	-	-	-	-	-
Funds Borrowed	110.206.072	-	1.111.812	-	-	-
Money Markets	85.062.689	-	85.062.688	-	-	-
Securities Issued (Net)	27.767.979	-	-	-	-	-
Funds	34.703	-	-	-	-	-
Derivative Financial Liabilities	3.156.119	-	-	-	-	-
Factoring Liabilities	-	-	-	-	-	-
Other Liabilities	56.514.636	-	-	-	-	-
Factoring Liabilities	1.408.617	-	-	-	-	-
Provisions	48.738.768	-	-	-	-	-
Tax Liability	8.077.656	-	-	-	-	-
Non-Currents Liabilities or Disposal Groups "Held For Sale" And "From Discontinued Operations (Net)	-	-	-	-	-	-
Subordinated Debt Instruments	28.949.062	-	-	-	-	-
Equity	202.479.863	-	-	-	-	-
Total Liabilities	**2.311.665.024**	**-**	**86.174.500**	**-**	**-**	**-**

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

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The main sources of the differences between the risk amounts and the amounts assessed in accordance with TAS in the financial statements

Current Period	Total	Subject to credit risk framework	Subject to counterparty credit risk framework	Subject to the market risk framework
Asset carrying value amount under scope of regulatory consolidation	**3.800.385.002**	**3.715.806.754**	**121.882.584**	**121.168.054**
Liabilities carrying value amount under regulatory scope of consolidation	-	-	144.060.155	-
Total net amount under regulatory scope of consolidation	**3.800.385.002**	**3.715.806.754**	**(22.177.571)**	**121.168.054**
Off-balance sheet amounts	2.037.616.141	491.238.475	693.324.808	-
Valuation Differences	-	-	-	-
Differences due to different netting rules, other than those already included in row 2	-	-	-	-
Differences due to consideration of provisions	-	-	-	-
Differences due to prudential filters	-	-	-	-
Amount of Risk	**5.838.001.143**	**4.207.045.229**	**671.147.237**	**121.168.054**

Prior Period	Total	Subject to credit risk framework	Subject to counterparty credit risk framework	Subject to the market risk framework
Asset carrying value amount under scope of regulatory consolidation	**2.311.665.024**	**2.218.369.873**	**114.614.370**	**118.455.633**
Liabilities carrying value amount under regulatory scope of consolidation	-	-	86.174.500	-
Total net amount under regulatory scope of consolidation	**2.311.665.024**	**2.218.369.873**	**28.439.870**	**118.455.633**
Off-balance sheet amounts	988.608.242	258.988.398	386.119.407	-
Valuation Differences	-	-	-	-
Differences due to different netting rules, other than those already included in row 2	-	-	-	-
Differences due to consideration of provisions	-	-	-	-
Differences due to prudential filters	-	-	-	-
Amount of Risk	**3.300.273.266**	**2.477.358.271**	**414.559.277**	**118.455.633**

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

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

3. Credit Risk Explanations

3.1. Transformation of bank's business model into components in credit risk profile

The banks must allocate risk limits approved by board of directors of the banks and monitor limit utilization pursuant to Article 38 of the Regulation on the Internal Systems and Internal Capital Adequacy Assessment Processes of Banks issued by the BRSA and published in the Official Gazette no. 29057 dated 11 July 2014. Furthermore, pursuant to paragraph 5 of the same article, it is expected to establish a signal structure that will serve as an early warning mechanism in addition to the limit structure.

Additionally, principle 5 of the Guideline for Counter Party Credit Risk Management announced to the public by the BRSA with the Agency Decision no. 6827 dated 31 March 2016 States that banks must allocate a limit for counter party credit risk (CCR).

Pursuant to aforementioned regulations, to what extent the Bank gets closer to allocated limits approved by the board of directors or to what extent these levels were exceeded must be monitored by the risk management unit which was structured independent from executive units. This practice that was included in monitoring function of the risk management unit is significant as it presents a legal obligation, and it helps optimization of resource utilization.

In accordance with the changing organizational structure of the Bank, the signal and limit with risk of change in customer segmentation are on corporate, commercial and individual segment basis in accordance with the customer segment structure and are updated according to the changes in the segmentation structure. Signal and limit values for counter party credit risk transactions were determined separately for banking accounts and trading accounts based on portfolio type. Calculations were made based on ratio of risk weighted asset amounts calculated for relevant parameters to total credit and market risk weighted asset amounts and they are reported to the Bank's Top Management periodically through relevant units.

In an attempt to prevent significant effects of unfavorable developments in the portfolio subject to market risk, it is essential to restrict risk level to the limits in line with the Bank's risk appetite. Market risk limits were determined as interest rate risk and currency risk limits. Current values for such limits are calculated daily with market data and reported to the Bank's Top Management through relevant units. Market risk signal and limit values are monitored dynamically in the light of market developments and, if necessary, updated based on the developments in the Bank's strategy and risk appetite.

3.2. Criteria and approach adopted for determining credit risk policy and credit risk limits

As part of credit risk management, the Bank's risk management team conducts the functions of identification, measurement, monitoring and controlling of credit risk in line with the structure, size, complexity and growth rate of products and activities and reports the analysis, including stress test, and its results to the Bank's Top Management.

In an attempt to prevent significant effects of unfavourable developments in the portfolio subject to credit risk, credit risk level was restricted to the limits in line with the Bank's risk appetite. The limits are revised and, if needed, updated regularly in line with the developments in market conditions, the Bank's strategy, and risk appetite.

There is a signal and limit structure showing that credit risk limits are approached as a result of developments within or outside the Bank. The parameters related to this signal and limit structure and the limit values of the parameters are determined by the risk management by taking the opinions of the relevant units. The approval of the Audit Committee and the Board of Directors is obtained in order for the parameters and signal/limit threshold values to be implemented in the Bank. It is ensured that the risk signal and limit structure in the Bank is communicated to the relevant units and that the relevant personnel there understand the structure, and the realized values are closely monitored by the risk management periodically. Actual values of signal and limit parameters are subject to reports made to the Bank's Senior Management.

3.3. Structure and organization of credit risk management and control function

The Bank's internal system units consist of the Inspection Board, Internal Audit Department, Compliance Department and Risk Management Department. Credit risk management is one of the six services under the Risk Management Department.

Activities conducted at the credit risk management unit, which is subject to inspection and controlling activities periodically, aim to establish and maintain a credit risk management infrastructure that is structured enough to meet legal obligations and flexible enough to accommodate the best practices. Accordingly, capital amount that should be reserved for credit risk is calculated; risk mitigation techniques are implemented; stress tests are conducted; credit risk signal and limit structures are monitored; activities are conducted to calculate credit risk with advanced methods and developments that may affect the Bank's credit risk are monitored. Analyses conducted are reported to the Top Management and relevant units periodically.

3.4. Relationship between credit risk management, risk control, legal compliance, and internal audit functions

Risk Management Department goes through inspection and control activities periodically. In case of any findings, they are reported and required activities are performed.

In addition, audit and control units are also involved in the ICAAP studies, which constitute an important part of risk management activities. Accordingly, the analyzes and studies carried out at ICAAP are examined by the Inspection Board and an Investigation Report is prepared regarding the results.

The controls on Risk Management Disclosures are carried out within the scope of Risk Management Department activities. Two separate control processes are carried out periodically in the related unit, Capital Adequacy Calculation process and other Risk Management processes control and are carried out within the scope of capital adequacy check points and guide and control points and guidance related to other risk management activities.

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All activities, new transactions and products planned by the Bank; compliance with relevant laws, regulations, internal policies, and banking practices are controlled. In this context, the compliance of the legislative regulations regarding the Risk Management Disclosures with the intra-bank practices is also checked.

The control activities carried out in the Head Office Units are carried out in accordance with the control periods determined by taking into account the functions and the risks of the units, the duties of the units and their effects on the Bank's balance sheet. The control processes of the Head Office Units are carried out through the control points determined according to the processes, duties and powers of the unit and the control techniques are detailed in the General Directorate Control Manual.

3.5. Scope and Main Content for Reporting to Top Management and Board Members on Credit Risk Management Function and Credit Risk Exposed

It is essential to inform the Bank's Top Management about developments in credit risk management and results of the analysis and activities conducted in order to achieve efficiency in risk management. Accordingly, a reporting system for informing the Bank's Top Management on credit risk management is established and required measures are taken for healthy functioning of the system.

Informing process as part of reporting should be based on the most current data available on a periodical basis.

Reports issued contain, at a minimum, information on risk amount and development, legal capital requirement, stress test analysis results, effect of such results on capital adequacy level, actualization level of risk limits and limitations and assumptions of risk measurement method used.

3.6. Credit Quality of Assets

	Gross amount valued in accordance with TAS included in the financial statements prepared according to legal consolidation			
Current Period	**Defaulted**	**Non-defaulted**	**Allowances/ Amortization and impairments**	**Net values**
Loans	22.920.953	1.948.650.752	67.953.054	1.903.618.651
Debt Securities	-	68.207.954	122.721	68.085.233
Off-balance sheet exposures	5.988.369	1.441.255.741	8.589.268	1.438.654.842
Total	**28.909.322**	**3.458.114.447**	**76.665.043**	**3.410.358.726**

	Gross amount valued in accordance with TAS included in the financial statements prepared according to legal consolidation			
Prior Period	**Defaulted**	**Non-defaulted**	**Allowances/ Amortization and impairments**	**Net values**
Loans	13.700.891	1.252.649.959	47.955.637	1.218.395.213
Debt Securities	-	476.439.573	14.651.369	461.788.204
Off-balance sheet exposures	1.400.028	639.781.886	9.108.014	632.073.900
Total	**15.100.919**	**2.368.871.418**	**71.715.020**	**2.312.257.317**

3.7. Changes on Defaulted Loans and Debt Securities

		Current Period	Prior Period
1	**Defaulted loans and debt securities at end of the previous reporting period**	**13.700.891**	**15.140.631**
2	Loans and debt securities that have defaulted since the last reporting period	14.606.046	4.603.925
3	Returned to non-defaulted status	(698.512)	(1.037.119)
4	Amounts written off	(3.974)	-
5	Other changes	(4.683.498)	(5.006.546)
6	**Defaulted loans and debt securities at end of the reporting period (1+2-3-4±5) (*) definitions (*)**	**22.920.953**	**13.700.891**

(*) Provisions for non-cash loans are not included in the table.

3.8. Additional Explanations on Credit Quality of Assets

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

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

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

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

Definitions of methods used for determining provision amount

The Bank sets expected loss provisions for loans and other receivables in accordance with the regulations stated by the Communiqué published on the Official Gazette numbered 29750 and dated 22 June 2016 on "Methods and Principles on Determining the Nature of Loans and Other Receivables and Allocation of Provisions".

Definitions of restructured receivable

Real/legal persons using credit may, from time to time, face usual risks of business life such as failure to include the excessive cost increases in sales prices, loss of market share and turnover, unexpected expenses, problems in collection of receivables due to some factors that are beyond reasonable control of its own businesses or other businesses worked with. They may therefore have temporary liquidity difficulties. It involves setting new loan repayment maturities in line with cash flows for businesses which have no significant problem in credit worthiness and sustain their income-generating activities but fail, or priorly imply failure, to make their loan repayment in a timely manner due to temporary liquidity problems.

Breakdown of receivables by geographic regions, sectors, and remaining maturity; receivable amounts subject to allocation of provision by geographic regions and sectors and their respective provisions; amounts removed from the assets

Current Period	Loans and Receivables	Non-Preforming Loans	Expected Loss Provisions	Total
Domestic	1.928.740.855	22.202.044	67.384.061	1.883.558.838
European Union Countries	6.216.286	93.048	146.237	6.163.097
USA, Canada	109.565	4.534	5.026	109.073
OECD Countries [1]	3.276.077	-	78.219	3.197.858
Off-Shore Banking Regions	-	-	-	-
Other	10.307.969	621.327	339.511	10.589.785
Total	**1.948.650.752**	**22.920.953**	**67.953.054**	**1.903.618.651**

[1] OECD countries other than EU countries, USA, and Canada.

Prior Period	Loans and Receivables	Non-Preforming Loans	Expected Loss Provisions	Total
Domestic	1.241.715.763	13.596.197	47.760.212	1.207.551.748
European Union Countries	2.283.563	58.451	78.764	2.263.250
USA, Canada	31.058	4.249	4.364	30.943
OECD Countries [1]	1.632.289	-	4.694	1.627.595
Off-Shore Banking Regions	-	-	-	-
Other	6.987.286	41.994	107.603	6.921.677
Total	**1.252.649.959**	**13.700.891**	**47.955.637**	**1.218.395.213**

[1] OECD countries other than EU countries, USA, and Canada.

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Current Period	Loans and Receivables	Non-Preforming Loans	Expected Loss Provisions	Total
Agriculture	520.854.662	750.019	3.017.838	518.586.843
Farming and Stockbreeding	516.184.512	735.295	2.993.485	513.926.322
Forestry	1.134.782	9.166	15.415	1.128.533
Fishing	3.535.368	5.558	8.938	3.531.988
Manufacturing	434.961.603	3.477.981	31.409.701	407.029.883
Mining and Quarrying	27.667.560	18.465	60.717	27.625.308
Production	326.623.694	2.839.325	27.282.647	302.180.372
Electric, Gas and Water	80.670.349	620.191	4.066.337	77.224.203
Construction	168.145.590	8.469.883	13.086.379	163.529.094
Services	363.999.700	6.015.625	12.556.702	357.458.623
Wholesale and Retail Trade	137.358.995	2.535.686	3.175.681	136.719.000
Hotel Food and Beverage Services	35.982.966	464.901	1.125.297	35.322.570
Transportation and Telecommunication	41.250.963	138.761	216.711	41.173.013
Financial Institutions	19.035.475	6.040	43.018	18.998.497
Real Estate and Leasing Services	122.922.387	1.856.605	7.043.337	117.735.655
Self-Employment Services	-	-	-	-
Education Services	2.139.593	988.495	735.307	2.392.781
Health and Social Services	5.309.321	25.137	217.351	5.117.107
Other	460.689.197	4.207.445	7.882.434	457.014.208
Total	**1.948.650.752**	**22.920.953**	**67.953.054**	**1.903.618.651**

Information regarding breakdown of receivables according to remaining maturities is given in Note II-4.

Prior Period	Loans and Receivables	Non-Preforming Loans	Expected Loss Provisions	Total
Agriculture	261.617.031	910.556	2.112.829	260.414.758
Farming and Stockbreeding	259.933.223	900.086	2.097.355	258.735.954
Forestry	561.488	5.067	7.834	558.721
Fishing	1.122.320	5.403	7.640	1.120.083
Manufacturing	313.509.241	2.103.218	18.111.840	297.500.619
Mining and Quarrying	18.410.128	24.153	164.929	18.269.352
Production	220.591.766	1.837.499	15.899.836	206.529.429
Electric, Gas and Water	74.507.347	241.566	2.047.075	72.701.838
Construction	121.009.420	3.005.429	6.858.997	117.155.852
Services	273.989.434	3.943.231	15.834.238	262.098.427
Wholesale and Retail Trade	99.495.752	2.525.448	3.558.421	98.462.779
Hotel Food and Beverage Services	26.990.999	325.349	3.115.872	24.200.476
Transportation and Telecommunication	40.871.856	155.323	253.856	40.773.323
Financial Institutions	15.468.401	7.141	51.628	15.423.914
Real Estate and Leasing Services	85.407.400	887.488	8.229.515	78.065.373
Self-Employment Services	-	-	-	-
Education Services	2.224.385	17.864	191.669	2.050.580
Health and Social Services	3.530.641	24.618	433.277	3.121.982
Other	282.524.833	3.738.457	5.037.733	281.225.557
Total	**1.252.649.959**	**13.700.891**	**47.955.637**	**1.218.395.213**

Information regarding breakdown of receivables according to remaining maturities is given in Note II-4.

Aging Analysis for Overdue Receivables

Days Past Due	Current Period	Prior Period
1-30 Days	14.820.576	3.118.259
31-60 Days	2.150.820	1.367.635
61-90 Days	1.352.428	822.700
90 +	15.303	69.803
Total	**18.339.127**	**5.378.397**

Loans under close monitoring amounting to TL 119.343.735 (31 December 2022: TL 81.253.767) are not overdue.

Breakdown of restructured receivables by allocation of provision

Out of the Bank's total restructured loans amounting to TL 110.351.241, a portion of TL 108.423.827 consists of performing loans and remaining portion of TL 1.927.414 consists of non-performing loans. The total amount of first and second stage expected loss provisions allocated for non-performing loans is TL 37.164.518 and the third stage expected loss provision for non-performing loans is TL 1.015.366. (31 December 2022: Out of the Bank's total restructured loans amounting to TL 77.037.963, a portion of TL 75.581.370 consists of performing loans and remaining portion of TL 1.456.593 consists of non-performing loans. Total first and second stage expected loss provision for structured loans is TL 27.016.905 and third stage expected loss provision amount allocated for non-performing loans is TL 1.132.408.)

3.9. Credit risk mitigation

3.9.1. Qualitative requirements to be disclosed to public regarding credit risk mitigation techniques

Basic characteristics of policies and processes on the extent of utilization of on-balance sheet and off-balance sheet netting

The practice of on-balance sheet and off-balance sheet netting is not used while mitigating credit risk within the Bank.

3.10. Credit risk mitigation techniques - Overview

Current Period	Unsecured receivables: Amount assessed pursuant to TAS	Receivables secured by guarantee	Collateralized portions of collateralized receivables	Receivables protected by financial guarantees	Collateralized portions of receivables protected by financial guarantees	Receivables protected by credit derivatives	Collateralized portions of receivables protected by credit derivatives
Loans	1.259.383.252	487.896.094	87.272.672	474.025.336	80.496.122	-	-
Debt Securities	730.722.540	-	-	-	-	-	-
Total	**1.990.105.792**	**487.896.094**	**87.272.672**	**474.025.336**	**80.496.122**	**-**	**-**
Of which defaulted	21.173.330	1.627.159	659.096	1.612.347	657.651	-	-

Prior Period	Unsecured receivables: Amount assessed pursuant to TAS	Receivables secured by guarantee	Collateralized portions of collateralized receivables	Receivables protected by financial guarantees	Collateralized portions of receivables protected by financial guarantees	Receivables protected by credit derivatives	Collateralized portions of receivables protected by credit derivatives
Loans	910.085.153	250.693.973	35.601.084	240.095.265	31.671.295	-	-
Debt Securities	411.251.347	-	-	-	-	-	-
Total	**1.321.336.500**	**250.693.973**	**35.601.084**	**240.095.265**	**31.671.295**	**-**	**-**
Of which defaulted	12.752.275	926.013	217.871	912.025	217.568	-	-

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3.11. Credit risk if standard approach is used

3.11.1. Qualitative explanations on ratings used by banks while calculating credit risk with standard approach

Names of Credit Rating Agencies (CRA) and Export Rating Agencies (ERA) used by the Bank and the reasons in case of any change during the reporting period

The Bank uses ratings of Fitch Ratings International Rating Agency and Islamic International Rating Agency (IIRA) while calculating the amount subject to credit risk through standard approach. The country risk classification published by the Economic Cooperation and Development Organization (OECD) is taken as basis for the unrated central government and central banks.

Risk classes using CRA and ERA ratings

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

Explanation on how credit rating of debtor is used for other assets of debtor in banking accounts

In order to determine the risk weight of the items subject to issuance or issuer rating among the items included in the banking accounts, the issue rating is first examined, and in the absence of an issue rating, the credit rating of the issuer is taken into account.

Matching rating grades on the basis of risk

Rating assigned by a credit rating agency that is not listed in the BRSA's matching table is not used in calculations.

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3.12. Standard Approach - Loan risk Exposure and the Effects of Loan Risk Reduction Technique

Current Period	Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density	
Risk Classes	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	Risk Weighted Amount	Risk Weighted Amount Density
Exposures to sovereigns and their central banks	1.313.762.539	2.589.471	1.393.025.583	1.184.837	8.617.845	0,6%
Exposures to regional and local governments	6.838.382	237.185	6.318.472	174.019	3.203.656	49,3%
Exposures to administrative bodies and non-commercial entities	30.546.916	4.089.417	30.493.951	1.768.801	32.212.540	99,8%
Exposures to multilateral development banks	-	-	-	-	-	-
Exposures to international organizations	-	-	-	-	-	-
Exposures to banks and brokerage houses	206.256.880	35.195.656	207.260.210	20.043.556	52.920.250	23,3%
Exposures to corporates	618.901.233	542.287.814	594.841.668	307.252.064	888.228.716	98,5%
Retail exposures	608.001.986	541.686.786	555.194.120	38.716.208	446.160.158	75,1%
Exposures secured by residential property	147.087.084	6.842.139	144.918.704	3.248.384	51.843.021	35,0%
Exposures secured by commercial property	121.840.975	23.858.150	121.840.975	15.432.715	76.922.244	56,0%
Past-due items	4.971.963	-	4.355.887	-	3.124.843	71,7%
Exposures in high-risk categories	189.109.290	1.841.212	189.067.678	1.085.167	319.413.969	168,0%
Exposures in the form of bonds secured by mortgages	-	-	-	-	-	-
Short term exposures to banks, brokerage houses and corporates	-	-	-	-	-	-
Exposures in the form of collective investment undertakings	28.583.885	143.116	28.583.885	68.637	28.641.253	100,0%
Other exposures	93.501.396	-	93.501.396	-	74.298.159	79,5%
Equity share investments	38.768.601	-	38.768.601	-	38.768.601	100,0%
Total	**3.408.171.130**	**1.158.770.946**	**3.408.171.130**	**388.974.388**	**2.024.355.255**	**53,3%**

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Prior Period	Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density	
Risk Classes	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	Risk Wighted Amount	Risk Weighted Amount Density
Exposures to sovereigns and their central banks	710.282.705	1.786.581	741.270.918	839.830	3.260.536	0,4%
Exposures to regional and local governments	632.524	208.595	594.032	134.406	324.987	44,6%
Exposures to administrative bodies and non-commercial entities	11.478.284	2.541.026	11.473.249	1.191.066	12.632.228	99,7%
Exposures to multilateral development banks	-	-	-	-	-	-
Exposures to international organizations	-	-	-	-	-	-
Exposures to banks and brokerage houses	93.280.224	21.400.805	93.920.617	12.105.809	31.788.249	30,0%
Exposures to corporates	511.794.257	309.790.124	499.889.648	172.837.429	653.580.152	97,2%
Retail exposures	327.632.871	174.352.531	308.787.287	19.154.731	246.481.248	75,2%
Exposures secured by residential property	130.144.913	3.501.063	129.528.720	1.584.055	45.885.053	35,0%
Exposures secured by commercial property	90.655.252	10.967.716	90.655.252	6.670.045	55.653.436	57,2%
Past-due items	2.045.847	-	1.828.284	-	1.142.264	62,5%
Exposures in high-risk categories	95.893.291	294.326	95.893.287	226.984	172.440.743	179,4%
Exposures in the form of bonds secured by mortgages	-	-	-	-	-	-
Short term exposures to banks, brokerage houses and corporates	-	-	-	-	-	-
Exposures in the form of collective investment undertakings	26.948.269	146.234	26.947.143	73.072	26.428.914	97,8%
Other exposures	70.417.137	-	70.417.137	-	58.041.041	82,4%
Equity share investments	20.205.048	-	20.205.048	-	9.365.711	46,4%
Total	**2.091.410.622**	**524.989.001**	**2.091.410.622**	**214.817.427**	**1.317.024.562**	**57,1%**

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3.13. Standard Approach: Receivables related with Risk Classes and Risk Weights

Current Period

Risk Classes/Risk Weight	0%	10%	20%	25%	35% secured by property mortgage	50% secured by property mortgage	50% (*)	75%	100%	150%	250%	Other	Total risk amount (post-CCF and CRM)
Exposures to sovereigns and their central banks	1.384.544.732	-	604.417	-	-	-	1.128.619	-	7.932.652	-	-	-	1.394.210.420
Exposures to regional and local government	86.776	-	34	-	-	-	6.404.063	-	1.618	-	-	-	6.492.491
Exposures to administrative bodies and non-commercial entities	50.085	-	159	-	-	-	-	-	32.212.508	-	-	-	32.262.752
Exposures to multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-	-
Exposures to international organizations	-	-	-	-	-	-	-	-	-	-	-	-	-
Exposures to banks and brokerage houses	96.358.949	-	51.139.096	-	-	-	74.217.809	-	5.583.437	-	-	4.475	227.303.766
Exposures to corporates	9.186.949	-	739.215	-	-	-	8.173.389	-	883.994.179	-	-	-	902.093.732
Retail exposures	4.648.116	-	514.893	-	-	-	-	570.760.559	17.986.760	-	-	-	593.910.328
Exposures secured by residential property	41.397	-	6.476	-	148.119.215	-	-	-	-	-	-	-	148.167.088
Exposures secured by commercial property	-	-	-	-	-	120.702.893	-	-	16.570.797	-	-	-	137.273.690
Past-due items	1.428	-	-	-	-	-	2.459.233	-	1.895.226	-	-	-	4.355.887
Exposures in high-risk categories	18.778	-	705	-	-	-	705.292	-	71.286	120.797.745	-	68.559.039	190.152.845
Exposures in the form of bonds secured by mortgages	-	-	-	-	-	-	-	-	-	-	-	-	-
Short term exposures to banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-	-	-	-	-
Exposures in the form of collective investment undertakings	11.269	-	-	-	-	-	-	-	28.641.253	-	-	-	28.652.522
Equity share investments	-	-	-	-	-	-	-	-	38.768.601	-	-	-	38.768.601
Other exposures	19.203.221	-	20	-	-	-	-	-	74.298.155	-	-	-	93.501.396
Total	**1.514.151.700**	**-**	**53.005.015**	**-**	**148.119.215**	**120.702.893**	**93.088.405**	**570.760.559**	**1.107.956.472**	**120.797.745**	**-**	**68.563.514**	**3.797.145.518**

(*) Demonstrates all receivables that are consisting of 50% risk weighted and out of the line "Exposures secured by commercial property"

Prior Period

Risk Classes/Risk Weight	0%	10%	20%	25%	35% secured by property mortgage	50% secured by property mortgage	50% (*)	75%	100%	150%	250%	Other	Total risk amount (post-CCF and CRM)
Exposures to sovereigns and their central banks	738.333.787	-	143.674	-	-	-	802.971	-	2.830.316	-	-	-	742.110.748
Exposures to regional and local government	69.172	-	24.081	-	-	-	630.029	-	5.156	-	-	-	728.438
Exposures to administrative bodies and non-commercial entities	31.958	-	161	-	-	-	-	-	12.632.196	-	-	-	12.664.315
Exposures to multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-	-
Exposures to international organizations	-	-	-	-	-	-	-	-	-	-	-	-	-
Exposures to banks and brokerage houses	34.983.602	-	16.557.433	-	-	-	52.008.683	-	2.472.333	-	-	4.375	106.026.426
Exposures to corporates	6.025.124	-	14.700.628	-	-	-	2.722.598	-	649.278.727	-	-	-	672.727.077
Retail exposures	2.777.602	-	462.538	-	-	-	-	313.252.546	11.449.332	-	-	-	327.942.018
Exposures secured by residential property	11.188	-	3.352	-	131.098.235	-	-	-	-	-	-	-	131.112.775
Exposures secured by commercial property	-	-	-	-	-	83.343.721	-	-	13.981.576	-	-	-	97.325.297
Past-due items	224	-	8	-	-	-	1.371.579	-	456.473	-	-	-	1.828.284
Exposures in high-risk categories	69.384	-	2.394	-	-	-	13.417	-	483	39.501.636	-	56.532.957	96.120.271
Exposures in the form of bonds secured by mortgages	-	-	-	-	-	-	-	-	-	-	-	-	-
Short term exposures to banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-	-	-	-	-
Exposures in the form of collective investment undertakings	591.301	-	-	-	-	-	-	-	26.428.914	-	-	-	27.020.215
Equity share investments	10.839.337	-	-	-	-	-	-	-	9.365.711	-	-	-	20.205.048
Other exposures	12.374.618	-	1.848	-	-	-	-	-	58.040.671	-	-	-	70.417.137
Total	**806.107.297**	**-**	**31.896.117**	**-**	**131.098.235**	**83.343.721**	**57.549.277**	**313.252.546**	**786.941.888**	**39.501.636**	**-**	**56.537.332**	**2.306.228.049**

(*) Demonstrates all receivables that are consisting of 50% risk weighted and out of the line "Exposures secured by commercial property.

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3.14. Credit risk under Internal Ratings-Based (IRB) Approach

Standard approach is used in the Bank's credit risk calculations.

3.15. Counter Party Credit Risk Explanations

Risk management goals and policies for CCR

As part of the Bank's counter party credit risk management, the functions of identification, measurement, monitoring and controlling of counter party credit risk are conducted in line with the structure, size, complexity and growth rate of products and activities, and the analysis, including stress test, and its results are reported to the Top Management.

As part of capital adequacy ratio calculations, activities for counter party credit risk are an integral part of planning, monitoring, and controlling of total risk profile, and counter party credit risk management is integrated to periodic risk management process.

In the scope of counter party risk management, it is aimed to meet legal obligations and to establish and maintain counter party credit risk management infrastructure that is flexible and structured enough to accommodate the best practices. Accordingly, it is planned to conduct stress test activities, improve counter party credit risk signal, and limit structure and conduct relevant monitoring function.

Operational limit allocation method specified in the scope of internal capital calculated for CCR and CCP risk

Critical thresholds (signal and limit values) indicating that limits are approached due to internal or external developments have been identified. In the event that these values are approached or exceeded, relevant units take required actions.

Parameters for signal and limit structure and limit values of parameters are determined by consulting the relevant units and implemented at the Bank upon approval of the Audit Committee and Board of Directors.

Internal limits are determined by considering the Bank's budget, strategy and expectations for upcoming years, developments in Türkiye and abroad and historical realization of risks.

Policies for establishing guarantee and other risk mitigation and CCR, including CCP risk

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

Our risk management structure involves activities to ensure that counter party credit risk measurement system functions and is maintained in line with the best practices, legal regulations, fields of activity and product ranges in a consistent, reliable, and integrated way.

As part of counter party credit risk management, stress test scenarios were created by anticipating any unfavorable developments in macroeconomic conditions and the Bank's balance sheet. Results of stress test analysis are considered while establishing risk management policies.

The amount subject to the counterparty credit risk is determined by the "Valuation Method According to Fair Value" as of July 1, 2022 within the scope of Article 2 of the "Regulation on the Amendment to the Regulation on the Measurement and Evaluation of Capital Adequacy of Banks" published in the Official Gazette No. 31740 dated February 4, 2022." is calculated with the "Standard Approach" and reported every month. In addition, the capital requirement is calculated for the credit valuation adjustment risk for all derivative transactions.

Additionally, compliance of transactions posing counter party credit risk with thresholds within signal and limit structure is monitored and research is conducted for counter party credit risk calculations with advanced methods.

Rules for countertrend risk

Boasting a strong lending and collateralization structure, the Bank avoids collateralization in positive correlation with the debtor's credibility and activities in connection with risk mitigation techniques are performed by considering qualitative criteria specified in legal legislation for calculation of amount subject to credit risk.

Amount of additional collateral that the Bank must submit in case of a decline in credit rating

As the Bank has no transactions in connection with credit rating, there is not any additional collateral amount it must pay.

3.16. Evaluation of Counterparty Credit Risk in Accordance with the Measurement Methods

	Current Period	Replacement Cost	Potential future exposure	EEPE (Effective Expected Positive Exposure) (*)	Alpha used for computing regulatory EAD	Exposure at default post CRM	RWA
1	Standardized approach - CCR (for derivatives)	5.867.159	6.854.166		1,4	17.809.855	5.072.368
2	Internal Model Method (for derivatives, Repo Transactions, Marketable Securities or Commodity lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit)			-	-	-	-
3	Simple Approach for credit risk mitigation (for derivatives, Repo Transactions, Marketable Securities or Commodity lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit)					169.735.210	25.085.956
4	Comprehensive Approach for credit risk mitigation (for derivatives, Repo Transactions, Marketable Securities or Commodity lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit)					11.977	5.988
5	Commodity lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit					-	-
6	**Total**						**30.164.312**

(*) Effective Expected Positive Exposure

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	Prior Period	Replacement Cost	Potential future exposure	EEPE (Effective Expected Positive Exposure) (*)	Alpha used for computing regulatory EAD	Exposure at default post CRM	RWA
1	Standardised approach - CCR (for derivatives)	5.741.834	4.444.698		1,4	14.261.144	4.749.680
2	Internal Model Method (for derivatives, Repo Transactions, Marketable Securities or Commodity lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit)			-	-	-	-
3	Simple Approach for credit risk mitigation (for derivatives, Repo Transactions, Marketable Securities or Commodity lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit)					94.884.042	16.566.809
4	Comprehensive Approach for credit risk mitigation (for derivatives, Repo Transactions, Marketable Securities or Commodity lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit)					4.768.057	1.575.711
5	Commodity lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit					-	-
6	**Total**						**22.892.200**

(*) Effective Expected Positive Exposure

3.17. Capital Requirement for Loan Valuation Adjustment

	Current Period	Exposure at default post-CRM	RWA
	Total portfolios subject to the Advanced CVA capital charge	-	-
1	(i) Value at Risk (VaR) component (including the 3×multiplier)		-
2	(ii) Stressed VaR component (including the 3×multiplier)		-
3	All portfolios subject to the Standardized CVA capital charge	17.809.855	6.681.009
4	**Total subject to the CVA capital charge**	**17.809.855**	**6.681.009**

	Prior Period	Exposure at default post-CRM	RWA
	Total portfolios subject to the Advanced CVA capital charge	-	-
1	(i) Value at Risk (VaR) component (including the 3×multiplier)		-
2	(ii) Stressed VaR component (including the 3×multiplier)		-
3	All portfolios subject to the Standardized CVA capital charge	14.261.144	4.918.117
4	**Total subject to the CVA capital charge**	**14.261.144**	**4.918.117**

3.18. Standardized approach - CCR exposures by regulatory portfolio and risk weights

Current Period Risk Weight/Regulatory portfolio	0%	10%	20%	50%	75%	100%	150%	Other	Total credit exposure [1]
Receivables from central governments and central banks	3.934.916	-	-	-	-	-	-	-	3.934.916
Receivables from regional and local governments	1.374	-	-	2	-	-	-	-	1.376
Receivables from administration and non-commercial entity	13.309	-	-	-	-	2.061	-	-	15.370
Receivables from multilateral development banks	-	-	-	-	-	-	-	-	-
Receivables from international organizations	-	-	-	-	-	-	-	-	-
Receivables from institutions	95.918.121	-	42.294.297	38.286.905	-	1.084.846	-	4.475	177.588.644
Corporates	4.508.087	-	-	-	-	1.459.453	-	-	5.967.540
Retail portfolios	32.818	-	-	-	20.853	-	-	-	53.671
Other receivables [2]	-	-	-	-	-	-	-	-	-
Total	**104.408.625**	**-**	**42.294.297**	**38.286.907**	**20.853**	**2.546.360**	**-**	**4.475**	**187.561.517**

[1] Total credit exposure: the amount relevant for the capital requirements calculation, having applied CRM techniques.

[2] Other receivables: the amount excludes exposures to "Central counterparty" which are reported in Counterparty credit.

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Prior Period Risk Weight/Regulatory portfolio	0%	10%	20%	50%	75%	100%	150%	Other	Total credit exposure [1]
Receivables from central governments and central banks	22.201.004	-	-	-	-	-	-	-	22.201.004
Receivables from regional and local governments	1.460	-	-	2	-	-	-	-	1.462
Receivables from administration and non-commercial entity	7.902	-	-	-	-	12	-	-	7.914
Receivables from multilateral development banks	-	-	-	-	-	-	-	-	-
Receivables from international organizations	-	-	-	-	-	-	-	-	-
Receivables from institutions	26.670.860	-	15.477.561	30.516.317	-	146.864	-	4.375	72.815.977
Corporates	3.281.395	-	13.954.511	-	-	1.596.981	-	-	18.832.887
Retail portfolios	53.349	-	-	-	5.026	-	-	-	58.375
Other receivables [2]	-	-	-	-	-	-	-	-	-
Total	**52.215.970**	**-**	**29.432.072**	**30.516.319**	**5.026**	**1.743.857**	**-**	**4.375**	**113.917.619**

[1] Total credit exposure: the amount relevant for the capital requirements calculation, having applied CRM technique

[2] Other receivables: the amount excludes exposures to "Central counterparty" which are reported in Counterparty credit risk.

3.19. Risk classes and counterparty credit risk explanation

None.

Collaterals for CCR

	Collateral for derivative transactions				Collateral for other Transactions	
	Collateral received		Collateral given			
Current Period	**Segregated**	**Unsegregated**	**Segregated**	**Unsegregated**	**Collateral received**	**Collateral Given**
Cash-domestic currency	-	-	-	-	4.655.621	-
Cash-foreign currency	-	-	-	-	83.781.198	-
Domestic sovereign debts	-	-	-	-	12.845.825	-
Other sovereign debts	-	-	-	-	-	-
Government agency debts	-	-	-	-	-	-
Corporate Debts	-	-	-	-	-	-
Equity Securities	-	-	-	-	-	-
Other collateral	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**101.282.644**	**-**

	Collateral for derivative transactions				Collateral for other Transactions	
	Collateral received		Collateral given			
Prior Period	**Segregated**	**Unsegregated**	**Segregated**	**Unsegregated**	**Collateral received**	**Collateral Given**
Cash-domestic currency	-	-	-	-	594.600	-
Cash-foreign currency	-	-	-	-	45.646.010	-
Domestic sovereign debts	-	-	-	-	5.002.809	-
Other sovereign debts	-	-	-	-	-	-
Government agency debts	-	-	-	-	-	-
Corporate debts	-	-	-	-	-	-
Equity securities	-	-	-	-	-	-
Other collateral	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**51.243.419**	**-**

Credit Derivatives

None.

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

None.

Risks Related with Central Counterparties

		Exposure at default (post-CRM)	RWA
1	**Exposure to Qualified Central Counterparties (QCCPs) (total)**	**934.826**	**18.697**
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	-	-
3	(i) OTC Derivatives	4.475	90
4	(ii) Exchange-traded Derivatives	-	-
5	(iii) Securities financing transactions	-	-
6	(iv) Netting sets where cross-product netting has been approved	-	-
7	Segregated initial margin	-	-
8	Non-segregated initial margin	-	-
9	Pre-funded default fund contributions	930.351	18.607
10	Unfunded default fund contributions	-	-
11	**Exposures to non-QCCPs (total)**	-	-
12	Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which)	-	-
13	(i) OTC Derivatives	-	-
14	(ii) Exchange-traded Derivatives	-	-
15	(iii) Securities financing transactions	-	-
16	(iv) Netting sets where cross-product netting has been approved	-	-
17	Segregated initial margin	-	-
18	Non-segregated initial margin	-	-
19	Pre-funded default fund contributions	-	-
20	Unfunded default fund contributions	-	-

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	Prior Period	Exposure at default (post-CRM)	RWA
1	**Exposure to Qualified Central Counterparties (QCCPs) (total)**	**580.186**	**11.604**
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	-	-
3	(i) OTC Derivatives	4.375	88
4	(ii) Exchange-traded Derivatives	-	-
5	(iii) Securities financing transactions	-	-
6	(iv) Netting sets where cross-product netting has been approved	-	-
7	Segregated initial margin	-	-
8	Non-segregated initial margin	-	-
9	Pre-funded default fund contributions	575.811	11.516
10	Unfunded default fund contributions	-	-
11	**Exposures to non-QCCPs (total)**	-	-
12	Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which)	-	-
13	(i) OTC Derivatives	-	-
14	(ii) Exchange-traded Derivatives	-	-
15	(iii) Securities financing transactions	-	-
16	(iv) Netting sets where cross-product netting has been approved	-	-
17	Segregated initial margin	-	-
18	Non-segregated initial margin	-	-
19	Pre-funded default fund contributions	-	-
20	Unfunded default fund contributions	-	-

Explanations on Securitization Disclosure

None.

4. Explanations on Market Risk

4.1. The Bank's process and strategies: A disclosure on the Bank's strategic goals for trading activities is made in a manner that includes processes for identification, measurement, monitoring and controlling of the Bank's market risks, hedging processes and strategies/processes for monitoring continuity of hedging efficiency

In order to hedge market risk within the framework of financial risk management purposes, the Bank has determined market risk management activities and taken the necessary measures within the scope of the Regulation on the Measurement and Evaluation of Capital Adequacy of Banks and the Regulation on the Internal Systems of Banks and Internal Capital Adequacy Assessment Process.

The Bank's market risk management policy and implementation procedures are determined within the scope of Risk Management, Stress Test Program and İSEDES Regulation approved by the Board of Directors.

The Bank ensures that measurement, monitoring, limiting, stress test and scenario analysis activities are conducted in line with the structure and complexity of its positions for market risk management and their results are reported periodically. Activities sustained are conducted over a trading portfolio specified by the Bank's Treasury Management and other activities subject to market risk.

The amount subject to market risk is calculated and monitored with standard method and advanced measurement method at the Bank. Furthermore, scenario analysis and stress tests are also conducted periodically

4.2. Organization and structure of market risk management function: Definition of market risk management structure established for implementation of the Bank's strategies and processes as mentioned in line and definition of communication mechanism and relationship between different parties involved in market risk management

Market risk management is a subunit of Risk Management Department, one of internal systems units established independently from executive units of the Bank.

Market risk management activities are conducted in line with the Regulation on Risk Management, Stress Test Program and ICAAP approved with the Board Decision no. 15/18 dated 28 April 2015 and performed by aiming the best practices in this structure.

The Bank's trading activities and transactions subject to market risk are monitored and measured regularly and required practices are performed for risk management. Required reports on market risk are submitted to relevant units and the Bank's Top Management regularly.

4.3. Structure and scope of risk reporting and/or measurement systems

The amount subject to the Bank's market risk is calculated on a monthly basis with the standard method and included in the Bank's capital adequacy ratio.

Apart from the standard method, Value at Risk (VaR) estimations are made for trading accounts on a daily basis and reported to relevant units. VaR calculated with Historical Simulation Method is used in daily reporting and limit measurement with a confidence level of 99%. VaR can be calculated with Parametric and Monte Carlo Methods in addition to Historical Simulation Method. Backward testing is performed so as to measure performance of used model and monitor market realization. Also, the Bank performs stress tests and scenario analyses on a daily and monthly basis to observe the effect of excessive market fluctuations that are not covered in the models on the Bank's financial position. Scenario analysis and stress test activities are reviewed and improved regularly in line with the market dynamics.

The market risk exposure is restricted with VaR-based limits (interest rate and currency risk limit) within the context of the Regulation on Risk Management, Stress Test Program and ICAAP. Market risk limits are determined by the Bank's Board of Directors.

		RWA	
	Standard approach	**Current Period**	**Prior Period**
	Outright products		
1	Interest rate risk (general and specific)	100.541.768	87.407.220
2	Equity risk (general and specific)	23.685.100	10.808.152
3	Foreign exchange risk	36.616.589	4.123.072
4	Commodity risk	-	-
	Options		
5	Simplified approach	-	-
6	Delta-plus method	-	-
7	Scenario approach	-	-
8	Securitization	-	-
9	**Total**	**160.843.457**	**102.338.444**

Standard method is being used by the Bank to calculate the risk of the market.

5. Explanations on the Operational Risk

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

Within the scope of the performances for modeling with the Advanced Measurement Approach of operational risk, based on the data in Operational Risk Loss database, Operational Value at Risk (OpVAR) measurements are calculated using Monte Carlo Simulation within the scope of Loss Distribution Method.

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Current Period	31.12.2020	31.12.2021	31.12.2022	Total/Number of Positive GI years	Ratio (%)	Total
Gross Income	31.064.311	35.951.084	139.130.851	68.715.415	15	10.307.312
Amount Subject to Operational Risk (Total*12,5)	-	-	-	-	-	128.841.404

Prior Period	31.12.2019	31.12.2020	31.12.2021	Total/Number of Positive GI years	Ratio (%)	Total
Gross Income	22.554.539	31.064.310	35.951.084	29.856.645	15	4.478.497
Amount Subject to Operational Risk (Total*12,5)	-	-	-	-	-	55.981.209

6. Explanations on the Interest Rate Risk for Banking Book

Banking accounts interest rate risk management strategy policy and implementation procedures are determined within the context of "Regulation on Risk Management, Stress Test Program and the Bank's Internal Capital Adequacy Assessment Process ("ICAAP")".

Bank performs scenario analysis with measurements that are suitable for structure and complexness of positions related to the market risk management, limiting, scenario analysis and stress test and reports the findings cyclically. Bank's perform analysis related to interest rate risks for the entire balance sheet. New products and services are also evaluated from the point of interest rate risk that is originated from banking accounts.

In the risk management, the following methods are followed at minimum level: The follow-up of rate and maturity mismatch between sources and uses of fixed and variable interest rates, the analysis and follow-up of the effects of the usual and unusual changes in interest rates which is possibly uptrend and downtrend on the interest margin and on the current value of assets and liabilities, the analysis and follow-up of contractual maturities as well as behavioral maturities assets and liabilities, monitoring closely of interest margins for provided Turkish Liras and foreign currency, the follow-up of the effects of interest rate changes on Bank's economic value and capital requirement, the follow-up of potential impacts of valuation methods, the calculation and the determination of the size of interest rate shock in Bank's internal applications, the follow-up of yield curve risk. Also, in order to limit the impact of interest rate changes on Bank's financial structure, the interest rate risk limit arising from banking accounts which is approved by the Board of Directors is followed monthly.

Type of Currency-Current Period	Shock Applied (+/- x basis point)	Gains/(Losses)	Gains/Equity-(Losses)/Equity
1. TL	500	(17.034.629)	(4,28%)
2. TL	(400)	17.728.131	4,45%
3. EUR	200	6.148.864	1,55%
4. EUR	(200)	(5.936.875)	(1,49%)
5. USD	200	(20.691.434)	(5,20%)
6. USD	(200)	26.366.928	6,63%
Total (for negative shocks)	**-**	**38.158.184**	**9,59%**
Total (for positive shocks)	**-**	**(31.577.199)**	**(7,94%)**

Type of Currency-Prior Period	Shock Applied (+/- x basis point)	Gains/(Losses)	Gains/Equity-(Losses)/Equity
1. TL	500	(30.350.499)	(12,40%)
2. TL	(400)	32.119.002	13,13%
3. EUR	200	4.919.788	2,01%
4. EUR	(200)	(5.162.601)	(2,11%)
5. USD	200	(9.685.343)	(3,96%)
6. USD	(200)	12.484.036	5,10%
Total (for negative shocks)	-	**39.440.437**	**16,12%**
Total (for positive shocks)	-	**(35.116.054)**	**(14,35%)**

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Notes and explanations prepared in accordance with "the Communiqué on Disclosures about Risk Management to Be Announced to Public by Banks" published in Official Gazette no. 29511 on 23 October 2015 and became effective as of 31 March 2016 are presented in this section. As of 31 December 2023, the following notes to be presented on a quarterly basis according to Communiqué have not been presented due to usage of standard approach for the calculation of capital adequacy by the Bank. RWA flow statements of market risk exposures under an Internal Model Approach (IMA) RWA flow statements of Counterparty Credit Risk (CCR) exposures under the Internal Model Method (IMM)RWA (Risk Weighted Amounts) flow statements of credit risk exposures under IRB

IX. EXPLANATION ON HEDGE ACCOUNTING

Along with the hedging accounting, it is aimed to protect the capital amounts allocated to foreign partnerships in the unconsolidated financial statements of the Bank from the effects of exchange rate risk arising from changes in foreign exchange rates. Within the scope of fair value hedge accounting, the fair value changes of the hedging instrument are recognized in the income statement together with the fair value changes of the hedged item.

The efficiency test is performed using the "Amount balancing method" ("Dollar off-set method") to compare the changes in fair value of the hedging instrument and the item subject to financial risk hedging. Efficiency tests are performed at the beginning of hedge accounting and as of reporting periods. According to this method, the change in the value of the hedged item between the date when the hedging relationship started, and the end of each reporting period is compared with the value change in the hedging instrument and the effectiveness ratio of the hedging relationship is calculated.

Hedge accounting is terminated when the hedging instrument expires, realizes, is sold or the effectiveness test is ineffective. If efficiency is restored, hedge accounting can be resumed.

Hedging Instrument	Hedged Item	Risk Exposure	Fair Value Difference of Hedging Instrument	Fair Value Difference of Hedged Items	Ineffective Portion
FC Deposit (EUR)	EUR Capital Amounts Allocated to Foreign Partnerships	Foreign exchange rate risk	(8.016.752)	8.016.752	-

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X. EXPLANATIONS ON OPERATING SEGMENTS

Organizational and internal reporting structure of the Bank is determined in line with TFRS 8 "Operating Segments".

The Bank has operations in retail banking, corporate and commercial banking, specialized banking, investment banking and international banking areas.

Known as having the most extensive branch network in retail banking sector, the Bank renders services, such as deposits, consumer loans, loans originated from public funds whose risk does not belong to the Bank, pension payments, credit cards, automatic and regular payment, cheques and notes, money transfer order, foreign exchange transactions, ATM, internet banking, mobile banking, safe-deposit box and insurance brokerage services. Moreover, existing banking products are improved, and new banking products are launched in order to increase profitability and benefit from the services undertaken as being a state bank. By "Anahtar" IT system, which is working in a centralized manner, the Bank has the technical infrastructure required by modern banking to meet its clients' needs.

In the context of corporate and commercial banking, the Bank allocates working capital loans, mid-term and long-term investment loans, foreign trade financing loans, letter of credits and guarantees in Turkish Lira and foreign currencies; renders project financing, other corporate finance related services, foreign exchange transactions and banking services to large-scale corporate clients and middle-small scale enterprises.

As the Bank is the main financial institution that meets the financing needs of agricultural sector in Türkiye, it extends agricultural working capital and investment loans from its own sources for crop and animal production, fishery products and agricultural mechanization directly to producers and The Central Union of Turkish Agricultural Credit Cooperatives. Besides, it gives support to entities and enterprises having operations in agricultural sector by acting as an intermediary for loans originated from public funds.

Treasury transactions and international banking activities are conducted by the Treasury Management and International Banking Group and, spot and forward TL, foreign currency, precious metal, securities, derivative transactions are executed in local and international organized and over the counter money and capital markets. Also, the Bank's liquidity and securities portfolio management, deposit and non-deposit funding management activities are being executed. Additionally, the distribution of treasury products to branches and other channels for marketing purposes and the intermediation to the customers' trade finance are other responsibilities. The Bank acts as an intermediary for sale and purchase of securities, for public offerings as an agency of Ziraat Yatırım Menkul Değerler A.Ş. and for transaction of mutual funds founded by Ziraat Portföy Yönetimi A.Ş. and other portfolio management companies. It also provides custody service for these financial instruments and besides, long term financing from banks and international financial institutions, issuing bonds in local and international markets, managing relationship with correspondent banks so as to diversify its funding base are among the responsibilities of the department.

Besides, the Bank has commission revenue from life, non-life and private pension insurance and other finance institutions by rendering agency services through its branches.

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As of 31 December 2023, explanations on segment reporting as shown on the following page are in line with Communiqué on "Financial Statements to be Publicly Announced and the Accompanying Policies and Disclosures".

1. Table for Segment Reporting

Current Period	Retail Banking	Corporate/ Commercial Banking	Specialized Banking	Treasury/ Investment Banking	Other	Total
OPERATING INCOME/EXPENSE						
Interest Income	41.564.612	118.935.584	70.688.762	190.699.731	5.365.975	427.254.664
Interest Expenses	140.300.447	113.794.470	-	38.543.005	5.019.836	297.657.758
Net Interest Income/Expense	**(98.735.835)**	**5.141.114**	**70.688.762**	**152.156.726**	**346.139**	**129.596.906**
Net Fees and Commission Income/Expense	**25.771.588**	**14.721.936**	**1.467.608**	**(13.815.365)**	**3.305.561**	**31.451.328**
Dividend Income	**-**	**-**	**-**	**525.552**	**-**	**525.552**
Trading Profit/Loss (Net)	**-**	**-**	**-**	**18.795.966**	**-**	**18.795.966**
Other Operating Income	**96.836**	**2.863.657**	**198.019**	**23.237**	**30.076.256**	**33.258.005**
Provision for Expected Loss (-)	**4.792.934**	**18.350.817**	**7.526.144**	**730**	**123.739**	**30.794.364**
Other Expenses	**18.474.783**	**531.766**	**948.217**	**-**	**67.310.857**	**87.265.623**
Net Operating Profit/Loss	**(96.135.128)**	**3.844.124**	**63.880.028**	**157.685.386**	**(33.706.640)**	**95.567.770**
Profit/Loss on Equity Method Applied Subsidiaries	**-**	**-**	**-**	**-**	**-**	**-**
Tax Provision	**-**	**-**	**-**	**-**	**(5.716.290)**	**(5.716.290)**
Net Profit/Loss	**(96.135.128)**	**3.844.124**	**63.880.028**	**157.685.386**	**(39.422.930)**	**89.851.480**
SEGMENT ASSETS						
Financial Assets at Fair Value Through Profit or Loss (Net)	-	-	-	66.384.447	-	66.384.447
Banks and Receivables from Money Markets	-	-	-	189.957.594	-	189.957.594
Financial Assets at Fair Value Through Other Comprehensive Income (Net)	-	-	-	589.375.324	-	589.375.324
Loans	303.946.470	947.287.883	480.550.183	171.834.115	-	1.903.618.651
Financial Assets Measured at Amortized Cost (Net)	-	-	-	325.414.760	-	325.414.760
Derivative Financial Assets	-	-	-	10.534.004	-	10.534.004
Associates, Subsidiaries and Entities under Common Control	-	-	-	62.498.804	-	62.498.804
Other Assets	15.712	5.179.985	81.634	515.766.449	131.557.638	652.601.418
Total Segment Assets	**303.962.182**	**952.467.868**	**480.631.817**	**1.931.765.497**	**131.557.638**	**3.800.385.002**
SEGMENT LIABILITIES						
Deposits	1.908.238.340	777.779.120	-	88.567.226	160.738.395	2.935.323.081
Derivative Financial Liabilities Held for Trading	-	-	-	3.636.157	-	3.636.157
Funds Borrowed	-	-	-	200.215.155	-	200.215.155
Money Markets Borrowing	74.468	4.959.170	-	78.303.138	-	83.336.776
Securities Issued (Net)	-	-	-	47.187.925	-	47.187.925
Provisions	-	8.589.268	-	-	26.511.427	35.100.695
Other Liabilities	-	-	-	-	164.336.530	164.336.530
Shareholders' Equity	-	-	-	-	331.248.683	331.248.683
Total Segment Liabilities	**1.908.312.808**	**791.327.558**	**-**	**417.909.601**	**682.835.035**	**3.800.385.002**

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NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

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

Prior Period	Retail Banking	Corporate/ Commercial Banking	Specialized Banking	Treasury/ Investment Banking	Other	Total
OPERATING INCOME/EXPENSE						
Interest Income	26.524.054	57.870.912	23.490.683	112.214.953	529.622	220.630.224
Interest Expenses	40.995.616	27.992.523	-	22.490.729	7.668.459	99.147.327
Net Interest Income/Expense	**(14.471.562)**	**29.878.389**	**23.490.683**	**89.724.224**	**(7.138.837)**	**121.482.897**
Net Fees and Commission Income/Expense	**8.606.737**	**6.448.289**	**548.543**	**(4.271.599)**	**1.792.281**	**13.124.251**
Dividend Income	**-**	**-**	**-**	**268.092**	**-**	**268.092**
Trading Profit/Loss (Net)	**-**	**-**	**-**	**1.915.334**	**-**	**1.915.334**
Other Operating Income	**62.844**	**1.512.670**	**119.277**	**14.290**	**6.026.872**	**7.735.953**
Provision for Expected Loss (-)	**5.071.530**	**18.750.695**	**5.723.181**	**4**	**28.794.108**	**58.339.518**
Other Expenses	**5.829.694**	**212.271**	**339.504**	**-**	**18.555.001**	**24.936.470**
Net Operating Profit/Loss	**(16.703.205)**	**18.876.382**	**18.095.818**	**87.650.337**	**(46.668.793)**	**61.250.539**
Profit/Loss on Equity Method Applied Subsidiaries	**-**	**-**	**-**	**-**	**-**	**-**
Tax Provision	**-**	**-**	**-**	**-**	**(20.158.162)**	**(20.158.162)**
Net Profit/Loss	**(16.703.205)**	**18.876.382**	**18.095.818**	**87.650.337**	**(66.826.955)**	**41.092.377**
SEGMENT ASSETS						
Financial Assets at Fair Value Through Profit or Loss (Net)	-	-	-	33.294.879	-	33.294.879
Banks and Receivables from Money Markets	-	-	-	16.849.931	-	16.849.931
Financial Assets at Fair Value Through Other Comprehensive Income (Net)	-	-	-	395.673.165	-	395.673.165
Loans	214.070.201	677.988.885	243.390.998	82.945.129	-	1.218.395.213
Financial Assets Measured at Amortized Cost (Net)	-	-	-	159.329.978	-	159.329.978
Derivative Financial Assets	-	-	-	8.876.687	-	8.876.687
Associates, Subsidiaries and Entities under Common Control	-	-	-	43.204.766	-	43.204.766
Other Assets	12.446	4.980.515	98.632	361.012.143	69.936.669	436.040.405
Total Segment Assets	**214.082.647**	**682.969.400**	**243.489.630**	**1.101.186.678**	**69.936.669**	**2.311.665.024**
SEGMENT LIABILITIES						
Deposits	1.106.633.965	461.324.145	-	78.449.260	92.861.490	1.739.268.860
Derivative Financial Liabilities Held for Trading	-	-	-	3.156.119	-	3.156.119
Funds Borrowed	-	-	-	110.206.072	-	110.206.072
Money Markets Borrowing	38.795	20.986.065	-	64.037.829	-	85.062.689
Securities Issued (Net)	-	-	-	27.767.979	-	27.767.979
Provisions	-	9.108.014	-	-	39.630.754	48.738.768
Other Liabilities	-	-	-	-	94.984.674	94.984.674
Shareholders' Equity	-	-	-	-	202.479.863	202.479.863
Total Segment Liabilities	**1.106.672.760**	**491.418.224**	**-**	**283.617.259**	**429.956.781**	**2.311.665.024**

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

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

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

1. Information Regarding the Fair Value of Financial Assets and Liabilities

Current Period	Book Value	Fair Value
Financial Assets	**3.076.379.591**	**2.931.803.977**
Due from Interbank Money Market	150.911.409	149.643.932
Banks	39.062.219	38.940.773
Financial Assets Measured at Fair Value Through Other Comprehensive Income	589.375.324	589.375.324
Financial Assets Measured at Amortised Cost	325.458.934	295.369.477
Loans	1.971.571.705	1.858.474.471
Financial Liabilities	**3.377.811.767**	**3.165.636.166**
Payables to Money Markets	83.336.776	83.508.391
Bank Deposits	88.567.226	84.142.155
Other Deposits	2.846.755.855	2.637.185.496
Funds Borrowed from Other Financial Institutions	200.215.155	199.205.353
Issued Marketable Securities	47.187.925	49.608.774
Subordinated Debt Instruments	46.620.531	46.857.699
Miscellaneous Payables	65.128.299	65.128.299

Prior Period	Book Value	Fair Value
Financial Assets	**1.838.227.206**	**1.796.546.481**
Due from Interbank Money Market	5.380.282	5.359.627
Banks	11.471.432	11.457.816
Financial Assets Measured at Fair Value Through Other Comprehensive Income	395.673.165	395.673.165
Financial Assets Measured at Amortised Cost	159.351.477	184.503.529
Loans	1.266.350.850	1.199.552.344
Financial Liabilities	**2.026.658.631**	**1.890.478.411**
Payables to Money Markets	85.062.689	82.946.685
Bank Deposits	78.449.260	75.566.145
Other Deposits	1.660.819.600	1.539.509.763
Funds Borrowed from Other Financial Institutions	110.206.072	99.953.061
Issued Marketable Securities	27.767.979	28.149.726
Subordinated Debt Instruments	28.949.062	28.949.062
Miscellaneous Payables	35.403.969	35.403.969

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

The fair value of held to maturity financial assets is calculated by considering market prices. In cases where these prices cannot be determined, the fair value is assessed on the basis of market prices quoted for securities that have the same attributes in terms of interest, maturity and other terms.

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

2. Information on Fair Value Measurements Recognized in the Financial Statement

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

Current Period	Level 1	Level 2	Level 3	Total
Financial Assets at Fair Value Through Profit or (Loss)	**5.513.676**	**60.870.771**	**-**	**66.384.447**
Government Debt Securities	4.851.874	49.690.018	-	54.541.892
Marketable Securities			-	-
Other Marketable Securities	661.802	11.180.753	-	11.842.555
Financial Assets at Fair Value Through Other Comprehensive Income	**585.487.556**	**1.407.566**	**2.270.317**	**589.165.439**
Government Debt Securities	585.484.312	-	-	585.484.312
Marketable Securities	3.244	-	2.270.317	2.273.561
Other Marketable Securities	-	1.407.566	-	1.407.566
Derivative Financial Assets	**-**	**10.534.004**	**-**	**10.534.004**
Subsidiaries and Joint Ventures	**20.255.507**	**-**	**41.907.145**	**62.162.652**
Total Assets	**611.256.739**	**72.812.341**	**44.177.462**	**728.246.542**
Derivative Financial Liabilities	-	3.636.157	-	3.636.157
Total Liabilities	**-**	**3.636.157**	**-**	**3.636.157**

Prior Period	Level 1	Level 2	Level 3	Total
Financial Assets at Fair Value Through Profit or (Loss)	**356.934**	**32.937.945**	**-**	**33.294.879**
Government Debt Securities	19.472	27.871.333	-	27.890.805
Marketable Securities	-	-	-	-
Other Marketable Securities	337.462	5.066.612	-	5.404.074
Financial Assets at Fair Value Through Other Comprehensive Income	**393.338.985**	**1.409.681**	**766.555**	**395.515.221**
Government Debt Securities	393.335.856	-	-	393.335.856
Marketable Securities	3.129	-	766.555	769.684
Other Marketable Securities	-	1.409.681	-	1.409.681
Derivative Financial Assets	**-**	**8.876.687**	**-**	**8.876.687**
Subsidiaries and Joint Ventures	**21.486.762**	**-**	**21.501.137**	**42.987.899**
Total Assets	**415.182.681**	**43.224.313**	**22.267.692**	**480.674.686**
Derivative Financial Liabilities	-	3.156.119	-	3.156.119
Total Liabilities	**-**	**3.156.119**	**-**	**3.156.119**

The movement of financial assets in Level 3 is presented below:

	Current Period	Prior Period
Balances at Beginning of Period	**22.267.692**	**11.857.126**
Purchases	10.779.438	3.241.966
Disposals Through Sale/Redemptions	-	-
Valuation Effect	11.130.332	7.168.600
Transfers	**-**	**-**
Balances at the End of Period	**44.177.462**	**22.267.692**

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

1. Transaction, Custody, Management and Consultancy Services of the Bank on behalf of Third Parties

The Bank acts as an intermediary for purchases and sales of government securities on behalf of real persons and corporate, conducts repo transactions, and provides custody services. The bank does not provide consultancy and management services.

2. Transactions with Other Financial Institutions Under Fiduciary Transaction Agreements and Financial Services Rendered to Other Financial Institutions Under the Scope Of Fiduciary Transactions and the Effects of Such Services to the Financial Position of the Bank or The Group

The Bank has no fiduciary transactions.

SECTION FIVE

EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS

I. EXPLANATIONS AND NOTES RELATED TO ASSETS

1. Information related to cash equivalents and the account of the Central Bank of the Republic of Türkiye (the "CBRT")

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash in TL/Foreign Currency	7.876.889	16.661.555	4.720.221	10.141.295
Central Bank of the Republic of Türkiye	139.088.833	376.190.760	23.524.801	335.746.356
Other	-	1.542.285	-	265.670
Total	**146.965.722**	**394.394.600**	**28.245.022**	**346.153.321**

Explanation on reserve requirements

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

Banks are required to maintain reserves with Central Bank of the Republic of Türkiye for their TL and FC liabilities that are specified in the aforementioned Communique. 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, for foreign currency deposits and other liabilities, it is applied in the range of 5% - 30%, and for accounts with exchange rate/price protection support, it is applied in the range of 10% - 30%.

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted Demand Deposit	102.918.863	61.332.644	23.328.884	42.424.961
Unrestricted Time Deposit	-	43.680.750	-	102.841.750
Restricted Time Deposit	-	-	-	-
Other [1]	36.169.970	271.177.366	195.917	190.479.645
Total	**139.088.833**	**376.190.760**	**23.524.801**	**335.746.356**

[1] Includes required reserves and CBRT restricted electronic money funds amounting to TL 100.023 required reserve of branches abroad amounting to TL 1.630.572 is presented in this line. (31 December 2022: Includes required reserves and CBRT restricted electronic money funds amounting to TL 17.157 required reserve of branches abroad amounting to TL 656.479 is presented in this line.

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NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

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

2. Information on Financial Assets at Fair Value Through Profit and Loss Given or Blocked as Collateral or Subject to Repurchase Agreements

	Current Period	Prior Period
Assets Subject to Repurchase Agreements	4.819.916	-
Assets Blocked/Given as Collateral	49.721.746	27.890.664
Total	**54.541.662**	**27.890.664**

3. Positive Differences Statement Regarding Trading Derivative Financial Asset

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	114.170	53.092	155.217	1.318
Swap Transactions	4.872.177	5.286.303	3.089.376	5.539.380
Futures Transactions	-	-	276	-
Options	-	208.262	8.535	82.585
Other	-	-	-	-
Total	**4.986.347**	**5.547.657**	**3.253.404**	**5.623.283**

4. Information on Bank Account and Foreign Banks

4.1. Information on Bank Balances

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic Banks	403.528	1.050.275	-	140.059
Foreign Banks	3.070.167	34.538.249	505.686	10.825.687
Foreign Head Office and Branches	-	-	-	-
Total	**3.473.695**	**35.588.524**	**505.686**	**10.965.746**

4.2. Information on Foreign Bank Accounts

	Unrestricted Amount		Restricted Amount[2]	
	Current Period	Prior Period	Current Period	Prior Period
European Union Countries	9.282.142	3.101.496	44.409	1.559.475
USA, Canada	11.693.716	887.567	643.454	1.473.749
OECD Countries [1]	562.915	263.045	-	-
Off-shore Banking Regions	-	-	-	-
Other	15.381.780	4.025.789	-	20.252
Total	**36.920.553**	**8.277.897**	**687.863**	**3.053.476**

[1] OECD countries other than EU countries, USA, and Canada.

[2] It mainly consists of collateral held in various banks for borrowings.

5. Explanation Regarding to the Comparison of Net Values of Financial Assets at Fair Value Through Other Comprehensive Income or Blocked as Collateral and Subject to Repurchase Agreements

	Current Period	Prior Period
Assets Subject to Repurchase Agreements	102.193.100	83.133.879
Assets Blocked/Given as Collateral	306.280.361	101.454.331
Total	**408.473.461**	**184.588.210**

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

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

6. Information on Financial Assets at Fair Value Through Other Comprehensive Income

	Current Period	Prior Period
Debt Securities	609.233.586	413.036.166
Quoted in Stock Exchange	607.963.908	412.230.503
Not Quoted in Stock Exchange	1.269.678	805.663
Share Certificates	2.586.111	1.030.428
Quoted in Stock Exchange	3.244	3.127
Not Quoted in Stock Exchange	2.582.867	1.027.301
Provision for Impairment (-)	22.444.373	18.393.429
Total	**589.375.324**	**395.673.165**

7. Explanations Related to Loans

7.1. Information on All Types of Loans and Advances Given to Shareholders and Employees of The Bank

	Current Period		Prior Period	
	Cash	Non-Cash	Cash	Non-Cash
Direct Loans Granted to Shareholders	-	-	-	-
Granted loans to Legal Entity partners	-	-	-	-
Granted loans to Individual partners	-	-	-	-
Indirect Loans Granted to Shareholders	-	-	-	-
Loans Granted to Employees [1]	2.897.529	-	1.494.817	-
Total	**2.897.529**	**-**	**1.494.817**	**-**

[1] Since the balance of overdraft accounts related to employees amounting TL 118.208 is showed under Table 7.3. as overdraft accounts (real person), it is not included to the table above (31 December 2022: Since the balance of overdraft accounts related to employees amounting TL 44.832 is showed under Table 7.3. as overdraft accounts (real person), it is not included to the table above).

7.2. Information on the First and Second Group Loans and Other Receivables Including Restructured or Rescheduled Loans

Current Period	Loans Under Close Monitoring			
			Loans Under Restructuring	
Cash Loans	Standard Loans	Not Under the Scope of Restructuring	Loans with Revised Contract Terms	Refinancing
Non-Specialized Loans	1.335.571.544	30.751.375	3.151.790	96.074.734
Commercial Loans	759.970.690	19.149.911	2.918.410	92.273.874
Export Loans	149.098.755	1.074.682	-	3.724.641
Import Loans	-	-	-	-
Loans Given to Financial Sector	20.771.097	-	-	-
Consumer Loans	188.609.285	3.591.102	233.380	72.618
Credit Cards	216.597.394	6.919.602	-	3.601
Other	524.323	16.078	-	-
Specialized Lending [1]	475.396.346	7.152.116	14.757	538.090
Other Receivables	-	-	-	-
Total	**1.810.967.890**	**37.903.491**	**3.166.547**	**96.612.824**

[1] Agricultural loans to support farmers are shown in specialized loans.

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

Current Period	Loans Under Close Monitoring			
			Loans Under Restructuring	
Cash Loans	Standard Loans	Not Under the Scope of Restructuring	Loans with Revised Contract Terms	Refinancing
Non-Specialized Loans	924.862.031	11.685.362	3.036.992	68.623.075
Commercial Loans	590.346.580	7.596.960	2.886.420	68.543.739
Export Loans	67.393.165	553.047	-	-
Import Loans	-	-	-	-
Loans Given to Financial Sector	16.026.366	-	-	-
Consumer Loans	178.329.522	2.429.752	150.572	78.455
Credit Cards	72.239.380	1.102.819	-	881
Other	527.018	2.784	-	-
Specialized Lending [1]	241.155.764	2.312.514	39.894	934.327
Other Receivables	-	-	-	-
Total	**1.166.017.795**	**13.997.876**	**3.076.886**	**69.557.402**

[1] Agricultural loans to support farmers are shown in specialized loans.

	Current Period		Prior Period	
Expected Credit Loss of Stage 1 and Stage 2	Standard Loans	Loans Under Close Monitoring	Standard Loans	Loans Under Close Monitoring
12 Month Expected Credit Losses	8.938.343	-	7.710.927	-
Significant Increase in Credit Risk	-	41.959.914	-	28.625.013

7.3. Loans According to Maturity Structure

		Loans under Close Monitoring	
Current Period	Standard Loans	Loans Not Subject to Restructuring	Loans Under Restructuring
Short-term Loans	635.931.503	15.753.601	5.971.869
Medium and Long-term Loans	1.175.036.387	22.149.890	93.807.502

		Loans under Close Monitoring	
Prior Period	Standard Loans	Loans Not Subject to Restructuring	Loans Under Restructuring
Short-term Loans	402.779.169	5.078.105	7.224.403
Medium and Long-term Loans	763.238.626	8.919.771	65.409.885

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7.4. Information on Consumer Loans, Personnel Credit Cards and Personnel Loans and Personnel Credit Card

Current Period	Short-Term	Medium and Long-Term	Total
Consumer Loans-TL	7.104.416	176.679.525	183.783.941
Mortgage Loans	5.774	108.365.166	108.370.940
Automotive Loans	346.683	11.464.181	11.810.864
Consumer Loans	6.751.959	56.850.178	63.602.137
Other	-	-	-
Consumer Loans- Indexed to FC	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Consumer Loans-FC	5.116	289.423	294.539
Mortgage Loans	-	18.121	18.121
Automotive Loans	-	-	-
Consumer Loans	5.116	271.302	276.418
Other	-	-	-
Retail Credit Cards-TL	108.638.342	1.852.793	110.491.135
With Installment	41.477.311	1.455.393	42.932.704
Without Installment	67.161.031	397.400	67.558.431
Retail Credit Cards-FC	9.549	-	9.549
With Installment	-	-	-
Without Installment	9.549	-	9.549
Personnel Loans-TL	432.694	1.334.525	1.767.219
Mortgage Loans	-	227	227
Automotive Loans	-	-	-
Consumer Loans	432.694	1.334.298	1.766.992
Other	-	-	-
Personnel Loans-Indexed to FC	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Personnel Loans-FC	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Personnel Credit Cards-TL	1.111.489	18.535	1.130.024
With Installment	429.367	18.535	447.902
Without Installment	682.122	-	682.122
Personnel Credit Cards-FC	286	-	286
With Installment	-	-	-
Without Installment	286	-	286
Overdraft Accounts-TL (Real Person)	6.660.686	-	6.660.686
Overdraft Accounts-FC (Real Person)	-	-	-
Total	**123.962.578**	**180.174.801**	**304.137.379**

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NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

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

Prior Period	Short-Term	Medium and Long-Term	Total
Consumer Loans-TL	3.320.067	174.017.480	177.337.547
Mortgage Loans	18.648	113.081.429	113.100.077
Automotive Loans	97.675	7.818.725	7.916.400
Consumer Loans	3.203.744	53.117.326	56.321.070
Other	-	-	-
Consumer Loans- Indexed to FC	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Consumer Loans-FC	3.184	162.083	165.267
Mortgage Loans	-	14.517	14.517
Automotive Loans	-	-	-
Consumer Loans	3.184	147.566	150.750
Other	-	-	-
Retail Credit Cards-TL	31.749.788	442.387	32.192.175
With Installment	11.925.860	390.445	12.316.305
Without Installment	19.823.928	51.942	19.875.870
Retail Credit Cards-FC	4.285	-	4.285
With Installment	-	-	-
Without Installment	4.285	-	4.285
Personnel Loans-TL	54.850	859.869	914.719
Mortgage Loans	-	244	244
Automotive Loans	-	-	-
Consumer Loans	54.850	859.625	914.475
Other	-	-	-
Personnel Loans-Indexed to FC	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Personnel Loans-FC	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Personnel Credit Cards-TL	569.991	9.753	579.744
With Installment	228.907	9.753	238.660
Without Installment	341.084	-	341.084
Personnel Credit Cards-FC	354	-	354
With Installment	-	-	-
Without Installment	354	-	354
Overdraft Accounts-TL (Real Person)	2.570.768	-	2.570.768
Overdraft Accounts-FC (Real Person)	-	-	-
Total	**38.273.287**	**175.491.572**	**213.764.859**

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

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

7.5. Information on Commercial Installment Loans and Corporate Credit Cards

Current Period	Short-Term	Medium and Long-Term	Total
Installment Based Commercial Loans-TL	3.123.623	95.743.361	98.866.984
Mortgage Loans	-	872.929	872.929
Automotive Loans	85.293	1.844.188	1.929.481
Consumer Loans	3.038.330	93.026.244	96.064.574
Other	-	-	-
Installment Based Commercial Loans- Indexed to FC	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Installment Based Commercial Loans - FC	46.491	130.453.889	130.500.380
Mortgage Loans	-	118.671	118.671
Automotive Loans	-	49.036	49.036
Consumer Loans	46.491	130.286.182	130.332.673
Other	-	-	-
Corporate Credit Cards-TL	98.598.994	13.287.697	111.886.691
With Installment	44.453.021	13.227.533	57.680.554
Without Installment	54.145.973	60.164	54.206.137
Corporate Credit Cards-FC	2.912	-	2.912
With Installment	-	-	-
Without Installment	2.912	-	2.912
Overdraft Account-TL (Legal Entity)	9.957.138	-	9.957.138
Overdraft Account-FC (Legal Entity)	-	-	-
Total [1]	**111.729.158**	**239.484.947**	**351.214.105**

[1] Accrual and rediscount amounts related to loans are included in the table.

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Prior Period	Short - Term	Medium and Long-Term	Total
Installment Based Commercial Loans-TL	4.117.720	69.525.200	73.642.920
Mortgage Loans	9.650	1.130.702	1.140.352
Automotive Loans	143.945	3.157.161	3.301.106
Consumer Loans	3.964.125	65.237.337	69.201.462
Other	-	-	-
Installment Based Commercial Loans- Indexed to FC	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Installment Based Commercial Loans - FC	77.622	90.060.618	90.138.240
Mortgage Loans	-	5.110	5.110
Automotive Loans	-	2.846	2.846
Consumer Loans	77.622	90.052.662	90.130.284
Other	-	-	-
Corporate Credit Cards-TL	38.124.844	2.438.695	40.563.539
With Installment	18.029.419	2.431.975	20.461.394
Without Installment	20.095.425	6.720	20.102.145
Corporate Credit Cards-FC	2.983	-	2.983
With Installment	-	-	-
Without Installment	2.983	-	2.983
Overdraft Account-TL (Legal Entity)	3.955.706	-	3.955.706
Overdraft Account-FC (Legal Entity)	-	-	-
Total [1]	**46.278.875**	**162.024.513**	**208.303.388**

[1] Accrual and rediscount amounts related to loans are included in the table.

7.6. Loans According to Types of Borrowers

	Current Period	Prior Period
Public	66.930.303	58.881.782
Private	1.881.720.449	1.193.768.177
Total	**1.948.650.752**	**1.252.649.959**

7.7. Distribution of Domestic and Foreign Loans

	Current Period	Prior Period
Domestic Loans	1.928.755.907	1.241.743.840
Foreign Loans	19.894.845	10.906.119
Total	**1.948.650.752**	**1.252.649.959**

7.8. Loans Granted to Investments in Associates and Subsidiaries

	Current Period	Prior Period
Direct loans granted to subsidiaries and associates	10.976.098	5.664.719
Indirect loans granted to subsidiaries and associates	-	-
Total	**10.976.098**	**5.664.719**

7.9. Credit-Impaired Losses (Stage III)

	Current Period	Prior Period
Loans and other receivables with limited collectability	6.013.402	748.202
Loans and other receivables with doubtful collectability	2.071.030	525.534
Uncollectible loans and other receivables	8.970.365	10.345.961
Total	**17.054.797**	**11.619.697**

7.10. Information on Non-performing Loans (Net)

7.10.1. Information on Non-Performing Loans Restructured or Rescheduled and Other Receivables

	Group III	Group IV	Group V
	Loans with Limited Collectibility	Loans with Doubtful Collectibility	Uncollectible Loans
Current Period			
Gross amounts before the provisions	175.294	994.559	757.561
Restructured loans	175.294	994.559	757.561
Prior Period			
Gross amounts before the provisions	39.880	150.689	1.266.024
Restructured loans	39.880	150.689	1.266.024

7.10.2. Information on the Movement of Total Non-performing Loans

	Group III	Group IV	Group V
	Loans with Limited Collectibility	Loans with Doubtful Collectibility	Uncollectible Loans
Prior Period Ending Balance	**1.042.398**	**1.029.387**	**11.629.106**
Additions (+)	12.447.299	1.111.217	1.047.530
Transfers from Other Categories of Loans under Follow-Up (+)	-	4.943.927	1.990.872
Transfers to Other Categories of Loans under Follow-Up (-)	4.943.927	1.990.872	-
Collections (-) [1]	921.010	1.190.055	3.270.945
Write-offs (-)	286	1.302	2.386
Sold	-	-	-
Corporate and Commercial Loans	-	-	-
Consumer Loans	-	-	-
Credit Cards	-	-	-
Other	-	-	-
Current Period End Balance	**7.624.474**	**3.902.302**	**11.394.177**
Provision (-)	6.013.402	2.071.030	8.970.365
Net Balance on Balance Sheet	**1.611.072**	**1.831.272**	**2.423.812**

[1] Includes transfers to first and second group loans amounting to 698.512 TL.

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7.10.3. Information on Non-performing Loans Granted as Foreign Currency Loans

	Group III Loans with Limited Collectibility	Group IV Loans with Doubtful Collectibility	Group V Uncollectible Loans
Current Period:			
Period Ending Balance	**4.505.985**	**2.260.348**	**2.823.055**
Provision (-)	2.262.514	1.260.078	2.406.519
Net Balance on Balance Sheet	**2.243.471**	**1.000.270**	**416.536**
Prior Period:			
Period Ending Balance	**92.929**	**147.575**	**2.566.709**
Provision (-)	92.721	80.440	2.536.973
Net Balance on Balance Sheet	**208**	**67.135**	**29.736**

7.10.4. Breakdown of Non-performing Loans According to Their Gross and Net Values

	Group III Loans with Limited Collectibility	Group IV Loans with Doubtful Collectibility	Group V Uncollectible Loans
Current Period (Net)	**1.611.072**	**1.831.272**	**2.423.812**
Loans to Real Persons and Legal Entities (Gross)	7.624.474	3.902.302	11.208.762
Provisions (-)	6.013.402	2.071.030	8.784.950
Loans to Real Persons and Legal Entities (Net)	1.611.072	1.831.272	2.423.812
Banks (Gross)	-	-	-
Provisions (-)	-	-	-
Banks (Net)	-	-	-
Other Loans (Gross)	-	-	185.415
Provisions (-)	-	-	185.415
Other Loans (Net)	-	-	-
Prior Period (Net)	**294.196**	**503.853**	**1.283.145**
Loans to Real Persons and Legal Entities (Gross)	1.042.398	1.029.387	11.468.806
Provisions (-)	748.202	525.534	10.185.661
Loans to Real Persons and Legal Entities (Net)	294.196	503.853	1.283.145
Banks (Gross)	-	-	-
Provisions (-)	-	-	-
Banks (Net)	-	-	-
Other Loans (Gross)	-	-	160.300
Provisions (-)	-	-	160.300
Other Loans (Net)	-	-	-

7.10.5. Information on Interest Accruals, Rediscount and Valuation Effect and Their Provisions Calculated for Non-Performing Loans Banks which Provide Expected Credit Loss According to TFRS 9

	Group III	Group IV	Group V
	Loans with Limited Collectibility	Loans with Doubtful Collectibility	Uncollectible Loans
Current Period (Net)	**56.477**	**60.806**	**95.402**
Interest Accruals and Valuation Differences	633.870	136.666	519.605
Provisions (-)	577.393	75.860	424.203
Prior Period (Net)	**12.600**	**16.719**	**51.738**
Interest Accruals and Valuation Differences	63.027	41.547	610.448
Provisions (-)	50.427	24.828	558.710

7.11. Information on Expected Credit Loss

Current Period	Stage 1	Stage 2	Stage 3	Total
Balance at the Beginning of the Period	**7.710.927**	**28.625.013**	**11.619.697**	**47.955.637**
Additions during the Period(*)	2.139.652	15.644.287	6.150.798	23.934.737
Disposals (-)	(1.159.269)	(223.007)	(2.552.043)	(3.934.319)
Sales (-)	-	-	-	-
Write-offs (-)	-	-	(3.001)	(3.001)
Transfer to Stage 1	974.472	(787.652)	(186.820)	-
Transfer to Stage 2	(714.369)	895.823	(181.454)	-
Transfer to Stage 3	(13.070)	(2.194.550)	2.207.620	-
Balance at End of Period	**8.938.343**	**41.959.914**	**17.054.797**	**67.953.054**

Prior Period	Stage 1	Stage 2	Stage 3	Total
Balance at the Beginning of the Period	**2.159.100**	**14.764.508**	**12.148.761**	**29.072.369**
Additions during the Period(*)	5.493.430	13.881.495	1.661.104	21.036.029
Disposals (-)	(68.563)	(667.060)	(1.417.138)	(2.152.761)
Sales (-)	-	-	-	-
Write-offs (-)	-	-	-	-
Transfer to Stage 1	380.410	(156.483)	(223.927)	-
Transfer to Stage 2	(224.958)	853.302	(628.344)	-
Transfer to Stage 3	(28.492)	(50.749)	79.241	-
Balance at End of Period	**7.710.927**	**28.625.013**	**11.619.697**	**47.955.637**

(*) Also includes exchange rate differences.

7.12. Information on Liquidating Policy of Uncollectible Loans and Other Receivables

Execution proceedings are carried out for the collection of receivables from loan services of the Bank's. During this process, tangible guarantees constituting guarantees of receivables of the Bank and assets of the debtor(s) are realized while receivables of the Bank are also tried to be collected and liquidated by means of administrative procedures. Transactions are performed within the context of legislation agreement, which ensures the collection of receivables through administrative channels. When the debtor offers exceed authorizations transferred to the Branch/Regional Management or includes matters outside the scope of current legislation agreements and the Branch/Regional Management submit favorable opinion to the Head Office regarding this issue, receivables should be restructured on a company/debtor basis in accordance with the decisions made by the related authorities.

7.13. 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.

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8. Other Financial Assets Measured at Amortized Cost

8.1. Information on Financial Assets Subject to Repurchase Agreements and those Given as Collateral/Blocked

Financial Assets Measured at Amortized Cost subject to repo transactions

	Current Period		Prior Period	
	TL	FC	TL	FC
Government Bonds	-	9.155.480	16.898.737	5.705.067
Treasury Bills	-	-	-	-
Other Government Debts	-	-	-	-
Bank Bonds and Bank Guaranteed Bonds	-	-	-	-
Asset Backed Securities	-	-	-	-
Other	-	-	-	-
Total	**-**	**9.155.480**	**16.898.737**	**5.705.067**

Financial Assets Measured at Amortized Cost given as collateral or blocked

	Current Period		Prior Period	
	TL	FC	TL	FC
Bills	-	-	1.107.792	-
Bonds and Similar Investment Securities	143.859.019	62.284.619	57.126.063	36.259.758
Other	-	-	-	-
Total	**143.859.019**	**62.284.619**	**58.233.855**	**36.259.758**

8.2. Information on Government Debt Securities at Amortized Cost

	Current Period	Prior Period
Government Bonds	320.326.039	152.996.336
Treasury Bills	-	1.107.792
Other Public Sector Debt Securities	1.010.668	1.068.417
Total	**321.336.707**	**155.172.545**

8.3. Information on Financial Assets Measured at Amortized Cost

	Current Period	Prior Period
Debt Securities	325.458.934	159.351.477
Quoted at Stock Exchange	321.336.707	155.172.545
Unquoted at Stock Exchange	4.122.227	4.178.932
Provision for Impairment (-)	-	-
Total	**325.458.934**	**159.351.477**

8.4. The Movements of Financial Assets Measured at Amortized Cost

	Current Period	Prior Period
Beginning Balance	**159.351.477**	**44.583.816**
Foreign Currency Differences on Monetary Assets	22.737.044	10.860.407
Purchases During the Year [1]	154.472.706	105.683.154
Disposals through Sales and Redemptions	(11.102.293)	(1.775.900)
Provision for Impairment (-)	-	-
Period End Balance	**325.458.934**	**159.351.477**

[1] Accruals are shown in "Purchases During the Year".

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

9. Information on Investments in Associates (Net)

9.1. Information about Investment in Associates

	Description	Address (City/Country)	The Bank's Share Percentage, if Different, Voting Percentage (%)	The Bank's Risk Group Share Percentage (%)
1	Arap Türk Bankası A.Ş.	İstanbul/Türkiye	15,43	15,43
2	Birleşim Varlık Yönetim A.Ş.[3]	İstanbul/Türkiye	16,00	16,00
3	Bileşim Finansal Teknolojiler ve Ödeme Sistemleri A.Ş.	İstanbul/Türkiye	33,34	33,34

	Total Assets [1]	Shareholders' Equity[1]	Total Non-Current Assets [1] [2]	Interest Income [1]	Income from Marketable Securities [1]	Current Period Profit/Loss [1]	Prior Period Profit/ Loss [1]	Fair Value
1	14.260.568	2.137.578	957.328	492.326	356.075	153.995	213.492	-
2	929.956	763.942	27.481	308.503	-	109.296	257.480	-
3	512.193	331.393	168.795	48.445	-	(8.399)	(12.650)	-

[1] The current period financial statement information of the associates is obtained from the unaudited financial statements dated 31 December 2023, and the profit/loss figures for the previous period are obtained from the reviewed financial statements dated 31 December 2022.

[2] Total fixed assets include tangible and intangible assets.

[3] Necessary permissions have been obtained from the BRSA regarding the purchase by the Bank of 12.000.000 Group B Shares, 16% owned by the Savings Deposit Insurance Fund (TMSF), in the capital of Birleşim Varlık Yönetim A.Ş., with all its rights and obligations in return for TL 119.285 share purchase transactions were completed on 1 March 2023.

9.2. Information on Financial Associates

	Current Period	Prior Period
Balance at the Beginning of the Period	**88.846**	**88.846**
Movement During the Period	**119.285**	**-**
Purchases	119.285	-
Free Shares Obtained Profit From Current Years Share	-	-
Dividends From Current Year Income	-	-
Sales	-	-
Revaluation Increase	-	-
Impairment Provision (-)	-	-
Balance at the End of the Period	**208.131**	**88.846**
Capital Commitments	-	-
Share Percentage at the End of the Period (%)	-	-

[1] The total of our non-financial subsidiaries is TL 128.021 (31.12.2022: TL 128.021).

9.3. Sectoral Information on Financial Associates and the Related Carrying Amounts

	Current Period	Prior Period
Banks	88.846	88.846
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	-	-
Finance Companies	-	-
Other Financial Associates	119.285	-

9.4. Subsidiaries Quoted to the Stock Exchange

None (31 December 2022: None).

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10. Information on Subsidiaries (Net)

10.1. Information on Subsidiaries

Financial subsidiaries are followed in the unconsolidated financial statements at fair value within the scope of "Separate Financial Statements Türkiye Accounting Standard 27 (TAS 27)" in accordance with IFRS 9 Financial Instruments. Fair values were determined with the valuation reports prepared for these partnerships and were accounted under equity as of the valuation date.

	Description	Address (City/Country	The Bank's Share Percentage-if different Voting Percentage (%)	The Bank's Risk Group Share Percentage (%)
1	Ziraat Yatırım Menkul Değerler A.Ş.	Istanbul/Türkiye	99,60	99,60
2	Ziraat Portföy Yönetimi A.Ş.	Istanbul/Türkiye	74,90	99,80
3	Ziraat Katılım Bankası A.Ş.	Istanbul/Türkiye	100,00	100,00
4	Ziraat Gayrimenkul Yatırım Ortaklığı A.Ş.	Istanbul/Türkiye	81,06	81,06
5	Ziraat Girişim Sermayesi Yatırım Ortaklığı A.Ş.	Istanbul/Türkiye	100,00	100,00
6	Ziraat Dinamik Banka A.Ş. (*)	Istanbul/Türkiye	100,00	100,00
7	Ziraat Teknoloji A.Ş.	Istanbul/Türkiye	100,00	100,00
8	Ziraat Finansal Teknolojiler Elektronik Para ve Ödeme Hizmetleri A.Ş. (**)	Istanbul/Türkiye	100,00	100,00
9	Ziraat Bank International A.G.	Frankfurt/Germany	100,00	100,00
10	Ziraat Bank BH d.d.	Sarajevo/Bosnia Herzegovina	100,00	100,00
11	Ziraat Bank (Moscow) JSC	Moscow/Russia	99,91	100,00
12	Kazakhstan Ziraat Int. Bank	Almaty/Kazakhstan	99,92	99,92
13	Ziraat Bank Azerbaycan ASC	Baku/Azerbaijan	99,98	100,00
14	Ziraat Bank Montenegro AD	Podgorica/Montenegro	100,00	100,00
15	JSC Ziraat Bank Georgia	Tbilisi/Georgia	100,00	100,00
16	Ziraat Bank Uzbekistan JSC	Tashkent/Uzbekistan	100,00	100,00

(*) The Bank's Subsidiary, Ziraat Dinamik Banka A.Ş., was established with the permission of the BRSA dated 23 March 2023 and numbered 10542 and was registered on April 18, 2023, and has not started operations yet as of the end of the period.

(**) Ziraat Finansal Teknolojiler Elektronik Para ve Ödeme Hizmetleri A.Ş. which is among the subsidiaries, started to be followed as a financial partnership. Operating permission was received from the CBRT on January 30, 2024.

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	Total Assets	Shareholders' Equity	Total Non-Current Assets	Interest Income	Income from Marketable Securities	Current Period Profit/ Loss	Prior Period Profit/Loss	Fair Value	Shareholder's equity amount needed
1	5.551.877	3.102.833	32.833	1.386.213	-	2.151.551	737.773	4.839.147	-
2	782.167	588.400	28.668	87	-	416.918	185.324	556.999	-
3	383.658.370	19.831.547	2.858.333	43.986.005	7.576.685	4.004.497	3.840.272	15.958.668	-
4	40.209.019	36.274.198	37.666.096	68.735	-	16.545.611	10.945.313	20.255.507	-
5	4.757.425	4.753.732	461	183.897	-	2.331.997	1.388.271	3.834.211	-
6	2.500.000	2.500.000	-	-	-	-	-	2.500.000	-
7	511.987	172.565	44.622	8.198	126	114.316	20.686	278.705	-
8	222.318	221.525	19.372	25.490	-	20.508	-	200.000	-
9	34.049.514	10.328.025	1.456.831	1.195.377	9.213	333.880	534	4.671.628	-
10	24.462.354	3.339.227	165.749	520.307	-	225.371	31.973	1.365.113	-
11	3.469.658	1.737.640	57.135	286.315	1.597	265.930	133.455	1.031.853	-
12	14.838.353	4.720.137	380.677	853.267	5.257	777.627	(387.925)	3.535.560	-
13	10.856.734	1.948.767	399.209	476.642	29.148	192.543	55.395	1.134.100	-
14	3.307.757	559.299	28.559	75.698	17.457	15.237	155	404.975	-
15	2.225.408	792.732	61.316	122.440	4.636	64.747	36.931	342.333	-
16	6.934.523	1.092.731	146.910	263.910	6.834	92.922	108.789	719.558	-

(1) The amounts shown in the interest income column of Ziraat Katılım Bankası A.Ş. include profit share income.

(2) Current period financial statement information, Ziraat Katılım Bankası A.Ş. and Ziraat Gayrimenkul Yatırım Ortaklığı A.Ş.'s independently audited financial statements dated 31 December 2023, and from the non-independently audited financial statements of other subsidiaries, and in the profit/loss figures for the previous period, Ziraat Katılım Bankası A.Ş. and Ziraat Gayrimenkul Yatırım Ortaklığı A.Ş.'s independently audited financial statements dated 31 December 2022, and the unaudited financial statements of other subsidiaries.

	Current Period	Prior Period
Balance at the Beginning of the Period	**41.946.035**	**20.558.487**
Movements During the Period	**19.403.617**	**21.387.548**
Purchases	10.615.681	3.249.300
Free Shares Obtained Profit From Current Years Share	163.757	86.121
Dividends from current year income	-	-
Sales	-	-
Revaluation Increase (1)	12.652.181	22.601.876
Impairment Provision (-)	4.028.002	4.549.749
Balance at the End of the Period (2)	**61.349.652**	**41.946.035**
Capital Commitments	-	-
Share percentage at the end of the period (%)	-	-

(1) Includes changes arising from conversion of subsidiaries, whose capitals are paid in Euro amounts, into TL at period end currency rate

(2) Non-financial subsidiaries amounting to TL 278.705 are not included in the table. (31.12.2022: Non-financial subsidiaries amounting to TL 134.959 are not included in the table.)

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10.2. Sectoral Information on Financial Subsidiaries and the Related Carrying Amounts

	Current Period	Prior Period
Banks	31.663.788	15.826.908
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	-	-
Financing Companies	-	-
Other Financial Subsidiaries	29.685.864	26.119.127

10.3. Subsidiaries Quoted to the Stock Exchange

	Current Period	Prior Period
Quoted at Domestic Stock Exchanges	20.255.507	21.486.762
Quoted at International Stock Exchanges	-	-

11. Information on Entities Under Common Control (Joint Ventures)

Investments on entities under common control are monitored at fair value in the unconsolidated financial statements within the scope of "Separate Financial Statements Türkiye Accounting Standard 27 (TAS 27)" according to TFRS 9 Financial Instruments Standard. The fair values were determined with the valuation reports prepared for these joint ventures and were accounted under equity as of the valuation date.

Entities under Common Control (Joint Ventures) [1]	Bank's Share (%)	Bank's Risk Group Share (%)	Current Assets	Non- Current Assets	Long Term Liabilities	Income	Expense
Turkmen Turkish Joint Stock Commercial Bank	50,00	50,00	19.052.925	102.985	7.319	1.050.340	515.735

[1] Information on entity under joint control is provided from the unaudited financial statements as of 31 December 2023.

12. Information on Lease Receivables

The Bank has no financial lease receivables.

13. Information on Derivative Financial Assets for Hedging Purposes

The Bank has no hedging derivative financial assets.

14. Information on the Investment Property

None.

15. Information on Non-Currents Assets or Disposal Groups "Held for Sale" and "From Discontinued Operations

Bank does not have any discontinuing operations. The assets held for sale are composed of immovables acquired due to consumer, commercial and agricultural loans and immovables for which has no necessity of usage exists by the Bank. Those immovables considered for sales are announced at the web site of the Bank.

The total of the partnership interests of the Bank due to its receivables is TL 38.948 (31 December 2022: TL 415.578). To be TL 15.712 (31 December 2022: TL 12.446) due to the individual receivables of the Bank, TL 5.179.985 (31 December 2022: TL 4.980.515) due to its trade receivables, TL 81.634 (31 December 2022: TL 98.632) due to its agricultural receivables. The total of the real estates acquired for the purpose of sale is TL 5.277.331 (31 December 2022: TL 5.091.593) and the total of other real estates held for sale is TL 447.908 (31 December 2022: TL 1.325.408). In addition, the total of the movables acquired due to its receivables is TL 20.507 (31 December 2022: TL 21.287). The net book value of the Bank's assets held for sale acquired through fiduciary rights is TL 2.350.148 (31 December 2022: TL 2.310.546).

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16. Explanations on Tangible Assets

	Immovables	Immovables with Right of Use	Movables	Movables with Right of Use	Leasing Development Costs	Other Tangibles	Total
Prior Period End							
Cost	14.703.225	1.269.012	2.723.217	386.799	278.024	-	19.360.277
Accumulated Depreciation (-)	892.951	142.228	1.655.007	179.199	267.755	-	3.137.140
Impairment (-)	78	-	-	-	-	-	78
Net Book Value	**13.810.196**	**1.126.784**	**1.068.210**	**207.600**	**10.269**	**-**	**16.223.059**
Current Period End							
Net Book Value at the Beginning of the Period	13.810.196	1.126.784	1.068.210	207.600	10.269	-	16.223.059
Change During the Period (Net)	(271.493)	2.056.769	1.602.653	356.448	1.355	-	3.745.732
- Cost	(74.611)	2.207.811	2.563.765	471.964	18.915	-	5.187.844
- Revaluation Differences							-
- Depreciation Net (-)	196.882	151.042	961.112	115.516	17.560	-	1.442.112
- Impairment (-)	-	-	-	-	-	-	-
Net Currency Translation from Foreign Subsidiaries							
Cost at Period End	14.628.614	3.476.823	5.286.982	858.763	296.939	-	24.548.121
Accumulated Depreciation at Period End (-)	1.089.833	293.270	2.616.119	294.715	285.315	-	4.579.252
Impairment (-)	78	-	-	-	-	-	78
Closing Net Book Value	**13.538.703**	**3.183.553**	**2.670.863**	**564.048**	**11.624**	**-**	**19.968.791**

17. The Impairment Provision Set or Cancelled in The Current Period According to The Asset Groups Not Individually Significant but Materially Affecting the Overall Financial Statements, and The Reason and Conditions for This

None.

18. Pledges, mortgages and other restrictions on the tangible assets, expenses arising from the construction for tangible assets, commitments given for the purchases of tangible assets

None.

19. Explanations on Intangible Assets

	Current Period			Prior Period		
	Book Value	Accumulated Depreciation	Net Value	Book Value	Accumulated Depreciation	Net Value
Establishment Costs	11.073	11.073	-	6.874	6.874	-
Goodwill	-	-	-	-	-	-
Intangible Rights	5.087.295	1.382.030	3.705.265	3.208.972	936.371	2.272.601
Total	**5.098.368**	**1.393.103**	**3.705.265**	**3.215.846**	**943.245**	**2.272.601**

Disclosures for book value, description and remaining useful life for a specific intangible fixed asset that is material to the financial statements:

None.

Disclosure for intangible fixed assets acquired through government grants and accounted for at fair value at initial recognition:

None.

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The method of subsequent measurement for intangible fixed assets that are acquired through government incentives and recorded at fair value at the initial recognition:

None.

The book value of intangible fixed assets that are pledged or restricted for use:

None.

Amount of purchase commitments for intangible fixed assets:

None.

Information on revalued intangible assets according to their types:

None.

Amount of total research and development expenses recorded in income statement within the period if any:

None.

Positive or negative consolidation goodwill on entity basis:

Not applicable for the unconsolidated financial statements.

20. Explanation on Deferred Tax Asset

The Bank calculates and reflects deferred tax in accordance with the provisions of "Income Taxes Standard" ("TAS 12") for taxable temporary differences that arise between the book value of an asset or liability and its tax basis determined in accordance with the tax legislation. In the calculation of deferred tax, enacted tax rates valid as of the balance sheet date are used in accordance with the current tax legislation.

Deferred tax assets consisting of deductible temporary differences are calculated on the condition that it is highly probable to benefit from these differences by earning taxable profit in the future. Calculated deferred tax receivables and deferred tax liabilities are shown in the financial statements by netting.

As of 31 December 2023, deferred tax asset is TL 30.980.950 (31 December 2022: Deferred tax liability 279.092 TL).

21. Information on Expected Credit Loss for Financial Assets

	Current Period	Prior Period
Cash and Balances at Central Bank	5.794	3.958
Banks and Receivables from Money Markets	16.034	1.783
Financial Assets Measured at Amortized Cost	44.174	21.499
Other assets	200.576	76.006
Total	**266.578**	**103.246**

22. Information on Other Assets

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

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II. EXPLANATIONS AND NOTES RELATED TO LIABILITIES

1. Information on Deposits/Funds Collected

1.1. Information on Maturity Structure of Deposits

Current Period	Demand	7 Day Call Accounts	Up to 1 Month	1-3 Months	3-6 Months	6 Months-1 Year	1 Year and Over	Cumulative Deposits	Total
Saving Deposits	173.118.740	-	27.255.860	297.074.119	264.052.960	91.369.454	56.883.722	127.978	909.882.833
Foreign Currency Deposits	440.576.636	-	167.556.787	237.009.753	44.322.633	32.382.741	76.489.106	17.851	998.355.507
Residents in Türkiye	326.851.621	-	163.233.875	204.905.019	29.904.511	15.752.146	24.640.593	13.659	765.301.424
Residents on Abroad	113.725.015	-	4.322.912	32.104.734	14.418.122	16.630.595	51.848.513	4.192	233.054.083
Public Sector Deposits	36.207.350	-	118.286.149	41.823.639	1.155.356	57.012	7.547	-	197.537.053
Commercial Inst. Deposits	80.313.479	-	156.068.842	149.038.674	58.245.214	42.928.166	24.217.117	-	510.811.492
Other Inst. Deposits	8.939.271	-	6.453.898	37.854.731	14.433.074	899.676	849.925	-	69.430.575
Precious Metals Deposit	141.429.898	-	3.027.114	12.975.912	1.955.006	545.168	805.297	-	160.738.395
Interbank Deposits	8.832.882	-	38.736.274	29.664.346	11.113.533	150.065	70.126	-	88.567.226
The CBRT	3.778.043	-	-	-	-	-	-	-	3.778.043
Domestic Banks	570.527	-	38.203.673	-	-	-	-	-	38.774.200
Foreign Banks	2.776.236	-	532.601	29.664.346	11.113.533	150.065	70.126	-	44.306.907
Participation Banks	1.708.076	-	-	-	-	-	-	-	1.708.076
Other	-	-	-	-	-	-	-	-	-
Total (*)	**889.418.256**	**-**	**517.384.924**	**805.441.174**	**395.277.776**	**168.332.282**	**159.322.840**	**145.829**	**2.935.323.081**

(*) As of 31 December 2023, the deposit balance includes TL 32.235.853 Treasury Currency Protected Deposit, TL 300.998.171 CBRT Currency Protected Deposit and TL 79.945.098 YUVAM Account Deposits.

Prior Period	Demand	7 Day Call Accounts	Up to 1 Month	1-3 Months	3-6 Months	6 Months-1 Year	1 Year and Over	Cumulative Deposits	Total
Saving Deposits	128.264.260	-	17.521.519	222.771.598	19.102.610	8.532.376	19.995.801	148.528	416.336.692
Foreign Currency Deposits	258.588.422	-	141.626.859	175.601.183	28.186.122	22.282.870	63.997.018	14.799	690.297.273
Residents in Türkiye	204.853.054	-	137.470.201	150.336.995	18.784.624	11.236.616	28.241.731	12.343	550.935.564
Residents on Abroad	53.735.368	-	4.156.658	25.264.188	9.401.498	11.046.254	35.755.287	2.456	139.361.709
Public Sector Deposits	19.931.009	-	101.367.318	10.148.460	797.037	727.651	7.615	-	132.979.090
Commercial Inst. Deposits	76.001.456	-	101.681.473	92.964.817	4.251.238	18.892.065	2.110.247	-	295.901.296
Other Inst. Deposits	5.337.693	-	5.502.521	17.896.309	3.320.224	67.784	319.228	-	32.443.759
Precious Metals Deposit	78.364.129	-	1.890.618	10.529.097	983.185	523.067	571.394	-	92.861.490
Interbank Deposits	8.296.037	-	42.960.484	8.245.071	-	18.488.125	459.543	-	78.449.260
The CBRT	2.711.406	-	-	-	-	-	-	-	2.711.406
Domestic Banks	375.551	-	39.786.877	-	-	-	402.578	-	40.565.006
Foreign Banks	2.394.674	-	312.061	8.245.071	-	18.488.125	56.965	-	29.496.896
Participation Banks	2.814.406	-	2.861.546	-	-	-	-	-	5.675.952
Other	-	-	-	-	-	-	-	-	-
Total (*)	**574.783.006**	**-**	**412.550.792**	**538.156.535**	**56.640.416**	**69.513.938**	**87.460.846**	**163.327**	**1.739.268.860**

(*) As of 31 December 2022, the balance of the deposit includes TL 83.323.364 Treasury Currency Protected Deposit, TL 83.778.421 CBRT Currency Protected Deposit and TL 16.200.004 YUVAM Account Deposits.

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1.2. Information on Saving Deposits Under the Guarantee of the Saving Deposit Insurance Fund and Amounts Exceeding the Limit of the Deposit Insurance Fund

	Under the Guarantee of Deposit Insurance		Exceeding Deposit Insurance Limit	
Saving Deposits	**Current Period**	**Prior Period**	**Current Period**	**Prior Period**
Saving Deposits[1]	389.559.880	217.359.340	520.079.218	197.898.374
Foreign Currency Saving Deposits[1]	295.296.031	158.452.416	414.099.702	344.415.016
Other Deposits in the form of Saving Deposits	-	-	-	-
Foreign Branches' Deposits under the Guarantees of Foreign Authority Insurance[2]	8.857.133	5.057.008	4.796.767	2.838.629
Off-Shore Banking Regions' and under Foreign Authorities' Insurance	-	-	-	-

[1] Related deposit balances do not include foreign branches.

[2] In Bulgaria and Greece, since both real person and legal entity's saving deposits are under the guarantee of insurance and since such balances included in insurance limit are calculated by the system, the legal entity saving deposits amounting to TL 5.010.092 and TL 61.595 respectively, cannot be decomposed by type and are therefore included in the table above (31 December 2022: TL 2.643.374 and TL 35.817).

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, other than those belonging to official institutions, credit institutions and financial institutions in the presence of credit institutions; all deposit and participation funds are covered by insurance. In line with this change, commercial deposits amounting to TL 45.775.676 (31 December 2022: TL 26.393.503) within the scope of insurance are not included in the table. The portion of the said deposits exceeding the insurance limit is TL 689.197.243 (31 December 2022: TL 699.147.186).

Based on the Council of Minister's decree dated 29 December 2003 and numbered 2003/6668, TL 382 (31 December 2022: TL 434) of demand deposits is not included in the above calculation, since the Bank paid the saving deposits amount attributable to T. İmar Bankası T.A.Ş.

1.3. Information on Saving Deposits/Real Persons' Private Current and Accession Accounts Not Related to Commercial Transactions in a Turkish Branch of The Bank Whose Head Office is Abroad, And Reasons if it is Covered in Where The Head Office is Located

The Bank's head office is located in Türkiye.

1.4. Saving Deposits of Real Persons which are not under the Guarantee of Saving Deposit Insurance Fund

	Current Period	**Prior Period**
Foreign branches' saving deposits and other accounts	17.493	12.805
Deposits and other accounts belonging to dominant partners as well as their fathers, mothers, spouses and children under their custody	-	-
Deposits and other accounts belonging to the chairman and members of the board of directors, general managers and deputy general managers as well as their fathers, mothers, spouses and children under their custody	41.358	51.853
Deposits and other accounts covered by assets generated through the offenses mentioned in Article 282 of the Turkish Penal Code No. 5237 and dated 26 September 2004	-	-
Deposits in the banks to be engaged exclusively in offshore banking in Türkiye	-	-

2. Negative Differences Statement Regarding Trading Derivative Financial Assets

	Current Period		Prior Period	
	TL	**FC**	**TL**	**FC**
Forward Transactions	80.030	49.505	12.129	1.290
Swap Transactions	704.395	2.595.537	218.585	2.834.279
Futures Transactions	-	-	-	-
Options	-	206.690	-	89.836
Other	-	-	-	-
Total	**784.425**	**2.851.732**	**230.714**	**2.925.405**

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3. Information on Banks and Other Financial Institutions

3.1. General Information on Banks and Other Financial Institutions

	Current Period		Prior Period	
	TL	FC	TL	FC
Borrowings from CBRT	-	-	10.208.007	-
Domestic Banks and Institutions	481.356	13.576.032	199.280	13.050.361
Foreign Banks, Institutions and Funds	-	186.157.767	-	86.748.424
Total	**481.356**	**199.733.799**	**10.407.287**	**99.798.785**

3.2. Information on Maturity Structure of Borrowings

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	480.545	27.253.212	10.406.512	6.285.936
Medium and Long-Term	811	172.480.587	775	93.512.849
Total	**481.356**	**199.733.799**	**10.407.287**	**99.798.785**

3.3. Further Information is Disclosed for the Areas of Liability Concentrations. Main Liability Concentration Areas are Fund Suppliers, Sector Groups, or other Risk Concentration Criteria

77,24% of the Bank's total liabilities consist of deposits. Deposits have a diversified base and have steady structures. The Bank's liabilities are not subject to a significant concentration risk.

4. Information on Money Market Borrowings

	Current Period		Prior Period	
	TL	FC	TL	FC
From Domestic Transactions	**5.033.638**	**-**	**21.024.860**	**-**
Financial Institutions and Organizations	4.679.997	-	20.860.674	-
Other Institutions and Organizations	279.173	-	125.400	-
Real Person	74.468	-	38.786	-
From Overseas Operations	**-**	**78.303.138**	**-**	**64.037.829**
Financial Institutions and Organizations	-	78.303.138	-	40.090.932
Other Institutions and Organizations	-	-	-	23.946.897
Real Person	-	-	-	-
Total	**5.033.638**	**78.303.138**	**21.024.860**	**64.037.829**

5. Information on Securities Issued

	Current Period		Prior Period	
	TL	FC	TL	FC
Bank Bills	995.040	7.518.533	-	644.547
Asset-Backed Securities	-	-	-	-
Treasury Bonds	-	38.674.352	1.010.690	26.112.742
Total	**995.040**	**46.192.885**	**1.010.690**	**26.757.289**

6. If Other Foreign Liabilities exceed 10% of The Total Balance Sheet, Names and Amounts of Sub Accounts That Make Up At Least 20% of These

Other foreign liabilities do not exceed 10% of the total balance sheet.

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7. Information on Lease Liabilities

Information on lease liabilities represented in the table below.

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 Year	63.657	17.040	47.708	24.603
Between 1-4 Years	1.569.723	1.336.835	924.110	786.166
More than 4 Years	5.099.208	2.497.161	1.135.590	597.848
Total	**6.732.588**	**3.851.035**	**2.107.408**	**1.408.617**

8. Information on the Hedging Derivative Financial Liabilities

There are no hedging derivative financial liabilities.

9. Information on Provisions

9.1. Provisions Related with Principal Foreign Currency Decrease of Foreign Indexed Loans and Finance Leasing Receivables

There are no foreign exchange loss provisions on foreign currency indexed loans and financial lease receivables (31 December 2022: None).

9.2. Liabilities on Employee Benefits Provision

9.2.1. Termination Benefit and Unused Vacation Rights

The Bank accounts for its vacation and retirement pay obligations in accordance with the TAS 19 "Employee Benefits". The vacation and retirement pay obligations recognized in the balance sheet represent the present value of the defined benefit obligation. As of 31 December 2023, unpaid vacation liability amounted to TL 855.650 and employment termination amounted to TL 5.081.185 are presented under the "Employee Benefits Provision" in the financial statements (31 December 2022 unpaid vacation liability amounted to TL 746.797 and employment termination amounted to TL 5.997.944 are presented under the "Employee Benefits Provision" in the financial statements).

9.2.2. Pension Rights

The technical balance sheet reports which are prepared in accordance with the principles Act numbered 5754 declared in the Official Gazette dated 8 May 2008 numbered 26870, by using a technical interest rate of 9,80%, concluded that no technical deficit arises in the mentioned fund as of 31 December 2023 and 31 December 2022.

The liability related to Bank's benefits to be transferred to SSI as of the balance sheet date is expected payment to be made to SSI during the transfer. Actuarial parameters and results used in calculation of this amount reflects the Act's, numbered 5754 declared in the Official Gazette dated 8 May 2008 numbered 26870, principles related to pension and health benefits to be transferred to SSI (9,80% real discount rate, etc.).

In calculating the liability amount for transferable benefits, largely fixed and certain assumptions are used within the framework of the New Law. However, the final amount for the liability that the Bank will bear when the transfer takes place may vary depending on factors such as the number of participants and withdrawal rates, especially the discount rate, inflation and wage increases.

	Current Period	Prior Period
Opening - Beginning of Period Asset	**9.609.837**	**6.297.140**
Real return on fund assets	7.737.805	2.338.558
Employer contributions	2.969.551	1.182.641
Employee contributions	2.145.456	863.294
Compensations paid -	(2.051.413)	(1.071.796)
Total Assets at the End of the Period	**20.411.236**	**9.609.837**

According to related Actuary Report, the Fund's surplus is TL 42.138.296 as of 31 December 2023 (31 December 2022: TL 17.709.984).

	Current Period	Prior Period
Non Medical Assets	20.411.236	9.609.837
Actual and Technical Overrun	42.138.296	17.709.984

The principal actuarial assumptions used are as follows:

	Current Period	Prior Period
Discount rate		
- Pension benefits transferable to SSI	9,80%	9,80%
- Post employment medical benefits transferable to SSI	9,80%	9,80%

The CSO 1980 Female/Male mortality table is used to represent the expected mortality rates before and after retirement.

The distribution of fund assets is as follows:

	Current Period	Prior Period
Bank placements	3.753.005	1.204.050
Property and equipment	4.800.000	940.000
Marketable securities	11.260.039	7.272.413
Other	598.192	193.374
Total	**20.411.236**	**9.609.837**

9.3. Information on Other Provision

Except for the BRSA Accounting and Financial Reporting Legislation requirements, the Bank's management has free provisions amounting to TL 17.300.000 of which TL 28.300.000 has been reserved in previous periods and TL 11.000.000 has been cancelled in the current period. (31 December 2022: Except for the BRSA Accounting and Financial Reporting Legislation requirements, the Bank's management has set aside a free provision amounting to TL 28.300.000 of which TL 3.710.000 is in previous periods and TL 24.590.000 is in the current period).

Expected loss provisions for non-cash loans are TL 8.589.268 (31 December 2022: Expected loss provisions for non-cash loans are TL 9.108.014). The Bank has made a provision amounting to TL 181.800 for cases that are not yet finalized (31 December 2022: The Bank has made a provision amounting to TL 110.500 for cases that are not yet finalized). There is also other provisions amounting to TL 3.092.793 (31 December 2022: Other provisions amounting to TL 4.475.512).

10. Explanations on Tax Liability

10.1. Explanations on Current Tax Liability

10.1.1. Information on Tax Provision

As of 31 December 2023, the remaining corporate tax liability after deducting temporary taxes paid for the period is TL 5.925.587 (As of 31 December 2022, the remaining corporate tax liability after deducting temporary taxes paid for the period is TL 5.909.763).

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

10.1.2. Information on Current Taxes Payable

	Current Period	Prior Period
Corporate Tax Payable	5.925.587	5.909.763
Taxation on Income From Securities	1.584.315	527.578
Property Tax	9.433	5.640
Banking Insurance Transactions Tax (BITT)	2.420.262	785.989
Foreign Exchange Transactions Tax	49.412	39.653
Value Added Tax Payable	134.595	125.560
Other	299.744	272.208
Total	**10.423.348**	**7.666.391**

10.1.3. Information on Premium Payables

	Current Period	Prior Period
Social Security Premiums Employee	483	120
Social Security Premiums - Employer	604	153
Bank Social Aid Pension Fund Premium - Employee	118.457	45.528
Bank Social Aid Pension Fund Premium - Employer	173.733	66.725
Pension Fund Membership Fees and Provisions - Employee	117	-
Pension Fund Membership Fees and Provisions - Employer	25	36
Unemployment Insurance - Employee	21.983	6.536
Unemployment Insurance - Employer	43.967	13.075
Other	-	-
Total	**359.369**	**132.173**

10.2. Explanation Regarding Deferred Tax Debt

The Bank calculates and reflects deferred tax in accordance with the provisions of "Turkish Accounting Standard for Income Taxes" ("TAS 12") for taxable temporary differences that arise between the book value of an asset or liability and its tax basis determined in accordance with the tax legislation. In the calculation of deferred tax, enacted tax rates valid as of the balance sheet date are used in accordance with the current tax legislation.

Deferred tax assets consisting of deductible temporary differences are calculated on the condition that it is highly probable to benefit from these differences by earning taxable profit in the future. Calculated deferred tax receivables and deferred tax liabilities are shown in the financial statements by netting.

Information on deferred taxes calculated in terms of deductible temporary differences, tax losses and tax deductions and exemptions are shown below.

	Current Period	Prior Period
Deferred Tax Asset	35.163.013	20.431.364
Deferred Tax Liability	(4.182.063)	20.710.456
Net Deferred Tax Asset/(Liability)	30.980.950	(279.092)
Net Deferred Tax Income/(Expense)	16.589.157	10.166.137

	Current Period	Prior Period
Deferred Tax Asset	**35.163.013**	**20.431.364**
Expected Loss Provisions	16.955.607	11.039.041
Reserve for Employee Benefits	1.781.051	1.686.185
Marketable Securities Portfolio	6.620.570	5.107.439
Differences Between Registered Value of Assets and Tax Value (*)	5.764.434	-
Other	4.041.351	2.598.699
Deferred Tax Liabilities	**4.182.063**	**20.710.456**
Financial Assets Valuation Differences	2.988.548	18.706.247
Real Estate Valuation Difference	1.121.856	1.853.995
Other	71.659	150.214
Net Deferred Tax Asset/(Liability)	**30.980.950**	**(279.092)**

(*)Deferred tax assets resulting from inflation adjustment in the provisions of Tax Procedural Law Provisional Article 33 are included.

As of 31 December 2023, deferred tax income amounting to TL 16.589.157 (31 December 2022: TL 10.166.137) is in the profit/loss statement, deferred tax income amounting to TL 14.670.885
(31 December 2022: TL 11.964.308 deferred tax income) is classified under equity.

11. Information on liabilities related to non-current assets "held for sale" and "held from discontinued operations"

The Bank does not have any liabilities related to non-current assets held for sale and held from discontinued operations.

12. Information on Subordinated Loans

	Current Period		Prior Period	
	TL	FC	TL	FC
Debt instruments to be included in additional capital calculation	-	46.620.531	-	28.949.062
Subordinated loans	-		-	-
Subordinated debt instruments	-	46.620.531	-	28.949.062
Debt instruments to be included in contribution capital calculation	-	-	-	-
Subordinated loans	-	-	-	-
Subordinated debt instruments	-	-	-	-
Total	**-**	**46.620.531**	**-**	**28.949.062**

(*) Subordinated loans are explained in detail in the Note "Information on debt instruments included in the calculation of equity" in Section Four.

13. Information on Shareholders' Equity

13.1. Presentation of Paid-In Capital

	Current Period	Prior Period
Common stock	84.600.000	34.900.000
Preferred stock	-	-

13.2. Amount of Paid-In Capital, Explanation as to Whether the Registered Share Capital System is Applied, if so the Amount of Registered Share Capital Ceiling

The Bank does not have a registered capital system.

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13.3. Capital Increases and Sources in the Current Period and Other Information Based on Increased Capital Share

The decision to increase the capital to TL 84.600.000 was approved at the Extraordinary General Assembly meeting of the Bank held on 29 March 2023, and the capital increase and the related amendment made in the relevant article of the Articles of Association were registered on 30 March 2023. It was announced in the Trade Registry Gazette No. 10801 and dated 30 March 2023. The accounting for the mentioned capital increase was carried out on 30 March 2023, based on the permission obtained from the BRSA.

Increase Date	Increase Amount	Cash	Profit Reserves Subject to Increase	Capital Reserves Subject to Increase
30 March 2023	49.700.000	49.700.000	-	-

13.4. Information on Share Capital Increases from Capital Reserves During the Current Period

There is no share capital amount included in capital.

13.5. Information on Capital Commitments, the Purpose and the Sources Until the End of the Fiscal Year and the Subsequent Interim Period

The Bank has no capital commitments.

13.6. The effects of anticipations based on the financial figures for prior periods regarding the Bank's income, profitability and liquidity, and possible effects of these future assumptions on the Bank's equity due to uncertainties at these indicators.

In the current period, the Bank follows its operations in line with the previous periods. The Bank's balance sheet has been managed with precaution by being affected by the interest, rate of exchange and credit risks at the minimum level. This helps to reduce the effects of fluctuations in the market to the Bank's performance and contributes to the profitability structure to be sustainable.

13.7. Summary Information on Privileges Given to Shares Representing the Capital

The Bank has no preferred shares.

13.8. Information on Marketable Securities Value Increase Fund

	Current Period		Prior Period	
	TL	FC	TL	FC
From Associates, Subsidiaries, and Entities under Common Control (Joint Ventures)	29.886.454	(8.857.806)	21.648.593	(5.781.840)
Financial Assets at Fair Value Through Other Comprehensive Income	5.862.515	(12.778.072)	37.318.737	(19.802.258)
Foreign Exchange Difference	9.873.101	-	5.838.443	-
Total	**45.622.070**	**(21.635.878)**	**64.805.773**	**(25.584.098)**

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

1. Explanations on Off-Balance Sheet Commitments

1.1. Nature and Amount of Irrevocable Loan Commitments

	Current Period	Prior Period
Asset Purchase Sale Commitments	102.484.451	38.863.491
Subsidiaries and Associates Capital Contribution Commitments	-	150.000
Loan Granting Commitments	98.882.147	51.525.638
Commitments for Cheque Payments	19.215.328	10.117.968
Commitments for Credit Card Expenditure Limits	390.622.074	100.861.357
Promotion Campaigns Commitments Relating to Credit Card and Bank Services	258.540	162.372
Other Irrevocable Commitments	47.428.656	24.846.437
Total	**658.891.196**	**226.527.263**

1.2. A Nature and Amount of Possible Losses and Commitments Arising from the Off-Balance Sheet Items Including the Below Mentioned

The Bank has provided provision amounting to TL 8.589.268 for expected credit losses arising from the off-balance sheet items in the current period (31 December 2022: TL 9.108.014).

1.2.1. Non-Cash Loans Including Guarantees, Acceptances, Financial Guarantees and Other Letter of Credits

	Current Period	Prior Period
Letters of Guarantee	622.890.704	320.689.280
Letters of Credit	104.172.993	67.420.943
Bank Acceptances	7.975.772	12.202.745
Endorsements	53.313.445	14.341.683
Total	**788.352.914**	**414.654.651**

1.2.2. Certain Guarantees, Temporary Guarantees, Surety Ships and Similar Transactions

	Current Period	Prior Period
Letters of Certain Guarantees	380.838.639	197.592.777
Letters of Advance Guarantees	122.996.247	55.127.711
Letters of Temporary Guarantees	19.922.002	10.362.644
Letters of Guarantees Given to Customs Offices	4.257.946	4.308.628
Other Letters of Guarantees	94.875.870	53.297.520
Total	**622.890.704**	**320.689.280**

1.3. Explanations on Non-Cash Loans

1.3.1. Total Non-Cash Loans:

	Current Period	Prior Period
Non-Cash Loans for Providing Cash Loans	**77.802.475**	**42.693.247**
With Original Maturity of One Year or Less	36.024.140	24.259.594
With Original Maturity of More than One Year	41.778.335	18.433.653
Other Non-Cash Loans	**710.550.439**	**371.961.404**
Total	**788.352.914**	**414.654.651**

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1.3.2. Information on Sectoral Risk Concentrations of Non-Cash Loans

	Current Period			
	TL	(%)	FC	(%)
Agricultural	6.898.204	2,31	194.905	0,04
Farming and Raising Livestock	5.553.364	1,86	91.227	0,02
Forestry	931.164	0,31	49.999	0,01
Fishing	413.676	0,14	53.679	0,01
Manufacturing	108.067.679	36,16	203.737.989	41,62
Mining and Quarrying	1.949.583	0,65	4.834.834	0,99
Production	90.278.524	30,21	170.294.758	34,79
Electric, Gas and Water	15.839.572	5,30	28.608.397	5,84
Construction	60.458.986	20,23	156.820.958	32,04
Services	121.381.006	40,62	122.316.451	24,99
Wholesale and Retail Trade	51.411.926	17,20	30.300.332	6,19
Hotel, Food and Beverage Services	7.956.936	2,66	3.817.145	0,78
Transportation and Telecommunication	13.710.166	4,59	36.682.223	7,49
Financial Institutions	38.503.544	12,88	40.282.993	8,23
Real Estate and Leasing Services	8.114.433	2,72	10.482.565	2,14
Self-employment Services	-	-	-	-
Education Services	788.399	0,26	466.035	0,10
Health and Social Services	895.602	0,30	285.158	0,06
Other	2.040.779	0,68	6.435.957	1,31
Total	**298.846.654**	**100,00**	**489.506.260**	**100,00**

	Prior Period			
	TL	(%)	FC	(%)
Agricultural	2.410.729	1,73	225.098	0,08
Farming and Raising Livestock	1.532.709	1,10	129.936	0,05
Forestry	625.115	0,45	-	-
Fishing	252.905	0,18	95.162	0,03
Manufacturing	49.226.559	35,31	112.498.704	40,87
Mining and Quarrying	1.268.770	0,91	2.130.773	0,77
Production	40.265.033	28,88	99.049.334	35,99
Electric, Gas and Water	7.692.756	5,52	11.318.597	4,11
Construction	30.122.481	21,61	88.782.279	32,26
Services	56.025.268	40,19	71.339.461	25,92
Wholesale and Retail Trade	27.764.098	19,91	18.836.667	6,84
Hotel, Food and Beverage Services	2.440.549	1,75	1.546.168	0,56
Transportation and Telecommunication	7.818.581	5,61	24.833.143	9,02
Financial Institutions	13.083.440	9,38	18.862.179	6,85
Real Estate and Leasing Services	4.245.129	3,04	6.542.868	2,38
Self-employment Services	-	-	-	-
Education Services	279.145	0,20	308.563	0,11
Health and Social Services	394.326	0,28	409.873	0,15
Other	1.631.911	1,17	2.392.161	0,87
Total	**139.416.948**	**100,00**	**275.237.703**	**100,00**

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

1.3.3. Information on the Non-Cash Loans Classified Under Group I and Group II

Current Period	Group I:		Group II:	
	TL	FC	TL	FC
Non-Cash Loans	**294.803.172**	**464.521.265**	**3.782.859**	**19.256.007**
Letters of Guarantee	240.075.666	357.602.473	3.641.999	15.621.724
Bank Acceptances	1.305.171	6.573.499	-	97.102
Letters of Credit	633.708	99.982.610	1.325	3.537.181
Endorsements	52.788.627	362.683	139.535	-
Underwriting Commitments	-	-	-	-
Factoring Guarantees	-	-	-	-
Other Commitments and Contingencies	-	-	-	-

Prior Period	Group I:		Group II:	
	TL	FC	TL	FC
Non-Cash Loans	**137.497.166**	**266.108.903**	**1.790.419**	**7.858.132**
Letters of Guarantee	121.382.551	188.660.394	1.738.094	7.592.198
Bank Acceptances	1.808.014	10.394.731	-	-
Letters of Credit	1.445.582	65.653.093	1.325	255.941
Endorsements	12.861.019	1.400.685	51.000	9.993
Underwriting Commitments	-	-	-	-
Factoring Guarantees	-	-	-	-
Other Commitments and Contingencies	-	-	-	-

2. Explanations on Derivative Transactions

	Current Period	Prior Period
Types of Trading Transactions		
Foreign Currency Related Derivative Transactions: (I)	**1.150.676.782**	**622.823.111**
Forward Transactions	40.527.615	2.102.239
Swap Transactions	1.098.879.469	605.339.890
Futures Transactions	-	1.260.778
Option Transactions	11.269.698	14.120.204
Interest Related Derivative Transactions (II)	135.028.220	105.383.188
Forward Interest Rate Agreements	-	-
Interest Rate Swaps	135.028.220	105.383.188
Interest Rate Options	-	-
Interest Rate Futures	-	-
Other Trading Derivative Transactions: (III)	-	-
A. Total Trading Derivative Transactions (I+II+III)	**1.285.705.002**	**728.206.299**
Types of Hedging Derivative Transactions		
Fair Value Hedges	-	-
Cash Flow Hedges	-	-
Foreign Currency Investment Hedges	-	-
B. Total Hedging Derivative Transactions	**-**	**-**
Total Derivative Transactions (A+B)	**1.285.705.002**	**728.206.299**

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The Bank has no derivative instruments for hedging purposes. There are no unrealized transactions (those are estimated in the prior period and recognized based on this assumption; however, it is clear that those transactions would not be realized) or expense and income from agreements in the income statement in the current period.

Current Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Total
Derivatives held for trading						
Foreign exchange derivatives	735.521	(6.956.971)	1.577	(53.931)	4.080.746	(2.193.058)
- Inflow	358.809.737	199.100.943	6.034.429	5.200.668	5.096.085	574.241.862
- Outflow	(358.074.216)	(206.057.914)	(6.032.852)	(5.254.599)	(1.015.339)	(576.434.920)
Interest rate derivatives	-	-	-	-	-	-
- Inflow	-	5.000	10.000	48.281.496	19.217.614	67.514.110
- Outflow	-	(5.000)	(10.000)	(48.281.496)	(19.217.614)	(67.514.110)
Derivatives held for hedging	**-**	**-**	**-**	**-**	**-**	**-**
Foreign exchange derivatives	-	-	-	-	-	-
- Inflow	-	-	-	-	-	-
- Outflow	-	-	-	-	-	-
Interest rate derivatives	-	-	-	-	-	-
- Inflow	-	-	-	-	-	-
- Outflow	-	-	-	-	-	-
Total Inflow	**358.809.737**	**199.105.943**	**6.044.429**	**53.482.164**	**24.313.699**	**641.755.972**
Total Outflow	**(358.074.216)**	**(206.062.914)**	**(6.042.852)**	**(53.536.095)**	**(20.232.953)**	**(643.949.030)**

Prior Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Total
Derivatives held for trading						
Foreign exchange derivatives	3.136.725	(120.249)	262.625	-	2.256.898	5.535.999
- Inflow	219.758.867	74.538.453	14.240.461	2.369.540	3.272.234	314.179.555
- Outflow	(216.622.142)	(74.658.702)	(13.977.836)	(2.369.540)	(1.015.336)	(308.643.556)
Interest rate derivatives	-	-	-	-	-	-
- Inflow	-	65.000	-	32.286.942	20.339.652	52.691.594
- Outflow	-	(65.000)	-	(32.286.942)	(20.339.652)	(52.691.594)
Derivatives held for hedging						
Foreign exchange derivatives	-	-	-	-	-	-
- Inflow	-	-	-	-	-	-
- Outflow	-	-	-	-	-	-
Interest rate derivatives	-	-	-	-	-	-
- Inflow	-	-	-	-	-	-
- Outflow	-	-	-	-	-	-
Total Inflow	**219.758.867**	**74.603.453**	**14.240.461**	**34.656.482**	**23.611.886**	**366.871.149**
Total Outflow	**(216.622.142)**	**(74.723.702)**	**(13.977.836)**	**(34.656.482)**	**(21.354.988)**	**(361.335.150)**

3. Explanations on Contingent Assets and Liabilities

Provision is allocated for transactions with complete and accurate data that may influence the financial structure of the Bank and otherwise, provision is provided based on the estimations.

The Bank's liability resulting from the cheques given to its customers amount TL 19.215.328 (31 December 2022: TL 10.117.968).

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

4. Explanations on Services in the Name of Others

The Bank acts as an intermediary for purchases and sales of government securities on behalf of individuals and entities, conducts repo transactions, and provides custody services. The Bank does not provide consultancy and management services.

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

1. Interest Income

1.1. Information on Interest Income from Loans

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest on Loans [1]	**221.358.206**	**42.888.744**	**101.259.337**	**20.466.950**
Short Term Loans	94.559.504	6.037.420	38.181.202	2.361.313
Medium and Long Term Loans	124.632.450	36.851.324	61.426.667	18.105.635
Interest on Loans Under Follow-up	2.166.252	-	1.651.468	2
Premiums Received from the Resource Utilization Support Fund	-	-	-	-

[1] Includes fees and commissions income on cash loans.

1.2. Information on Interest Income on Banks

	Current Period		Prior Period	
	TL	FC	TL	FC
Central Bank of the Republic of Türkiye	198.116	-	12.367	-
Domestic Banks	31.958	2.277.346	95.642	2.072.525
Foreign Banks	437.544	534.025	118.505	104.967
Headquarters and Branches Abroad	-	-	-	-
Total	**667.618**	**2.811.371**	**226.514**	**2.177.492**

1.3. Information on Interest Income on Marketable Securities

	Current Period		Prior Period	
	TL	FC	TL	FC
Financial Assets at Fair Value Through Profit or Loss	985.144	6.197	651.669	3.926
Financial Assets at Fair Value Through Other Comprehensive Income	75.549.258	17.198.297	56.704.857	10.217.019
Financial Assets Measured at Amortized Cost	54.809.142	3.576.754	25.659.928	2.172.609
Total	**131.343.544**	**20.781.248**	**83.016.454**	**12.393.554**

1.4. Information on Interest Income Received from Associates and Subsidiaries

	Current Period	Prior Period
Interest Income from Associates and Subsidiaries	878.111	280.558

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2. Interest Expense

2.1. Information on Interest Expense on Borrowings

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks [1]	468.551	9.600.648	327.245	2.845.005
Central Bank of the Republic of Türkiye	436	-	121.783	-
Domestic Banks	345.506	630.091	124.284	450.868
Foreign Banks	122.609	8.970.557	81.178	2.394.137
Foreign Headquarters and Branches Abroad	-	-	-	-
Other Institutions	-	-	-	-
Total	**468.551**	**9.600.648**	**327.245**	**2.845.005**

[1] Includes fee and commissions expenses on cash loans.

2.2. Information on Interest Expense Given to Associates and Subsidiaries

	Current Period	Prior Period
Interest Expenses Given to Subsidiaries and Associates	640.393	141.312

2.3. Information on Interest Expense Given on Securities Issued

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest Expenses on Securities Issued	241.659	5.010.891	169.899	2.688.467

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2.4. Maturity Structure of the Interest Expense on Deposits

Current Period		Time Deposit						
Account Name	Demand Deposit	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	More Than 1 year	Cumulative Deposit	Total
TL								
Bank Deposit	-	10.050.432	-	-	-	-	-	10.050.432
Saving Deposit	-	4.725.561	50.150.598	62.293.594	7.071.978	5.579.286	12.584	129.833.601
Public Sector Deposit	120	18.798.444	4.797.418	156.644	22.159	1.006	-	23.775.791
Commercial Deposit	270	23.076.915	23.903.878	15.801.388	14.643.625	1.623.918	-	79.049.994
Other Deposit	-	1.710.310	7.620.696	1.498.859	79.770	59.051	-	10.968.686
Deposit with 7 Days Notification	-	-	-	-	-	-	-	-
Total	**390**	**58.361.662**	**86.472.590**	**79.750.485**	**21.817.532**	**7.263.261**	**12.584**	**253.678.504**
FC								-
Foreign Currency Deposit	1.458	5.565.526	2.805.387	387.552	650.463	977.967	2	10.388.355
Bank Deposit	-	207.084	1.020.309	341.557	91.623	2.123	-	1.662.696
Deposit with 7 Days Notification	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	11.105	54.319	7.019	2.542	3.505	-	78.490
Total	**1.458**	**5.783.715**	**3.880.015**	**736.128**	**744.628**	**983.595**	**2**	**12.129.541**
Grand Total	**1.848**	**64.145.377**	**90.352.605**	**80.486.613**	**22.562.160**	**8.246.856**	**12.586**	**265.808.045**

Prior Period		Time Deposit						
Account Name	Demand Deposit	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	More Than 1 year	Cumulative Deposit	Total
TL								
Bank Deposit	-	4.418.268	-	-	-	-	-	4.418.268
Saving Deposit	-	1.632.419	24.971.205	3.599.179	852.769	3.433.057	16.027	34.504.656
Public Sector Deposit	90	6.996.508	1.238.957	118.940	75.013	1.333	-	8.430.841
Commercial Deposit	126	5.860.158	4.814.541	1.730.559	4.223.916	133.980	-	16.763.280
Other Deposit	-	537.182	1.885.048	275.010	52.737	48.422	-	2.798.399
Deposit with 7 Days Notification	-	-	-	-	-	-	-	-
Total	**216**	**19.444.535**	**32.909.751**	**5.723.688**	**5.204.435**	**3.616.792**	**16.027**	**66.915.444**
FC								
Foreign Currency Deposit	2.052	2.962.136	2.651.260	270.728	165.716	377.387	2	6.429.281
Bank Deposit	24	73.414	66.446	-	89.852	58.197	-	287.933
Deposit with 7 Days Notification	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	7.320	45.467	4.156	2.287	2.452	-	61.682
Total	**2.076**	**3.042.870**	**2.763.173**	**274.884**	**257.855**	**438.036**	**2**	**6.778.896**
Grand Total	**2.292**	**22.487.405**	**35.672.924**	**5.998.572**	**5.462.290**	**4.054.828**	**16.029**	**73.694.340**

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

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

3. Explanations on Dividend Income

	Current Period	Prior Period
Financial Assets at Fair Value Through Profit or Loss	-	805
Financial Assets at Fair Value Through Other Comprehensive Income	750	41.040
Other [1]	524.802	226.247
Total	**525.552**	**268.092**

[1] Shows the Bank's dividend income from subsidiaries, associates and entities under common control.

4. Information on Trading Profit/Loss (Net)

	Current Period	Prior Period
Profit	**628.732.213**	**406.833.503**
Trading Gains on Securities	3.967.497	2.497.241
Profits on Derivative Financial Instruments	14.490.499	9.852.505
Foreign Exchange Profits	610.274.217	394.483.757
Loss (-)	**609.936.247**	**404.918.169**
Trading Losses on Securities	208.616	125.495
Losses on Derivative Financial Instruments	33.816.729	18.253.518
Foreign Exchange Loss	575.910.902	386.539.156

5. Information on Other Operating Income

Significant proportion of other operating income consists of reversals from prior period provisions amounting to TL 27.345.213 and income from sales of assets amounting to TL 1.652.985
(31 December 2022: Significant proportion of other operating income consists of reversals from prior period provisions amounting to TL 4.669.931 and income from sales of assets amounting to TL 596.163).

6. Expected Credit Loss and Other Provision Expense

	Current Period	Prior Period
Expected Credit Loss Provision	30.669.895	29.545.406
12 Month Expected Credit Loss (Stage 1)	3.120.188	9.797.720
Significant Increase in Credit Risk (Stage 2)	15.368.998	15.326.057
Non-Performing Loans (Stage 3)	12.180.709	4.421.629
Marketable Securities Impairment Expense	730	4
Financial Assets at Fair Value Through Profit or Loss	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	730	4
Subsidiaries, Associates and Entities Under Common Control Impairment Provision	-	-
Associates	-	-
Subsidiaries	-	-
Entities Under Common Control	-	-
Other	123.739	28.794.108
Total	**30.794.364**	**58.339.518**

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

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

7. Information Related to Other Operating Expenses

	Current Period	Prior Period
Reserve for Employee Termination Benefits	834.085	681.384
Bank Social Aid Fund Deficit Provision	-	-
Impairment Expenses of Tangible Assets	-	100
Depreciation Expenses of Tangible Assets	1.881.151	772.189
Impairment Expenses of Intangible Assets	-	-
Goodwill Impairment Expense	-	-
Amortization Expenses of Intangible Assets	367.855	226.378
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	27.805.529	7.777.251
Leasing Expenses Related to TFRS 16 Exceptions	191.723	104.297
Maintenance Expenses	3.822.815	478.546
Advertisement Expenses	1.122.298	467.555
Other Expenses	22.668.693	6.726.853
Loss on Sales of Assets	3.343	1.997
Other [1]	33.803.046	6.266.849
Total	**64.695.009**	**15.726.148**

[1] TL 5.181.001 is from Savings Deposit Insurance Fund rediscount expenses, TL 6.222.376 is from taxes, duties and fees, and TL 20.000.000 is from donations made to AFAD due to the earthquake disaster in Kahramanmaraş and surrounding provinces in February. (31 December 2022: TL 2.689.851 consists of Savings Deposit Insurance Fund rediscount expenses, TL 2.480.727 consists of taxes, duties and fees).

8. Fees for Services Received from Independent Auditor/Independent Audit Firm

The fee information for the reporting period regarding the services received from the independent auditor or independent audit firm in accordance with the decision of the POA dated March 26, 2021 is given in the table below:

	Current Period	Prior Period
Independent Audit Fee	46.058	24.073
Tax Consultancy Fee	2.691	1.310
Other Assurance Services Fee	1.331	1.402
Other Non-Audit Services Fee	1.585	1.517
Total	**51.665**	**28.302**

(*) The fee information is given over the amounts excluding VAT in the table.

(**) Amounts are presented on a consolidated basis, including domestic and foreign subsidiaries of the Bank.

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

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

9. Information on Profit/Loss Before Tax from Continuing and Discontinuing Operations

The Bank does not have any discontinuing operations. The compositions of the profit/loss before tax from the continuing operations are following:

	Current Period	Prior Period
Net Interest Income	129.596.906	121.482.897
Net Fees and Commissions Income	31.451.328	13.124.251
Other Operating Income	33.258.005	7.735.953
Dividend Income	525.552	268.092
Trading Profit/Loss (Net)	18.795.966	1.915.334
Personnel Expenses (-)	22.570.614	9.210.322
Expected Credit Loss (-)	30.669.895	29.545.406
Other Provision Expenses (-)	124.469	28.794.112
Other Operating Expenses (-)	64.695.009	15.726.148
Profit/(Loss) From Continuing Operations	**95.567.770**	**61.250.539**

10. Information on Tax Provision for Continued and Discontinued Operations

As of 31 December 2023, TL 5.716.290 of the Bank's total tax provision expense amounting to TL 22.305.447 consists of current tax expense while remaining balances amounting to TL 16.589.157 consists of deferred tax income. (As of 31 December 2022, TL 20.158.162 of the Bank's total tax provision expense amounting to TL 30.324.299 consists of current tax expense while remaining balances amounting to TL 10.166.137 consists of deferred tax income)

11. Explanation on Current Period Net Profit and Loss of Continued and Discontinued Operations

The Bank's net operating income after tax amounts to TL 89.851.480 (31 December 2022: TL 41.092.377).

12. Explanation on Net Profit/Loss

12.1. 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 Parent Bank mainly utilizes its resources from domestic deposits on loans, securities and interbank operations. Besides, income is obtained by commissions taken from non-cash loans, other banking operations with insurance agencies.

12.2. The Effect of the Change in Accounting Estimates to the Net Profit/Loss; Including the Effects to the Future Period, if any

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

13. If Other Items in the Profit or Loss Statement Exceed 10% of the Profit or Loss Statement Total, Sub-Accounts Constituting At Least 20% of These Items are Shown Below

The "Other" statement under the "Fees and Commission Income" in the Profit or Loss Statement mainly consists of commissions received from credit card and fees and commissions received from banking transactions.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

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

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

1. Explanations on the Issuance of Shares

The paid in capital of T.C. Ziraat Bank is TL 84.600.000 (31 December 2022: TL 34.900.000).

2. Explanations on Profit Distribution

According to the Bank's Ordinary General Assembly Meeting dated 2 August 2023;

In accordance with the first paragraph of Article 33 of the Bank's Articles of Association regarding the determination, allocation and distribution of net period profit; Allocating 5% (TL 2.054.619) of legal reserves from the net period profit of TL 41.092.377.

Within the scope of Article 5/1-e of the Corporate Tax Law No. 5520, TL 15.957 which is the part associated with the period profit, within 50% of the real estate sales gain exemption base calculated in accordance with the TPL, and TL 78, which is 75% of the subsidiary share sale gain exemption base. TL is transferred to a special fund account under equity in accordance with the relevant law article to be monitored until the end of the 5th year following the year of sale, and the remaining TL 39.021.724 is transferred to extraordinary reserves,

From TL 45.090 resulting from real estate valuation differences and monitored in previous years' profits within the framework of the relevant TAS, 50% of the real estate sales income exemption base calculated according to the Tax Law within the scope of Article 5/1-e of the Corporate Tax Law No. 5520, with equity accounts. TL 23.726, which is the associated portion, to be taken into the special fund account opened under the shareholders' equity in accordance with the relevant law to be followed up until the end of the 5th year following the year of the sale, 5% (TL 1.068) of legal reserves over the remaining TL 21.363, and the remaining TL 20.295. It has been decided to transfer to extraordinary reserves.

The Bank plans to distribute the profit it earned in 2023 in line with its articles of association. However, as of the preparation date of the financial reports, no decision has been taken regarding profit distribution.

3. Profit Reserves

As of the balance sheet date, profit reserves are TL 115.054.225, legal reserves were TL 7.835.469 and extraordinary reserves were TL 107.218.756 (As of 31 December 2022, profit reserves were TL 73.956.519, legal reserves were TL 5.779.782 and extraordinary reserves were TL 68.176.737).

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

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

VI. EXPLANATIONS AND NOTES RELATED TO THE CASH FLOW STATEMENT

1. Explanations on the "Other" items and "The Effect of The Change in Foreign Currency on Cash and Cash Equivalent" item in the Cash Flow Statement

Regarding operating profit before the change in banking activity assets and liabilities, TL 6.521.625 of the income amount, TL 335.621.154 mainly consists of the interests received from loans and securities, and TL 252.503.974 mostly consists of the interests given to deposits and money market transactions.
(31 December 2022: Regarding operating profit before the change in banking activity assets and liabilities, TL 67.733.997 of the income amount, TL 179.020.646 mainly consists of the interests received from loans and securities, and TL 91.764.043 mostly consists of the interests given to deposits and money market transactions.) Other earnings mainly include net fee and commission income and other operating profits.

The effect of change in foreign exchange rates on cash and cash equivalents includes the foreign exchange differences resulted from the translations of cash and cash equivalents in foreign currencies into TL at the exchange rates prevailing at the beginning and end of the year and amounts to TL 13.197.793 income as of 31 December 2023 (31 December 2022: TL 4.383.503 expense).

Cash in TL, cash in foreign currency, Central Bank of the Republic of Türkiye, money in transit, bank cheques purchased and cash on money market operations are defined as "cash"; interbank money transactions placements having maturities less than three months, and time deposits in banks are defined as "cash equivalents".

Period opening and end cash and cash equivalents balance

Period Opening	Current Period	Prior Period
Cash in TL and in Foreign Currency	15.127.187	8.522.872
Central Bank of the Republic of Türkiye and Other Banks	175.771.059	86.862.983
Money Market Operations	5.377.473	281.931
Total Cash and Cash Equivalents	**196.275.719**	**95.667.786**

Period End	Current Period	Prior Period
Cash in TL and in Foreign Currency	26.080.729	15.127.187
Central Bank of the Republic of Türkiye and Other Banks	246.526.415	175.771.059
Money Market Operations	149.795.714	5.377.473
Total Cash and Cash Equivalents	**422.402.858**	**196.275.719**

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

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

VII. EXPLANATIONS AND NOTES RELATED TO RISK GROUP THAT THE BANK BELONGS TO

1. Information on the Volume of Transactions Relating to the Bank's Risk Group, Outstanding Loan and Deposit Transactions and Profit and Loss of the Period

1.1. Information on Loans of 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	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans						
Beginning Balance	5.664.719	6.688.146	-	-	-	-
Ending Balance	10.976.098	15.235.419	-	-	-	-
Interest and Commissions Income	878.111	1.401	-	-	-	-

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	
Prior Period	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans						
Beginning Balance	4.147.452	8.985.638	-	-	-	-
Ending Balance	5.664.719	6.688.146	-	-	-	-
Interest and Commissions Income	280.558	912	-	-	-	-

1.2. Information on Deposits of 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	
Deposits	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Beginning Balance	7.116.434	3.495.970	-	-	-	-
Ending Balance	7.442.026	7.116.434	-	-	-	-
Interest Expense on Deposits	640.393	141.312	-	-	-	-

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

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

1.3. Information on Forward and Option Agreements and Other Similar Agreements made with the Bank's Risk Group

	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
Transactions at fair value through Profit or Loss						
Beginning Balance	217.368	489.081	-	-	-	-
Ending Balance	382.318	217.368	-	-	-	-
Total Profit/Loss	(163.519)	45.529	-	-	-	-
Risk Protection Oriented Processes						
Beginning Balance	-	-	-	-	-	-
Ending Balance	-	-	-	-	-	-
Total Profit/Loss	-	-	-	-	-	-

1.4. Information Regarding Benefits Provided to the Bank's Key Management

Fees paid to the Bank's key management amount to TL 53.606 (31 December 2022: TL 24.604).

VIII. EXPLANATIONS AND NOTES RELATED TO SUBSEQUENT EVENTS

None.

IX. EXPLANATIONS AND NOTES RELATED TO DOMESTIC, FOREIGN, OFF-SHORE BRANCHES OR AFFILIATES AND FOREIGN REPRESENTATIVES OF THE BANK

1. Information on the Bank's Domestic and Foreign Branches and Foreign Representatives of The Bank

	Number	Number of Employees			
Domestic Branch [1]	1.744	25.810			
			Country of Incorporation		
Foreign Representative Office	-	-	-		
				Total Assets	Statutory Share Capital
Foreign Branch [2]	1	5	1- England	39.692.975	1.986.659
	5	5	2- Bulgaria	9.967.373	462.118
	2	3	3- Iraq	6.874.631	1.412.676
	3	2	4- Greece	3.372.104	1.061.399
	1	3	5- Saudi Arabia	1.994.058	435.231
	4	1	6- Kosovo	5.178.455	804.090
	8	35	7- T.R. of Northern Cyprus	22.581.105	692.385
	1	3	8- Bahrain	144.007.682	145.077
Off-Shore Banking Region Branches	-	-	-	-	-

[1] Includes the employees of the domestic branches, including the employees of head office and regional management.

[2] Local personnel working in overseas units and personnel temporarily assigned to subsidiaries and affiliates are excluded.

2. Information on The Bank About Opening, Closing, Changing its Organization Considerably for Domestic and Foreign Branches and Foreign Representatives of The Bank:

In 2023, a total of 12 new branches were opened in the country, including 7 branches and 5 mobile branches, and 1 branch was closed.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

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

SECTION SIX

OTHER EXPLANATIONS

I. INFORMATION ON THE BANK'S RATING THAT HAS BEEN DETERMINED BY INTERNATIONAL RATING AGENCIES

Information on the assessment done by the international rating agencies Moody's Investors Service, Fitch Ratings and JCR Eurasia are as follows:

Moody's Investors Service: January 2024

Outlook	Positive
Long term Foreign Currency Deposit	B3
Short term Foreign Currency Deposit	Not-Prime
Long term Domestic Currency Deposit	B3
Short term Domestic Currency Deposit	Not-Prime
Long term Issuer Rating Domestic Currency	B3
Baseline Credit Assessment	caa1
Adjusted Baseline Credit Assessment	caa1

Fitch Ratings: September 2023

Foreign Currency Long Term IDR	B-
Outlook	Stable
Foreign Currency Short Term IDR	B
Local Currency Long Term IDR	B
Outlook	Stable
Local Currency Short Term IDR	B
National Long-Term Rating	AA(tur)
Outlook	Stable
Government Support Rating	ns
Viability Rating	b-

JCR Eurasia: January 2024

Long Term International FC	BB
Outlook	Negative
Long Term International LC	BB
Outlook	Negative
Long Term National LC	AAA (Trk)
Outlook	Stable
Short Term National LC	J1+ (Trk)
Outlook	Stable

II. OTHER EXPLANATIONS ON THE BANK'S OPERATIONS

None.

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

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

SECTION SEVEN

EXPLANATIONS ON INDEPENDENT AUDIT REPORT

I. EXPLANATIONS ON INDEPENDENT AUDITOR'S REPORT

The unconsolidated financial statements prepared as of 31 December 2023 and for the fiscal period ending on the same date have been prepared by PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. is subject to audit by the independent auditors' report dated 16 February 2024 is presented preceding the unconsolidated financial statements.

II. EXPLANATIONS AND NOTES PREPARED BY THE INDEPENDENT AUDITOR

None.

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

(Convenience translation of consolidated financial statements and related disclosures originally issued in Turkish)

INDEPENDENT AUDITOR'S REPORT

To the General Assembly of Türkiye Cumhuriyeti Ziraat Bankası Anonim Şirketi

A. Audit of the consolidated Financial Statements

1. Opinion

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

In our opinion, except for the effect of the matter on the consolidated financial statements described in the basis for the qualified opinion section of our report, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the Banking Regulation and Supervision Agency ("BRSA") Accounting and Financial Reporting Legislation which includes "Regulation on Accounting Applications for Banks and Safeguarding of Documents" published in the Official Gazette no. 26333 dated 1 November 2006, and other regulations on accounting records of Banks published by Banking Regulation and Supervision Agency and circulars and interpretations published by BRSA and Turkish Financial Reporting Standards ("TFRS") for those matters not regulated by the aforementioned regulations.

2. Basis for Qualified Opinion

As explained in Section Five Part II. 9.3 of Explanations and Notes to the Consolidated Financial Statements; the accompanying consolidated financial statements as at 31 December 2023 include a free provision amounting to TL 17.800.000 thousand which consist of TL 29.304.000 thousand provided in prior periods, TL 96.000 thousand recognized in the current year and TL 11.600.000 thousand reversed in the current year by the Group management which is not within the requirements of BRSA Accounting and Financial Reporting Legislation.

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

3. Key Audit Matters

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

Key Audit Matters	*How the key audit matter was addressed in the audit*
Expected credit losses for loans and receivables The Group has total expected credit losses for loans and receivables amounting to TL 2.237.697.791 thousand in respect to total loans and receivables amounting to TL 76.920.514 thousand which represent a significant portion of the Group's total assets in its consolidated financial statements as at 31 December 2023. Explanations and notes related to expected credit losses provisions for loans and receivables are presented Section Three VII, Section Three VIII, Section Four II, Section Four VIII-3, Section Five I.7 and Section Five II-9 in the accompanying consolidated financial statements as at 31 December 2023. The Group recognizes provision for impairment in accordance with "TFRS 9 Financial Instruments" ("TFRS 9") requirements effective in line with the "Regulation on the Procedures and Principles for Classification of Loans and Provisions to be Provided" as published in the Official Gazette dated 22 June 2016 numbered 29750. The Group exercises significant decisions using subjective judgement, interpretation and assumptions over when and how much to record as loan impairment. To determine expected credit losses the Group determines stage classification of loans by identifying significant increase in credit risk with quantitative and qualitative assessments and identification of default events. The Group uses models based on complex data, derived from more than one system to determine significant increase in credit risk and calculate the expected loan loss provision. These models contain judgement and estimations in regard to forward looking estimations, scenarios of macro-economic conditions and weighing of scenarios based on expert opinion. Information used in the individually or collectively assessment of expected credit loss such as historical loss experiences, current conditions and macroeconomic expectations should be supportable and appropriate. Our audit was focused on this area due to existence of complex estimates and information used in the impairment assessment such as macro-economic expectations, current conditions, historical loss experiences; the significance of the loan balances; the classification of loans as per their credit risk (staging) and the importance of determination of the associated expected credit loss. Timely and correct identification of default event and significant increase in credit risk and level of judgements and estimations made by the management have significant impacts on the amount of impairment provisions for loans. Therefore, this area is considered as key audit matter.	With respect to stage classification of loans and receivables and calculation of expected credit losses, we have assessed policy, procedure and management principles of the Group within the scope of our audit. We tested the design and the operating effectiveness of relevant systems and processes implemented in accordance with these principles. For important loan portfolios, we checked appropriateness of matters considered in methodology applied by the Group with TFRS 9 for calculation of the provision amount through stage classification of loans and receivables. For forward looking assumptions made by the Group's management in its expected credit losses calculations, we held discussions with management and evaluated the assumptions using publicly available information. Regarding expected credit losses methodology; we have assessed and tested model segmentation, lifetime probability of default model, exposure at default model, loss given default model and the approaches to reflecting reasonable and supportable forward looking expectations with our financial risk experts. Together with our financial risk experts, we evaluated and tested reasonableness of the changes in the expected credit loss allowance methodology made within the year and the performance of the impairment models used and the results of validation studies. We have checked Probability of Default (PD) models used in determination of lifetime PD calculations and the inclusion of current and future information in the models for various credit portfolios with our financial risk experts by reperforming on a sample selection basis. We tested sample basis the accuracy of the Exposure at Default (EAD) calculation by checking the prepayments and repayments and arithmetic calculations taken into account in the cash flows. We tested the Loss Given Default (LGD) calculation methodology used by the Group in the expected credit loss calculation. For a selected sample, we checked expected credit losses determined based on individual assessment per Group's policy by means of supporting data, and evaluated appropriateness via communications with management. We checked key data sources for data used in expected credit losses calculations. We tested reliability and completeness of the data used in expected credit losses calculations with our information systems specialists. We checked accuracy of resultant expected credit losses calculations. To assess appropriateness of the Group's determination of staging for credit risk for loans and receivables, identification of impairment and timely and appropriate provisioning for impairment we have performed loan review procedures based on a selected sample. We evaluated the adequacy of the disclosures made in the consolidated financial statements regarding the provision for impairment of loans and receivables.

INDEPENDENT AUDITOR'S REPORT

Key Audit Matters	*How the key audit matter was addressed in the audit*
Pension funds Explanations on Valuation of T.C. Ziraat Bankası and T. Halk Bankası Members Pension and Relief Fund ("TZHEMSAN") Foundation are presented in the Section Three XVI in the accompanying consolidated financial statements as at 31 December 2023. TZHEMSAN foundation ("Fund") is established in accordance with the Social Security Law numbered 506 article No 20 and is within the scope of Funds whose members' rights to be transferred to the Social Security Institution (SSI). The President of the Republic is authorized to determine the transfer date. The total obligation of the fund is estimated using separate methods and assumptions for benefits to be transferred and for non-transferrable benefits. The valuations of the pension obligations require significant judgement and technical expertise in choosing appropriate assumptions. Calculation of Fund liabilities include estimates and uncertain assumptions such as transferrable social benefits, discount rates, salary increases, economic and demographic assumptions. The Bank's management uses external actuaries for the purpose of valuations of Fund obligations. During our audit, above mentioned fundamental assumption and estimates used in calculations of Fund obligations, uncertainty of the transfer date, technical interest rate determined in accordance with the law regulating the transfer conditions and significant impact from differentiation of these assumptions were taken into consideration, and this area is considered as key audit matter.	Within our audit we tested on a sample basis the accuracy of the retired and employee data supplied by the Group management to the external actuary firm for the purpose of evaluation of Fund obligations. In addition, we verified the existence and values of the Fund assets. We examined whether significant changes in actuarial assumptions used in calculation, employee benefits in the period, plan assets and liabilities, and regulations related to valuations exist, and controlled significant changes. Through use of our actuarial specialist, we assessed the reasonableness of assumptions and evaluation made by the external actuaries in the calculation of the liability. In addition to the above procedures, we checked the disclosures made with respect to Fund obligations in the consolidated financial statements.

4. Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

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

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

5. Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

- Identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Assess the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our independent auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITOR'S REPORT

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

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

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

B. Other Responsibilities Arising From Regulatory Requirements

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

Additional Paragraph for Convenience Translation

BRSA Accounting and Financial Reporting Legislation explained in detail in Section Three differ from International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board including the application of IAS 29- Financial Reporting in Hyperinflationary Economies as of
31 December 2023. Accordingly, the accompanying consolidated financial statements are not intended to present fairly the consolidated financial position, results of operations, changes in equity and cash flows of the Group in accordance with IFRS.

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

Didem Demer Kaya, SMMM
Independent Auditor

Istanbul, 16 February 2024

THE CONSOLIDATED FINANCIAL REPORT OF TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş. AS OF 31 DECEMBER 2023

The Bank's Headquarter Address: Finanskent Mahallesi Finans Caddesi
No: 44/A Ümraniye/İSTANBUL
Phone: (216) 590 20 00
Facsimile: (312) 584 25 51
Website: www.ziraatbank.com.tr

The consolidated financial report for the year ended prepared in accordance with the "Communiqué on the Financial Statements and Related Policies and Disclosures to be Publicly Announced" as regulated by the Banking Regulation and Supervision Agency, is consist of the section listed below:

- GENERAL INFORMATION ABOUT THE PARENT BANK
- CONSOLIDATED FINANCIAL STATEMENTS OF THE PARENT BANK
- EXPLANATIONS ON THE ACCOUNTING POLICIES APPLIED IN THE RELATED PERIOD
- INFORMATIONS ON THE FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE GROUP
- EXPLANATIONS AND DISCLOSURES RELATED TO THE CONSOLIDATED FINANCIAL STATEMENTS
- OTHER EXPLANATIONS
- INDEPENDENT AUDITOR'S REPORT

Within the framework of this financial report, our consolidated financial statements of subsidiaries, associates and entities under common control are as follows:

DOMESTIC SUBSIDIARIES	FOREIGN SUBSIDIARIES
Ziraat Yatırım Menkul Değerler A.Ş.	Ziraat Bank International AG
Ziraat Portföy Yönetimi A.Ş.	Ziraat Bank BH d.d.
Ziraat Katılım Bankası A.Ş.	Ziraat Bank (Moscow) JSC
Ziraat Gayrimenkul Yatırım Ortaklığı A.Ş.	Kazakhstan Ziraat International Bank
Ziraat Girişim Sermayesi Yatırım Ortaklığı A.Ş.	Ziraat Bank Azerbaycan ASC
Ziraat Dinamik Banka A.Ş.	Ziraat Bank Montenegro AD
Ziraat Finansal Teknolojiler Elektronik Para ve Ödeme Hizmetleri A.Ş.	JSC Ziraat Bank Georgia Ziraat Bank Uzbekistan JSC

ASSOCIATES	ENTITIES UNDER COMMON CONTROL
Arap Türk Bankası A.Ş.	Turkmen Turkish Joint Stock Commercial Bank
Birleşim Varlık Yönetim A.Ş.	

In addition, Ziraat DPR Finance Company, which is a "Structured Entity", although not a subsidiary of our Bank, is included in the consolidation.

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

Burhaneddin TANYERİ Chairman of the Board	Alpaslan ÇAKAR Member of the Board, CEO	Fazlı KILIÇ Member of the Board, Member of the Audit Committee
Dr. İsmail İlhan HATİPOĞLU Member of the Board, Member of the Audit Committee	Süleyman YALÇIN Executive Vice President for Financial Coordination	Rehber BİRKAN Senior Vice President of Financial Coordination and Reporting

For the questions regarding this financial report, contact details of the personnel in charge are presented below:

Name/Title	:	Menşure BEŞKAYA/Financial Statements Manager
Telephone Number	:	0216 590 59 24

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TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

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

SECTION ONE

GENERAL INFORMATION ABOUT THE PARENT BANK

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

The foundation of Türkiye Cumhuriyeti Ziraat Bankası A.Ş. ("Ziraat Bankası" or "The Parent Bank") is based on Government Funds established in 1863. In 1883, Government Funds were replaced with Benefit Funds. The Parent Bank was officially established by the re-organization of the Benefit Funds in 1888, to grant loans to farmers, to accept interest-bearing deposits and to act as a moneylender and an intermediary for agricultural operations. All shares of the Parent Bank, which was given the authority to perform all banking activities, belonged to the Republic of Türkiye Prime Ministry Undersecretariat of Treasury ("Treasury") transferred to the Türkiye Wealth Fund with the decision of the Council of Ministers numbered 2017/9756 dated 24 January 2017. The Parent Bank's head office is located in İstanbul.

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

The total share capital of the Parent Bank is TL 84.600.000. This capital is divided into 84.600.000.000 registered share with a nominal value of TL 1 each and is fully paid. The Parent Bank's sole and controlling shareholder is the Türkiye Wealth Fund.

The decision to increase the capital to TL 84.600.000 was approved at the Extraordinary General Assembly meeting of the Bank held on 29 March 2023, and the capital increase and the related amendment made in the relevant article of the Articles of Association were registered on
30 March 2023. It was announced in the Trade Registry Gazette dated 30 March 2023 and numbered 10801. The accounting for the mentioned capital increase was carried out on 30 March 2023, based on the permission obtained from the BRSA.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

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

III. INFORMATION ON THE BOARD OF DIRECTORS, MEMBERS OF THE AUDIT COMMITTEE, CEO AND EXECUTIVE VICE PRESIDENTS, CHANGES IN THESE MATTERS (IF ANY) AND SHARES OF THE PARENT BANK THEY POSSESS

Name	Administrative Function
Members of the Board of Directors	
Burhaneddin TANYERİ	Chairman
Alpaslan ÇAKAR	CEO and Member
Veysi KAYNAK	Vice Chairman and Member
Dr. İsmail İlhan HATİPOĞLU(*)	Member
Fatih AYDOĞAN(*)	Member
Fazlı KILIÇ	Member
Feyzi ÇUTUR	Member
Serdar KILIÇ(*)	Member
Serruh KALELİ	Member
Audit Committee Members	
Dr. İsmail İlhan HATİPOĞLU(*)	Member
Fazlı KILIÇ	Member
Executive Vice Presidents	
Ahmet ACAR	Credit Risk Monitoring and Liquidation
Cüneyt SAĞLIK	Digital Banking and Payment Systems
Emrah GÜNDÜZ	Banking Operations and Corporate Communications
Ferhat PİŞMAF	Corporate Banking
Hüseyin ÖZUYSAL	Human Resources
Mehmet Şükrü TAŞCI	Credit Allocation and Management
Süleyman YALÇIN	Financial Coordination
Yasin ÖZTÜRK	Treasury Management
Yüksel CESUR	Retail Banking

(*) They were appointed at the Bank's Ordinary General Assembly meeting held on 2 August 2023 and started their duties as of 8 August 2023. Deputy General Manager Recep TÜRK resigned on 11 August 2023 and resigned from his position.

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

Name/Trade Name	Amount of Share	Percentage of Share (%)	Paid-in Shares	Unpaid Shares
Türkiye Wealth Fund	84.600.000	100	84.600.000	-

The Parent Bank's sole shareholder is the Türkiye Wealth Fund.

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

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

V. SUMMARY INFORMATION ON THE PARENT BANK'S ACTIVITIES AND SERVICES

The purpose of activity of the Parent Bank is stated in articles of association as to perform all kinds of banking activities including acceptance of deposits. For this purpose, the Parent Bank can perform all sorts of operations, without prejudice to the provisions of banking regulations and other legislations, such as launching all kinds of cash and non-cash loans in terms of Turkish Lira and foreign currencies, acting as an intermediary in trade and issue of the financial instruments that are used in local and international markets, performing investment banking transactions, forwards dealing in domestic and foreign futures markets, providing funds from interbank money market, domestic and foreign markets, making all kinds of capital market transactions, acting as an intermediary in export and import transactions, acting as an agency for insurance and other financial institutions, participating in all sort of partnership that is founded by domestic or foreign banks or participated by them within the terms of the related legislation or establishing new partnerships for this purpose, performing all kinds of transactions, such as; acquiring limited real and personal claims like all kinds of movable and immovable goods, industrial and intellectual properties, right of usufruct, easement, superficies and disposing and transferring acquired properties and rights, placing pledge and mortgage on those properties and rights, releasing pledged and mortgaged items and declaring leasing agreements and sale commitments to the registry office.

As of 31 December 2023, the Parent Bank carries its activities with a grand total of 1.744 branches; (31 December 2022: 1.733 domestic branches) and branches abroad which are London branch in England, Baghdad and Arbil branches in Iraq, Athens, Komotini, and Xanthi branches in Greece, Sofia, Plovdiv, Kardzhali, Varna and Burgas branches in Bulgaria, Jeddah branch in Saudi Arabia, Prishtina, Prizren, Peja and Ferizaj branches in Kosovo, Bahrain branch in Bahrain, Lefkoşa, Girne, Güzelyurt, Gazimağusa, Gönyeli, Taşkınköy, Karaoğlanoğlu and İskele branches in Turkish Republic of Northern Cyprus, It operates with a total of 25 branches and a total of 1.769 branches. (31 December 2022: 1.758).

The Parent Bank and the consolidated subsidiaries in Note III of Section Three are referred to "Group".

As of 31 December 2023, the Group has 29.912 employees (31 December 2022: 27.794).

VI. DIFFERENCES BETWEEN THE COMMUNIQUE ON PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS OF BANKS AND TURKISH ACCOUNTING STANDARDS AND SHORT EXPLANATION ABOUT THE ENTITIES SUBJECT TO FULL CONSOLIDATION OR PROPORTIONAL CONSOLIDATION AND ENTITIES WHICH ARE DEDUCTED FROM EQUITY OR ENTITIES WHICH ARE NOT INCLUDED IN THESE THREE METHODS

According to "Communiqué regarding the Preparation of the Consolidated Financial Statements" and "Turkish Accounting Standards", Arap Türk Bankası A.Ş. and Birleşim Varlık Yönetim A.Ş., one of the associates of the Parent Bank, and Turkmen Turkish Joint Stock Commercial Bank, jointly controlled partnership of the Parent Bank, are accounted by using equity method in the consolidated financial statements of the Parent Bank.

As Ziraat Teknoloji A.Ş. is non-financial subsidiaries of the Bank, is not consolidated in the consolidated financial statements of the Bank in accordance with Communiqué of the Preparation Consolidated Financial Statements. Bileşim Finansal Teknolojiler ve Ödeme Sistemleri A.Ş. is non-financial associates of the Bank is not consolidated in the consolidated financial statements. Central Oto Kiralama A.Ş., ZG Tarım Piyasaları A.Ş., which are subsidiaries of Ziraat Girişim Sermayesi Yatırım Ortaklığı A.Ş. and its subsidiaries, ZY Elektrikli Traktör San. ve Tic. A.S. and MESA İmalat Sanayi ve Ticaret A.Ş. as they are not financial institutions, they are not consolidated. All other associates and subsidiaries are fully consolidated.

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

None.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

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

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TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

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

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

I- CONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION) ASSETS		Note (Section Five I)	Current Period 31 December 2023			Prior Period 31 December 2022		
			TL	FC	Total	TL	FC	Total
I.	**FINANCIAL ASSETS (Net)**		**617.261.950**	**905.618.465**	**1.522.880.415**	**259.914.301**	**639.391.596**	**899.305.897**
1.1	**Cash and Cash Equivalents**		**329.397.476**	**503.787.926**	**833.185.402**	**41.328.380**	**397.543.289**	**438.871.669**
1.1.1	Cash and Balances with Central Bank	(1)	171.925.888	436.901.293	608.827.181	34.559.591	369.418.501	403.978.092
1.1.2	Banks	(4)	3.485.889	66.805.198	70.291.087	511.944	28.145.159	28.657.103
1.1.3	Money Markets Receivables		154.012.312	128.907	154.141.219	6.283.112	-	6.283.112
1.1.4	Expected Loss Provision (-)		26.613	47.472	74.085	26.267	20.371	46.638
1.2	**Financial Assets at Fair Value Through Profit or Loss**	**(2)**	**11.141.584**	**60.574.328**	**71.715.912**	**4.933.872**	**31.141.244**	**36.075.116**
1.2.1	Government Debt Securities		363.039	57.997.920	58.360.959	218.920	29.826.133	30.045.053
1.2.2	Equity Instruments		192.889	-	192.889	98.791	-	98.791
1.2.3	Other Financial Assets		10.585.656	2.576.408	13.162.064	4.616.161	1.315.111	5.931.272
1.3	**Financial Assets at Fair Value Through Other Comprehensive Income**	**(5),(6)**	**271.733.553**	**335.796.917**	**607.530.470**	**210.384.316**	**205.114.691**	**415.499.007**
1.3.1	Government Debt Securities		269.304.112	333.645.990	602.950.102	208.910.220	203.834.751	412.744.971
1.3.2	Equity Instruments		2.414.003	132.776	2.546.779	939.832	47.378	987.210
1.3.3	Other Financial Assets		15.438	2.018.151	2.033.589	534.264	1.232.562	1.766.826
1.4	**Derivative Financial Assets**	**(3)**	**4.989.337**	**5.459.294**	**10.448.631**	**3.267.733**	**5.592.372**	**8.860.105**
1.4.1	Derivative Financial Assets at Fair Value Through Profit or Loss		4.989.337	5.459.294	10.448.631	3.267.733	5.592.372	8.860.105
1.4.2	Derivative Financial Assets at Fair Value Through Other Comprehensive Income		-	-	-	-	-	-
II.	**FINANCIAL ASSETS MEASURED AT AMORTISED COST (Net)**		**1.799.668.643**	**762.352.710**	**2.562.021.353**	**1.080.608.782**	**477.418.820**	**1.558.027.602**
2.1	**Loans**	**(7)**	**1.527.245.221**	**710.452.570**	**2.237.697.791**	**998.852.227**	**426.895.470**	**1.425.747.697**
2.2	**Lease Receivables**	**(12)**	**41.601.878**	**11.057.218**	**52.659.096**	**14.356.192**	**6.895.929**	**21.252.121**
2.3	**Factoring Receivables**		**-**	**-**	**-**	**-**	**-**	**-**
2.4	**Other Financial Assets Measured at Amortized Cost**	**(8)**	**270.091.948**	**78.573.998**	**348.665.946**	**117.627.313**	**47.795.772**	**165.423.085**
2.4.1	Government Debt Securities		266.941.796	77.601.923	344.543.719	114.479.629	46.764.524	161.244.153
2.4.2	Other Financial Assets		3.150.152	972.075	4.122.227	3.147.684	1.031.248	4.178.932
2.5	**Expected Credit Loss (-)**		**39.270.404**	**37.731.076**	**77.001.480**	**50.226.950**	**4.168.351**	**54.395.301**
III.	**NON-CURRENT ASSETS OR DISPOSAL GROUPS "HELD FOR SALE" AND "HELD FROM DISCOUNTINUED OPERATIONS" (Net)**	**(15)**	**6.214.015**	**756.812**	**6.970.827**	**7.128.510**	**53.971**	**7.182.481**
3.1	Held for Sale Purpose		6.214.015	756.812	6.970.827	7.128.510	53.971	7.182.481
3.2	Held from Discontinued Operations		-	-	-	-	-	-
IV.	**EQUITY INVESTMENTS**		**4.941.049**	**1.596.863**	**6.537.912**	**2.420.808**	**899.078**	**3.319.886**
4.1	**Investments in Associates (Net)**	**(9)**	**1.290.984**	**4.661**	**1.295.645**	**690.784**	**2.971**	**693.755**
4.1.1	Associates Valued Based on Equity Method		452.059	-	452.059	282.763	-	282.763
4.1.2	Unconsolidated Associates		838.925	4.661	843.586	408.021	2.971	410.992
4.2	**Subsidiaries (Net)**	**(10)**	**3.650.065**	**34.983**	**3.685.048**	**1.503.959**	**21.933**	**1.525.892**
4.2.1	Unconsolidated Financial Subsidiaries		-	-	-	-	-	-
4.2.2	Unconsolidated Non-Financial Subsidiaries		3.650.065	34.983	3.685.048	1.503.959	21.933	1.525.892
4.3	**Entities under Common Control (Joint Ventures) (Net)**	**(11)**	**-**	**1.557.219**	**1.557.219**	**226.065**	**874.174**	**1.100.239**
4.3.1	Joint Ventures Valued Based on Equity Method		-	1.557.219	1.557.219	226.065	874.174	1.100.239
4.3.2	Unconsolidated Joint Ventures		-	-	-	-	-	-
V.	**PROPERTY AND EQUIPMENT (Net)**	**(16)**	**57.127.247**	**3.657.238**	**60.784.485**	**35.134.714**	**1.700.414**	**36.835.128**
VI.	**INTANGIBLE ASSETS (Net)**	**(19)**	**4.371.535**	**385.962**	**4.757.497**	**2.576.920**	**189.462**	**2.766.382**
6.1	Goodwill		-	-	-	-	-	-
6.2	Other		4.371.535	385.962	4.757.497	2.576.920	189.462	2.766.382
VII.	**INVESTMENT PROPERTY (Net)**	**(14)**	**1.434.220**	**-**	**1.434.220**	**775.075**	**-**	**775.075**
VIII.	**CURRENT TAX ASSET**		**50.656**	**16.397**	**67.053**	**2.637**	**-**	**2.637**
IX.	**DEFERRED TAX ASSET**	**(20)**	**33.463.189**	**4.369**	**33.467.558**	**5.925.700**	**2.387**	**5.928.087**
X.	**OTHER ASSETS (Net)**	**(22)**	**48.484.102**	**7.024.620**	**55.508.722**	**33.544.569**	**5.434.369**	**38.978.938**
	TOTAL ASSETS		**2.573.016.606**	**1.681.413.436**	**4.254.430.042**	**1.428.032.016**	**1.125.090.097**	**2.553.122.113**

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

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

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

II- CONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION) LIABILITIES		Note (Section Five II)	Current Period 31 December 2023			Prior Period 31 December 2022		
			TL	FC	Total	TL	FC	Total
I.	**DEPOSITS**	**(1)**	**1.907.061.388**	**1.392.762.459**	**3.299.823.847**	**1.022.611.831**	**917.697.241**	**1.940.309.072**
II.	**FUNDS BORROWED**	**(3)**	**7.420.298**	**203.100.767**	**210.521.065**	**10.585.299**	**104.826.734**	**115.412.033**
III.	**MONEY MARKETS BORROWINGS**	**(4)**	**5.469.316**	**88.831.593**	**94.300.909**	**21.081.863**	**71.536.825**	**92.618.688**
IV.	**SECURITIES ISSUED (Net)**	**(5)**	**5.456.221**	**61.111.533**	**66.567.754**	**5.043.347**	**26.762.609**	**31.805.956**
4.1	Bills		995.040	7.518.533	8.513.573	-	644.547	644.547
4.2	Asset Backed Securities		4.461.181	14.918.648	19.379.829	4.394.241	-	4.394.241
4.3	Bonds		-	38.674.352	38.674.352	649.106	26.118.062	26.767.168
V.	**FUNDS**		**24.055**	**-**	**24.055**	**34.703**	**-**	**34.703**
5.1	Borrower Funds		-	-	-	-	-	-
5.2	Other		24.055	-	24.055	34.703	-	34.703
VI.	**FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS**		-	-	-	**-**	**-**	**-**
VII.	**DERIVATIVE FINANCIAL LIABILITIES**	**(2)**	**784.425**	**2.885.647**	**3.670.072**	**230.714**	**2.928.846**	**3.159.560**
7.1	Derivative Financial Liabilities at Fair Value Through Profit or Loss		784.425	2.885.647	3.670.072	230.714	2.928.846	3.159.560
7.2	Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income		-	-	-	-	-	-
VIII.	**FACTORING LIABILITIES**		-	-	-	**-**	**-**	**-**
IX.	**LEASE LIABILITIES (Net)**	**(7)**	**4.569.589**	**217.529**	**4.787.118**	**1.708.872**	**141.207**	**1.850.079**
X.	**PROVISIONS**	**(9)**	**32.939.301**	**5.534.146**	**38.473.447**	**50.350.077**	**789.053**	**51.139.130**
10.1	Restructuring Provisions		-	-	-	-	-	-
10.2	Reserve for Employee Benefits		6.204.725	31.460	6.236.185	6.913.761	19.662	6.933.423
10.3	Insurance Technical Provisions (Net)		-	-	-	-	-	-
10.4	Other Provisions		26.734.576	5.502.686	32.237.262	43.436.316	769.391	44.205.707
XI.	**CURRENT TAX LIABILITY**	**(10)**	**12.091.518**	**196.547**	**12.288.065**	**9.488.172**	**68.321**	**9.556.493**
XII.	**DEFERRED TAX LIABILITY**	**(10)**	**2.621**	**13.786**	**16.407**	**279.620**	**22.178**	**301.798**
XIII.	**LIABILITIES RELATED TO NON-CURRENT ASSETS "HELD FOR SALE" AND "HELD FROM DISCONTINUED OPERATIONS" (Net)**	**(11)**	-	-	-	**-**	**-**	**-**
13.1	Held for Sale Purpose		-	-	-	-	-	-
13.2	Held from Discontinued Operations		-	-	-	-	-	-
XIV.	**SUBORDINATED DEBT INSTRUMENTS**	**(12)**	-	**51.072.217**	**51.072.217**	**-**	**31.546.716**	**31.546.716**
14.1	Loans		-	4.451.686	4.451.686	-	2.597.654	2.597.654
14.2	Other Debt Instruments		-	46.620.531	46.620.531	-	28.949.062	28.949.062
XV.	**OTHER LIABILITIES**	**(6)**	**73.968.538**	**35.930.457**	**109.898.995**	**47.989.401**	**13.316.734**	**61.306.135**
XVI.	**SHAREHOLDERS' EQUITY**	**(13)**	**370.017.687**	**(7.031.596)**	**362.986.091**	**230.967.047**	**(16.885.297)**	**214.081.750**
16.1	Paid-in capital		84.600.000	-	84.600.000	34.900.000	-	34.900.000
16.2	Capital Reserves		-	-	-	-	-	-
16.2.1	Share Premium		-	-	-	-	-	-
16.2.2	Share Cancellation Profits		-	-	-	-	-	-
16.2.3	Other Capital Reserves		-	-	-	-	-	-
16.3	Accumulated Other Comprehensive Income or Expense Not Reclassified Through Profit or Loss		39.302.938	506.768	39.809.706	23.287.460	710.470	23.997.930
16.4	Accumulated Other Comprehensive Income or Expense Reclassified Through Profit or Loss		22.303.724	(12.807.126)	9.496.598	49.275.364	(19.920.751)	29.354.613
16.5	Profit Reserves		115.390.234	5.268.762	120.658.996	72.407.679	2.324.984	74.732.663
16.5.1	Legal Reserves		8.291.198	215.719	8.506.917	5.980.365	101.455	6.081.820
16.5.2	Status Reserves		-	-	-	-	-	-
16.5.3	Extraordinary Reserves		106.849.547	116.184	106.965.731	66.219.530	91.651	66.311.181
16.5.4	Other Profit Reserves		249.489	4.936.859	5.186.348	207.784	2.131.878	2.339.662
16.6	Profit or (Loss)		101.536.877	-	101.536.877	47.416.520	-	47.416.520
16.6.1	Prior Periods' Profit or (Loss)		2.192.570	-	2.192.570	954.399	-	954.399
16.6.2	Current Period Profit or (Loss)		99.344.307	-	99.344.307	46.462.121	-	46.462.121
16.7	Minority Interest		6.883.914	-	6.883.914	3.680.024	-	3.680.024
	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**2.419.804.957**	**1.834.625.085**	**4.254.430.042**	**1.400.370.946**	**1.152.751.167**	**2.553.122.113**

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

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

CONSOLIDATED STATEMENT OF OFF BALANCE SHEET COMMITMENTS AS OF 31 DECEMBER 2023

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

III. CONSOLIDATED OFF-BALANCE SHEET COMMITMENTS		Note (Section Five III)	Current Period 31 December 2023			Prior Period 31 December 2022		
			TL	FC	Total	TL	FC	Total
A.	**OFF-BALANCE SHEET COMMITMENTS (I+II+III)**		**1.198.625.252**	**1.678.825.121**	**2.877.450.373**	**471.798.516**	**986.564.940**	**1.458.363.456**
I.	**GUARANTEES AND WARRANTIES**	**(1,3)**	**336.979.643**	**530.264.192**	**867.243.835**	**160.834.936**	**300.894.991**	**461.729.927**
1.1	Letters of Guarantee		282.069.537	410.303.320	692.372.857	144.309.592	216.165.034	360.474.626
1.1.1	Guarantees Subject to State Tender Law		6.522.014	89.577.964	96.099.978	4.023.376	39.196.533	43.219.909
1.1.2	Guarantees Given for Foreign Trade Operations		218.804.060	261.891.995	480.696.055	112.910.266	134.083.385	246.993.651
1.1.3	Other Letters of Guarantee		56.743.463	58.833.361	115.576.824	27.375.950	42.885.116	70.261.066
1.2	Bank Acceptances		1.305.171	7.087.875	8.393.046	1.808.014	10.470.395	12.278.409
1.2.1	Import Letter of Acceptance		1.305.171	7.059.590	8.364.761	1.808.014	10.451.684	12.259.698
1.2.2	Other Bank Acceptances		-	28.285	28.285	-	18.711	18.711
1.3	Letters of Credit		635.033	111.634.011	112.269.044	1.447.753	71.665.733	73.113.486
1.3.1	Documentary Letters of Credit		635.033	111.386.311	112.021.344	1.447.753	71.174.892	72.622.645
1.3.2	Other Letters of Credit		-	247.700	247.700	-	490.841	490.841
1.4	Prefinancing Given as Guarantee		-	-	-	-	-	-
1.5	Endorsements		52.950.762	362.683	53.313.445	12.912.019	1.429.664	14.341.683
1.5.1	Endorsements to the Central Bank of Türkiye		52.950.762	362.683	53.313.445	12.912.019	1.429.664	14.341.683
1.5.2	Other Endorsements		-	-	-	-	-	-
1.6	Purchase Guarantees for Securities Issued		-	-	-	-	-	-
1.7	Factoring Guarantees		-	-	-	-	-	-
1.8	Other Guarantees		10.586	876.303	886.889	340.558	1.164.165	1.504.723
1.9	Other Collaterals		8.554	-	8.554	17.000	-	17.000
II.	**COMMITMENTS**		**594.527.025**	**138.610.241**	**733.137.266**	**201.093.905**	**61.500.957**	**262.594.862**
2.1	Irrevocable Commitments	(1,3)	594.527.025	73.269.205	667.796.230	201.093.905	28.961.039	230.054.944
2.1.1	Asset Purchase and Sale Commitments		42.836.921	61.553.228	104.390.149	16.547.842	23.293.657	39.841.499
2.1.2	Deposit Purchase and Sales Commitments		-	-	-	-	-	-
2.1.3	Share Capital Commitments to Associates and Subsidiaries		-	-	-	150.000	-	150.000
2.1.4	Loan Granting Commitments		98.853.463	171.994	99.025.457	51.521.682	75.904	51.597.586
2.1.5	Securities Issue Brokerage Commitments		-	-	-	-	-	-
2.1.6	Commitments for Reserve Requirements		-	-	-	-	-	-
2.1.7	Commitments for Cheque Payments		20.924.030	436	20.924.466	10.866.061	71	10.866.132
2.1.8	Tax and Fund Liabilities from Export Commitments		296.293	-	296.293	95.161	-	95.161
2.1.9	Commitments for Credit Card Limits		392.965.041	207.161	393.172.202	101.406.012	97.165	101.503.177
2.1.10	Commitments for Credit Cards and Banking Services Promotions		260.816	-	260.816	162.830	-	162.830
2.1.11	Receivables from Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.12	Payables for Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.13	Other Irrevocable Commitments		38.390.461	11.336.386	49.726.847	20.344.317	5.494.242	25.838.559
2.2	Revocable Commitments		-	65.341.036	65.341.036	-	32.539.918	32.539.918
2.2.1	Revocable Loan Granting Commitments		-	3.797.670	3.797.670	-	882.400	882.400
2.2.2	Other Revocable Commitments		-	61.543.366	61.543.366	-	31.657.518	31.657.518
III.	**DERIVATIVE FINANCIAL INSTRUMENTS**	**(2)**	**267.118.584**	**1.009.950.688**	**1.277.069.272**	**109.869.675**	**624.168.992**	**734.038.667**
3.1	Hedging Derivative Financial Instruments		-	-	-	-	-	-
3.1.1	Transactions for Fair Value Hedge		-	-	-	-	-	-
3.1.2	Transactions for Cash Flow Hedge		-	-	-	-	-	-
3.1.3	Transactions for Foreign Net Investment Hedge		-	-	-	-	-	-
3.2	Trading Derivative Financial Instruments		267.118.584	1.009.950.688	1.277.069.272	109.869.675	624.168.992	734.038.667

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

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

CONSOLIDATED STATEMENT OF OFF BALANCE SHEET COMMITMENTS AS OF 31 DECEMBER 2023

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

III. CONSOLIDATED OFF-BALANCE SHEET COMMITMENTS		Note (Section Five III)	Current Period 31 December 2023			Prior Period 31 December 2022		
			TL	FC	Total	TL	FC	Total
3.2.1	Forward Foreign Currency Buy/Sell Transactions		18.011.147	22.843.608	40.854.755	1.079.526	1.245.729	2.325.255
3.2.1.1	Forward Foreign Currency Transactions-Buy		9.050.559	11.401.268	20.451.827	898.509	340.805	1.239.314
3.2.1.2	Forward Foreign Currency Transactions-Sell		8.960.588	11.442.340	20.402.928	181.017	904.924	1.085.941
3.2.2	Swap Transactions Related to Foreign Currency and Interest Rates		249.107.437	975.837.382	1.224.944.819	105.501.863	610.830.567	716.332.430
3.2.2.1	Foreign Currency Swap-Buy		14.878.180	528.892.444	543.770.624	27.605.856	280.625.767	308.231.623
3.2.2.2	Foreign Currency Swap-Sell		234.079.257	312.066.718	546.145.975	77.616.007	225.101.612	302.717.619
3.2.2.3	Interest Rate Swap-Buy		75.000	67.439.110	67.514.110	140.000	52.551.594	52.691.594
3.2.2.4	Interest Rate Swap-Sell		75.000	67.439.110	67.514.110	140.000	52.551.594	52.691.594
3.2.3	Foreign Currency, Interest rate and Securities Options		-	11.269.698	11.269.698	2.588.463	11.531.741	14.120.204
3.2.3.1	Foreign Currency Options-Buy		-	5.634.848	5.634.848	1.205.579	5.851.074	7.056.653
3.2.3.2	Foreign Currency Options-Sell		-	5.634.850	5.634.850	1.382.884	5.680.667	7.063.551
3.2.3.3	Interest Rate Options-Buy		-	-	-	-	-	-
3.2.3.4	Interest Rate Options-Sell		-	-	-	-	-	-
3.2.3.5	Securities Options-Buy		-	-	-	-	-	-
3.2.3.6	Securities Options-Sell		-	-	-	-	-	-
3.2.4	Foreign Currency Futures		-	-	-	699.823	560.955	1.260.778
3.2.4.1	Foreign Currency Futures-Buy		-	-	-	-	560.955	560.955
3.2.4.2	Foreign Currency Futures-Sell		-	-	-	699.823	-	699.823
3.2.5	Interest Rate Futures		-	-	-	-	-	-
3.2.5.1	Interest Rate Futures-Buy		-	-	-	-	-	-
3.2.5.2	Interest Rate Futures-Sell		-	-	-	-	-	-
3.2.6	Other		-	-	-	-	-	-
B.	**CUSTODY AND PLEDGES RECEIVED (IV+V+VI)**		**6.026.119.258**	**1.812.644.986**	**7.838.764.244**	**3.513.442.747**	**907.777.186**	**4.421.219.933**
IV.	**ITEMS HELD IN CUSTODY**		**723.419.663**	**343.174.704**	**1.066.594.367**	**594.754.521**	**212.675.066**	**807.429.587**
4.1	Customer Fund and Portfolio Balances		-	-	-	-	-	-
4.2	Investment Securities Held in Custody		19.483.334	145.053.703	164.537.037	28.657.879	88.904.097	117.561.976
4.3	Cheques Received for Collection		114.910.279	3.726.744	118.637.023	58.723.615	2.968.243	61.691.858
4.4	Commercial Notes Received for Collection		62.726.797	3.969.230	66.696.027	37.674.944	2.242.823	39.917.767
4.5	Other Assets Received for Collection		8.816	-	8.816	8.816	-	8.816
4.6	Assets Received for Public Offering		356.075.512	42.469.593	398.545.105	370.354.780	4.478.652	374.833.432
4.7	Other Items Under Custody		170.213.276	130.202.937	300.416.213	99.332.838	107.880.546	207.213.384
4.8	Custodians		1.649	17.752.497	17.754.146	1.649	6.200.705	6.202.354
V.	**PLEDGES RECEIVED**		**5.298.139.275**	**1.449.471.897**	**6.747.611.172**	**2.915.537.538**	**683.998.138**	**3.599.535.676**
5.1	Marketable Securities		5.827.171	5.666.160	11.493.331	5.557.821	4.013.053	9.570.874
5.2	Guarantee Notes		69.033.463	41.434.461	110.467.924	46.004.677	21.653.334	67.658.011
5.3	Commodity		29.537.469	11.402.155	40.939.624	9.320.955	4.143.695	13.464.650
5.4	Warranty		-	-	-	-	-	-
5.5	Immovable		4.486.668.950	956.982.243	5.443.651.193	2.379.209.478	407.462.562	2.786.672.040
5.6	Other Pledged Items		707.067.013	433.880.113	1.140.947.126	475.439.398	246.657.488	722.096.886
5.7	Pledged Items-Depository		5.209	106.765	111.974	5.209	68.006	73.215
VI.	**ACCEPTED BILL, GUARANTEES AND WARRANTIES**		**4.560.320**	**19.998.385**	**24.558.705**	**3.150.688**	**11.103.982**	**14.254.670**
	TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)		**7.224.744.510**	**3.491.470.107**	**10.716.214.617**	**3.985.241.263**	**1.894.342.126**	**5.879.583.389**

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

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AS OF 31 DECEMBER 2023

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

IV. CONSOLIDATED STATEMENT OF PROFIT OR LOSS INCOME AND EXPENSE ITEMS		Note (Section Five IV)	Current Period 1 January- 31 December 2023	Prior Period 1 January- 31 December 2022
I.	**INTEREST INCOME**	**(1)**	**477.257.675**	**243.398.423**
1.1	Interest on Loans		293.824.913	137.383.422
1.2	Interest on Reserve Requirements		25.133	528.766
1.3	Interest on Banks		5.110.793	2.908.984
1.4	Interest on Money Market Transactions		2.015.617	92.310
1.5	Interest on Marketable Securities Portfolio		159.775.619	100.298.692
1.5.1	Fair Value Through Profit or Loss		1.062.589	698.951
1.5.2	Fair Value Through Other Comprehensive Income		98.471.074	71.516.519
1.5.3	Measured at Amortised Cost		60.241.956	28.083.222
1.6	Financial Lease Interest Income		9.670.682	1.257.347
1.7	Other Interest Income		6.834.918	928.902
II.	**INTEREST EXPENSE (-)**	**(2)**	**336.566.738**	**111.944.304**
2.1	Interest on Deposits		301.050.422	84.583.177
2.2	Interest on Funds Borrowed		11.604.420	3.734.831
2.3	Interest Expense on Money Market Transactions		12.060.552	12.185.119
2.4	Interest on Securities Issued		6.695.005	3.709.498
2.5	Interest on Leases		671.537	266.699
2.6	Other Interest Expenses		4.484.802	7.464.980
III.	**NET INTEREST INCOME/EXPENSE (I - II)**		**140.690.937**	**131.454.119**
IV.	**NET FEES AND COMMISSIONS INCOME**		**37.508.388**	**14.673.232**
4.1	Fees and Commissions Received		53.477.767	19.738.133
4.1.1	Non-cash Loans		5.714.808	2.984.717
4.1.2	Other		47.762.959	16.753.416
4.2	Fees and Commissions Paid (-)		15.969.379	5.064.901
4.2.1	Non-cash Loans		1.486	1.024
4.2.2	Other		15.967.893	5.063.877
V.	**DIVIDEND INCOME**	**(3)**	**63.947**	**50.126**
VI.	**TRADING PROFIT/(LOSS) (Net)**	**(4)**	**21.512.385**	**3.509.147**
6.1	Trading Gains/(Losses) on Securities		4.031.887	3.320.733
6.2	Gains/(Losses) on Derivative Financial Transactions		(18.591.744)	(8.380.696)
6.3	Foreign Exchange Gains/(Losses)		36.072.242	8.569.110
VII.	**OTHER OPERATING INCOME**	**(5)**	**37.043.633**	**10.213.682**
VIII.	**GROSS OPERATING INCOME (III+IV+V+VI+VII)**		**236.819.290**	**159.900.306**
IX.	**EXPECTED CREDIT LOSS (-)**	**(6)**	**34.727.428**	**33.000.917**
X.	**OTHER PROVISION EXPENSES (-)**	**(6)**	**572.717**	**29.968.573**
XI.	**PERSONNEL EXPENSE (-)**		**25.768.998**	**10.617.697**
XII.	**OTHER OPERATING EXPENSES (-)**	**(7)**	**68.984.176**	**17.876.020**
XIII.	**NET OPERATING PROFIT/(LOSS) (VIII-IX-X-XI-XII)**		**106.765.971**	**68.437.099**
XIV.	**EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER**		**-**	**-**
XV.	**PROFIT/LOSS FROM INVESTMENTS IN SUBSIDIARIES CONSOLIDATED BASED ON EQUITY METHOD**		**307.787**	**315.745**
XVI.	**PROFIT/(LOSS) ON NET MONETARY POSITION**		**-**	**-**
XVII.	**PROFIT/LOSS BEFORE TAX FROM CONTINUED OPERATIONS (XIII+...+XVI)**	**(10)**	**107.073.758**	**68.752.844**
XVIII.	**TAX PROVISION FOR CONTINUED OPERATIONS (±)**	**(11)**	**(7.533.104)**	**(22.139.383)**
18.1	Current Tax Provision		(24.438.127)	(33.599.073)
18.2	Deferred Tax Expense Effect (+)		(3.984.470)	(4.707.072)
18.3	Deferred Tax Income Effect (-)		20.889.493	16.166.762
XIX.	**CURRENT PERIOD PROFIT/LOSS FROM CONTINUED OPERATIONS (XVII±XVIII)**	**(12)**	**99.540.654**	**46.613.461**
XX.	**INCOME FROM DISCONTINUED OPERATIONS**		**-**	-
20.1	Income from Non-current Assets Held for Sale		-	-
20.2	Profit from Sales of Associates, Subsidiaries and Entities under Common Control (Joint Ventures)		-	-
20.3	Income from Other Discontinued Operations		-	-
XXI.	**EXPENSES FOR DISCONTINUED OPERATIONS (-)**		-	-
21.1	Expenses for Non-current 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 TAX FROM DISCONTINUED OPERATIONS (XX-XXI)**	**(10)**	-	-
XXIII.	**TAX PROVISION FOR DISCONTINUED OPERATIONS (±)**	**(11)**	-	-
23.1	Current Tax Provision		-	-
23.2	Deferred Tax Expense Effect (+)		-	-
23.3	Deferred Tax Income Effect (-)		-	-
XXIV.	**CURRENT PERIOD PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XXII±XXIII)**	**(11)**	-	-
XXV.	**NET PROFIT/(LOSS) (XIX+XXIV)**	**(12)**	**99.540.654**	**46.613.461**
25.1	Profit/(Loss) from the Group		99.344.307	46.462.121
25.2	Profit/(Loss) from Minority Interest	(8)	196.347	151.340
	Earnings/(Loss) per share (in TL full)		1,371	1,523

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME AS OF 31 DECEMBER 2023

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

	V. CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	Current Period 1 January - 31 December 2023	Prior Period 1 January - 31 December 2022
I.	**PROFIT (LOSS)**	**99.540.654**	**46.613.461**
II.	**OTHER COMPREHENSIVE INCOME**	**(4.086.000)**	**43.806.604**
2.1	**Other Comprehensive Income That Will Not Be Reclassified To Profit or Loss**	**15.772.015**	**15.227.178**
2.1.1	Gains (Losses) on Revaluation of Property, Plant and Equipment	10.435.142	19.101.116
2.1.2	Gains (losses) on revaluation of Intangible Assets	-	-
2.1.3	Gains (losses) on remeasurements of defined benefit plans	1.716.344	(4.095.923)
2.1.4	Other Components of Other Comprehensive Income That Will Not Be Reclassified to Profit Or Loss	2.942.812	690.593
2.1.5	Taxes Relating to Components of Other Comprehensive Income That Will Not Be Reclassified to Profit Or Loss	677.717	(468.608)
2.2	**Other Comprehensive Income That Will Be Reclassified to Profit or Loss**	**(19.858.015)**	**28.579.426**
2.2.1	Exchange Differences on Translation	3.562.379	1.226.805
2.2.2	Valuation and/or Reclassification Profit or Loss from financial assets at fair value through other comprehensive income	(37.801.208)	33.892.131
2.2.3	Income (Loss) Related with Cash Flow Hedges	-	-
2.2.4	Income (Loss) Related with Hedges of Net Investments in Foreign Operations	4.224.348	1.597.336
2.2.5	Other Components of Other Comprehensive Income that will be Reclassified to Other Profit or Loss	-	-
2.2.6	Taxes Relating to Components of Other Comprehensive Income That Will Be Reclassified to Profit Or Loss	10.156.466	(8.136.846)
III.	**TOTAL COMPREHENSIVE INCOME (I+II)**	**95.454.654**	**90.420.065**

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

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY AS OF 31 DECEMBER 2023

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

VI. CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY		Paid-in Capital	Share Premiums	Share Cancellation profit	Other Capital Reserves	Accumulated Other Comprehensive Income or Expense Not Reclassified through Profit or Loss r		
						1	2	3
	Current Period							
	31 December 2023							
I.	**Prior Period End Balance**	**34.900.000**	**-**	**-**	**-**	**24.730.136**	**(2.852.002)**	**2.119.796**
II.	**Corrections and Accounting Policy Changes Made According to TAS 8**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1	Effects of Adjustment	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.2	Effects of the Changes in Accounting Policies	**-**	**-**	**-**	**-**	**-**	**-**	**-**
III.	**New Balance (I+II)**	**34.900.000**	**-**	**-**	**-**	**24.730.136**	**(2.852.002)**	**2.119.796**
IV.	**Total Comprehensive Income (Loss)**	**-**	**-**	**-**	**-**	**11.167.284**	**1.376.570**	**3.228.161**
V.	**Capital Increase in Cash**	**49.700.000**	**-**	**-**	**-**	**-**	**-**	**-**
VI.	**Capital Increase Through Internal Reserves**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
VII.	**Paid-in capital inflation adjustment difference**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
VIII	**Convertible Bonds**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
IX.	**Subordinated debt instruments**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
X.	**Increase/(Decrease) Through Other Changes**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
XI.	**Profit distribution**	**-**	**-**	**-**	**-**	**-**	**-**	**39.761**
11.1	Dividends paid	-	-	-	-	-	-	-
11.2	Transfers to reserves	-	-	-	-	-	-	-
11.3	Other	-	-	-	-	-	-	39.761
	Balance at the end of the period (III+IV+.....+X+XI)	**84.600.000**	**-**	**-**	**-**	**35.897.420**	**(1.475.432)**	**5.387.718**

1. Increases and decreases in Tangible Assets Revaluation Reserve,

2. Accumulated Gains/Losses on Remeasurements of Defined Benefit Plans

3. Other (Other Comprehensive Income of Associates and Joint Ventures Accounted for Using Equity Method that will not be Reclassified to Profit or Loss and Other Accumulated Amounts of Not Reclassified Through Profit or Loss Differences on Translation

4. Exchange Differences on Translation

5. Accumulated gains (losses) due to revaluation and/or reclassification of financial assets at fair value through other comprehensive income

6. Other (Accumulated Gains or Losses on Cash Flow Hedges, Other Comprehensive Income of Associates and Joint Ventures Accounted for Using Equity Method that will be Reclassified to Profit or Loss and Other Accumulated Amounts of Reclassified Through Profit or Loss

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

Accumulated Other Comprehensive Income or Expense Reclassified through Profit or Loss			Profit Reserves	Prior Period Net Profit/ (Loss)	Current Period Net Profit/ (Loss)	Shareholders' Equity Before Minority Interest	Minority Interest	Total Equity
4	5	6						
5.623.376	**19.938.833**	**3.792.404**	**74.732.663**	**47.416.520**	**-**	**210.401.726**	**3.680.024**	**214.081.750**
-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
5.623.376	**19.938.833**	**3.792.404**	**74.732.663**	**47.416.520**	**-**	**210.401.726**	**3.680.024**	**214.081.750**
3.562.379	**(27.644.742)**	**4.224.348**	**-**	**-**	**99.344.307**	**95.258.307**	**196.347**	**95.454.654**
-	**-**	**-**	**-**	**-**	**-**	**49.700.000**	**-**	**49.700.000**
-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
-	**-**	**-**	**(332.772)**	**1.079.678**	**-**	**746.906**	**3.007.543**	**3.754.449**
-	**-**	**-**	**46.259.105**	**(46.303.628)**	**-**	**(4.762)**	**-**	**(4.762)**
-	-	-	-	(4.762)	-	(4.762)	-	(4.762)
-	-	-	46.253.776	(46.253.776)	-	-	-	-
-	-	-	5.329	(45.090)	-	-	-	-
9.185.755	**(7.705.909)**	**8.016.752**	**120.658.996**	**2.192.570**	**99.344.307**	**356.102.177**	**6.883.914**	**362.986.091**

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY AS OF 31 DECEMBER 2022

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

VI. CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY		Paid-in Capital	Share Premiums	Share Cancellation profits	Other capital reserves	Accumulated Other Comprehensive Income or Expense Not Reclassified through Profit or Loss 1	2	3
	Prior Period							
	31 December 2022							
I.	**Prior Period End Balance**	**13.100.000**	**-**	**-**	**-**	**6.983.490**	**219.940**	**1.550.632**
II.	**Corrections and Accounting Policy Changes Made According to TAS 8r**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1	Effects of Corrections	-	-	-	-	-	-	-
2.2	Effects of the Changes in Accounting Policies	-	-	-	-	-	-	-
III.	**New Balance (I+II)**	**13.100.000**	**-**	**-**	**-**	**6.983.490**	**219.940**	**1.550.632**
IV.	**Total Comprehensive Income (Loss)**	**-**	**-**	**-**	**-**	**17.746.646**	**(3.071.942)**	**552.474**
V.	**Capital Increase in Cash**	**21.800.000**	**-**	**-**	**-**	**-**	**-**	**-**
VI.	**Capital Increase Through Internal Reserves**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
VII.	**Paid-in capital inflation adjustment difference**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
VIII	**Convertible Bonds**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
IX.	**Subordinated debt instruments**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
X.	**Increase/(Decrease) Through Other Changes**	**-**	**-**	**-**	**-**	**-**	**-**	**(8.958)**
XI.	**Profit distribution**	**-**	**-**	**-**	**-**	**-**	**-**	**25.648**
11.1	Dividends paid	-	-	-	-	-	-	-
11.2	Transfers to reserves	-	-	-	-	-	-	-
11.3	Other	-	-	-	-	-	-	25.648
	Balance at the end of the period (III+IV+.....+X+XI)	**34.900.000**	**-**	**-**	**-**	**24.730.136**	**(2.852.002)**	**2.119.796**

1. Increases and decreases in Tangible Assets Revaluation Reserve

2. Accumulated Gains/Losses on Remeasurements of Defined Benefit Plans

3. Other (Other Comprehensive Income of Associates and Joint Ventures Accounted for Using Equity Method that will not be Reclassified to Profit or Loss and Other Accumulated Amounts of Not Reclassified Through Profit or Loss Differences on Translation

4. Exchange Differences on Translation

5. Accumulated gains (losses) due to revaluation and/or reclassification of financial assets at fair value through other comprehensive income

6. Other (Accumulated Gains or Losses on Cash Flow Hedges, Other Comprehensive Income of Associates and Joint Ventures Accounted for Using Equity Method that will be Reclassified to Profit or Loss and Other Accumulated Amounts of Reclassified Through Profit or Loss

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

Accumulated Other Comprehensive Income or Expense Reclassified through Profit or Loss			Profit Reserves	Prior Period Net Profit/ (Loss)	Current Period Net Profit/ (Loss)	Shareholders' Equity Before Minority Interest	Minority Interest	Total Equity
4	5	6						
4.396.571	**(5.813.923)**	**2.195.068**	**68.565.711**	**8.355.475**	**-**	**99.552.964**	**1.590.155**	**101.143.119**
-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
4.396.571	**(5.813.923)**	**2.195.068**	**68.565.711**	**8.355.475**	**-**	**99.552.964**	**1.590.155**	**101.143.119**
1.226.805	**25.755.285**	**1.597.336**	**-**	**-**	**46.462.121**	**90.268.725**	**151.340**	**90.420.065**
-	**-**	**-**	**-**	**-**	**-**	**21.800.000**	**-**	**21.800.000**
-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
-	**(2.529)**	**-**	**(1.461.395)**	**255.739**	**-**	**(1.217.143)**	**1.938.529**	**721.386**
-	**-**	**-**	**7.628.347**	**(7.656.815)**	**-**	**(2.820)**	**-**	**(2.820)**
-	-	-	-	(2.820)	-	(2.820)	-	(2.820)
-	-	-	7.590.296	(7.590.296)	-	-	-	**-**
-	-	-	38.051	(63.699)	-	-	-	**-**
5.623.376	**19.938.833**	**3.792.404**	**74.732.663**	**954.399**	**46.462.121**	**210.401.726**	**3.680.024**	**214.081.750**

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

CONSOLIDATED STATEMENT OF CASH FLOWS AS OF 31 DECEMBER 2023

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

	VII. CONSOLIDATED STATEMENT OF CASH FLOWS	Note	Current Period 1 January - 31 December 2023	Prior Period 1 January - 31 December 2022
A.	**CASH FLOWS FROM BANKING OPERATIONS**			
1.1	**Operating Profit Before Changes in Operating Assets and Liabilities**		**6.806.145**	**76.085.746**
1.1.1	Interest Received		383.418.658	198.653.832
1.1.2	Interest Paid		(286.365.467)	(101.490.515)
1.1.3	Dividend Received		63.947	50.126
1.1.4	Fees and Commissions Received		52.963.382	26.938.883
1.1.5	Other Income		11.262.842	7.779.508
1.1.6	Collections from Previously Written-off Loans and Other Receivables		6.222.682	5.918.343
1.1.7	Cash Payments to Personnel and Service Suppliers		(28.608.132)	(11.102.158)
1.1.8	Taxes Paid		(24.049.955)	(26.272.628)
1.1.9	Other		(108.101.812)	(24.389.645)
1.2	**Changes in Operating Assets and Liabilities**		**367.516.370**	**137.552.640**
1.2.1	Net (Increase)/Decrease in Financial Assets at Fair Value Through Profit or Loss		(34.230.131)	(7.726.578)
1.2.2	Net (Increase)/Decrease in Due from Banks and Other Financial Institutions		(77.131.925)	(69.431.199)
1.2.3	Net (Increase)/Decrease in Loans		(654.027.058)	(533.065.970)
1.2.4	Net (Increase)/Decrease in Other Assets		(37.457.814)	(36.614.028)
1.2.5	Net Increase/(Decrease) in Bank Deposits		3.057.494	16.267.070
1.2.6	Net Increase/(Decrease) in Other Deposits		1.048.929.273	802.670.078
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		62.541.018	28.351.629
1.2.9	Net Increase/(Decrease) in Payables		-	-
1.2.10	Net Increase/(Decrease) in Other Liabilities		55.835.513	(62.898.362)
I.	**Net Cash Provided from Banking Operation**		**374.322.515**	**213.638.386**
B.	**CASH FLOWS FROM INVESTING ACTIVITIES**			
II.	**Net Cash Provided from Investing Activities**		**(197.710.895)**	**(113.078.290)**
2.1	Cash Paid for Acquisition of Investments, Associates, Subsidiaries and Entities under Common Control (Joint Venture)		(141.785)	(109.579)
2.2	Cash Obtained from Disposal of Investments, Associates, Subsidiaries and Entities under Common Control (Joint Venture)		-	1.750
2.3	Purchases of Property and Equipment		(10.462.452)	(4.567.101)
2.4	Disposals of Property and Equipment		1.006.989	286.760
2.5	Purchase of Financial Assets at Fair Value Through Other Comprehensive Income		(276.420.617)	(102.493.761)
2.6	Sale of Financial Assets at Fair Value Through Other Comprehensive Income		196.911.788	76.625.461
2.7	Purchase of Financial Assets Measured at Amortized Cost		(119.871.066)	(84.597.720)
2.8	Sale of Financial Assets Measured at Amortized Cost		11.266.248	1.775.900
2.9	Other		-	-
C.	**CASH FLOWS FROM FINANCING ACTIVITIES**			
III.	**Net Cash Provided from Financing Activities**		**71.480.726**	**13.872.885**
3.1	Cash Obtained from Funds Borrowed and Securities Issued		52.801.993	18.931.781
3.2	Cash Used for Repayment of Funds Borrowed and Securities Issued		(29.628.006)	(26.307.725)
3.3	Issued Equity Instruments		49.700.000	21.800.000
3.4	Dividends Paid		-	-
3.5	Payments for Finance Leases		(1.393.261)	(551.171)
3.6	Other		-	-
IV.	**Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents**	**(1)**	**14.447.812**	**4.750.901**
V.	**Net Increase in Cash and Cash Equivalents (I+II+III+IV)**		**262.540.158**	**119.183.882**
VI.	**Cash and Cash Equivalents at Beginning of the Period**	**(1)**	**229.305.437**	**110.121.555**
VII.	**Cash and Cash Equivalents at End of the Period**	**(1)**	**491.845.595**	**229.305.437**

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

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

STATEMENT OF PROFIT DISTRIBUTION AS OF 31 DECEMBER 2023

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

VIII. STATEMENT OF PROFIT DISTRIBUTION (*)		Current Period 31 December 2023	Prior Period 31 December 2022
I.	**DISTRIBUTION OF CURRENT YEAR INCOME**		
1.1	Current Year Income	95.567.770	61.250.539
1.2	Taxes And Duties Payable (-)	(5.716.290)	(20.158.162)
1.2.1	Corporate Tax (Income tax)	(22.305.447)	(30.324.299)
1.2.2	Income withholding tax	-	-
1.2.3	Other taxes and duties(**)	16.589.157	10.166.137
A.	**NET INCOME FOR THE YEAR (1.1-1.2)**	**89.851.480**	**41.092.377**
1.3	Prior Year Losses (-)	-	-
1.4	First Legal Reserves (-)	-	2.054.619
1.5	Other Statutory Reserves (-)	-	-
B.	**NET INCOME AVAILABLE FOR DISTRIBUTION [(A-(1.3+1.4+1.5)]**	**-**	**39.037.758**
1.6	First Dividend to Shareholders (-)	-	-
1.6.1	To Owners of Ordinary Shares	-	-
1.6.2	To Owners of Privileged Shares	-	-
1.6.3	To Owners of Preferred Shares	-	-
1.6.4	To Profit Sharing Bonds	-	-
1.6.5	To Holders of Profit and Loss Sharing Certificates	-	-
1.7	Dividends to Personnel (-)	-	-
1.8	Dividends to Board of Directors (-)	-	-
1.9	Second Dividend to Shareholders (-)	-	-
1.9.1	To Owners of Ordinary Shares	-	-
1.9.2	To Owners of Privileged Shares	-	-
1.9.3	To Owners of Preferred Shares	-	-
1.9.4	To Profit Sharing Bonds	-	-
1.9.5	To Holders of Profit and Loss Sharing Certificates	-	-
1.10	Statutory Reserves (-)	-	-
1.11	Extraordinary Reserves	-	39.037.758
1.12	Other Reserves	-	-
1.13	Special Funds	-	-
II.	**DISTRIBUTION OF RESERVES**		
2.1	Appropriated Reserves	-	-
2.2	Dividends to Shareholders (-)	-	-
2.3.1	To Owners of Ordinary Shares	-	-
2.3.2	To Owners of Privileged Shares	-	-
2.3.3	To Owners of Preferred Shares	-	-
2.3.4	To Profit Sharing Bonds	-	-
2.3.5	To Holders of Profit and Loss Sharing Certificates	-	-
2.3.	Dividends to Personnel (-)	-	-
2.4	Dividends to Board of Directors (-)	-	-
III.	**EARNINGS PER SHARE**		
3.1	To Owners of Ordinary Shares	1,237	1,343
3.2	To Owners of Ordinary Shares (%)	123,7	134,3
3.3	To Owners of Privileged Shares	-	-
3.4	To Owners of Privileged Shares (%)	-	-
IV.	**DIVIDEND PER SHARE**		
4.1	To Owners of Ordinary Shares	-	-
4.2	To Owners of Ordinary Shares (%)	-	-
4.3	To Owners of Privileged Shares	-	-
4.4	To Owners of Privileged Shares (%)	-	-

(*) The profit distribution table has been prepared according to the unconsolidated financial statements of the Parent Bank Profit distribution is decided by the Ordinary General Assembly of the Parent Bank. As of the date of the preparation of financial statements, the meeting for Ordinary General Assembly meeting for 2023 has not been held.

(**) Deferred tax income is shown in the other taxes and duties line.

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

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SECTION THREE

EXPLANATIONS ON ACCOUNTING POLICIES

I. BASIS OF PRESENTATION

The consolidated financial statements are prepared within the scope of the "Regulation on Accounting Applications for Banks and Safeguarding of Documents" ("Regulation") related with Banking Law numbered 5411 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 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").

Format and content of the publicly announced consolidated financial statements and notes to these statements have been prepared in accordance with the "Communiqué on Publicly Announced Financial Statements, Explanations and Notes to These Financial Statements" published in the Official Gazette No. 28337, dated 28 June 2012 and "Communiqué on Public Disclosures on Risk Management", published in the Official Gazette No. 29511, dated 23 October 2015 and amendments to these Communiqué. The Parent Bank maintains its books in Turkish Lira in accordance with the Banking Law, Turkish Commercial Code and Turkish Tax Legislation.

Financial statements of subsidiaries in abroad are prepared in accordance with prevalent law and legislation in their country, adjustments and reclassifications are reflected on the purpose of fair presentation pursuant to Reporting Standards.

The consolidated financial statements have been prepared under the historical cost convention, except for the financial assets and liabilities carried at fair value.

The preparation of financial statements requires the use of certain critical estimates on assets and liabilities reported as of balance sheet date or amount of contingent assets and liabilities explained and amount of income and expenses occurred in related period. Although these estimates rely on the management's best judgment, actual results can vary from these estimates. Judgements and estimates are explained in related notes.

Unless otherwise specified, all balances in the financial statements and related disclosures are expressed in Thousand Turkish Lira ("TL").

The Parent Bank reflected the estimates and judgments into the calculation of expected credit losses with the maximum effort and the best estimation method. The Parent Bank has revised its macroeconomic expectations and has reflected to the financial statement as of 31 December 2023, by taking into account the change in probability of default and loss given default.

In this context, the Parent Bank has measured the impact of its macroeconomic expectations on NPL receivables in different scenarios. In the NPL conversion rate, it has taken into consideration in the calculation by reflecting the coefficient, which is considered to reflect the current situation, to the loan parameters.

On November 23, 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 December 31, 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 December 12, 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 December 31, 2023. Based on the decision dated January 11, 2024 and numbered 10825, these entities are required to implement inflation accounting starting from January 1, 2025.

The Parent Bank has a subsidiary operating in Russia with the title of "Ziraat Bank (Moscow) JSC". The tension between Russia and Ukraine for a long time turned into a hot conflict in the first quarter of 2022. In the process that started with Russia's intervention in Ukraine, international sanctions against the Russian Federation and countermeasures implemented by Russia against them had significant effects on financial markets. Ziraat Bank (Moscow) JSC, the subsidiary of the bank, entered this process with a strong equity structure and high liquidity and did not encounter any difficulties.

The new measures and practices introduced by the Central Bank of Russia were especially aimed at reducing the foreign exchange outflow from the country and keeping the credit channels provided to the real sector open. All financial services previously provided by Ziraat Bank (Moscow) JSC are maintained in line with the rules of the local regulatory authority.

The crisis is not expected to have a negative impact on the Group's operations. Developments that may occur on a global scale, their possible repercussions on the global and regional economy, and their effects on the Parent Bank's operations are closely monitored and considered with the best estimation approach in the preparation of financial statements.

Benchmark Interest Rate Reform

As of 30 June 2023, the Group has completed the necessary systemic infrastructure for switching to overnight interest rates in USD Libor indexed derivatives, money market instruments, bonds, loan products and risk management systems. As of 30 June 2023, alternative interest rates have started to be used in floating rate transactions. In terms of current transactions, the transition to alternative interest rates for interbank derivative transactions and money market transactions has been completed, and it does not have a significant impact on the Parent Bank's financials.

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

Main activity of the Parent Bank comprises of banking services, such as; launching all kinds of cash and non-cash loans denominated in Turkish Lira and foreign currencies, performing transactions in local, international money and capital markets, supporting agricultural sector financially and collecting deposits denominated in Turkish Lira and foreign currencies. The Parent Bank's main funding sources are deposits, repurchase agreements, issued securities and shareholders' equity. The Parent Bank directs these funds to assets with high return and low risk that include predominantly domestic government bonds and loans. The Parent Bank's liquidity structure is considered the financing of all liabilities at due date. Although most of the sources in the Parent Bank's balance sheet are with fixed interest rate, some of the securities in assets return have floating interest rate. Since the remaining time to re-pricing date of sources is short, cost of sources is repriced in short periods based on the market conditions. Moreover, the Parent Bank adopts higher return principle for its long-term placements.

Loans and securities are instruments from which the Parent Bank gets returns above the average returns within its activity. Letter of guarantees, bank loans, commercial letter of credits, commitments for cheque payments and commitments for credit card limits are the most important risk areas within the off-balance sheet accounts.

Since the Parent Bank's total debt to the market is low among its total liabilities, the Parent Bank can borrow easily from short-term markets, such as Borsa Istanbul ("BIST"), Central Bank of the Republic of Türkiye, Money Market or Interbank Money Market in case of need. In case of a liquidity crisis, the deposit base of the Parent Bank is not presumed to be significantly affected from liquidity risk since the Parent Bank is a public bank with an extensive branch network.

The cost of foreign currency resources and the return on assets are closely monitored. Deposit interest rates are adjusted in line with market rates to maintain a positive profit margin.

Foreign currency operations are valued by Bank's prevailing counter currency buying rate at transaction date and reflected to records. At period ends, foreign currency asset and liability balances are valued at the Bank's period end counter currency buying rates and converted to Turkish currency and the resulting exchange differences are recognized as a "foreign exchange profit or loss".

For the exchange risk arising from foreign currency conversion of Ziraat Bank International AG, Ziraat Bank BH dd and Ziraat Bank Montenegro AD, the Parent Bank's subsidiaries to which capital was paid in Euro amounts, Euro deposits are used for hedging purposes. Information regarding the investment hedge accounting for the operation abroad, which is applied to protect the total capital amount associated for this purpose, 346.853 thousand Euros (31 December 2022: 336.627 thousand Euros), from the effect of exchange rate risk arising from changes in foreign exchange rates, in the Fourth Chapter VIII.

Assets and liabilities of the overseas branches of the Parent Bank are converted into Turkish Lira with the Parent Bank's prevailing counter currency buying rates at the balance sheet date.

III. INFORMATION ON CONSOLIDATED SUBSIDIARIES

1. Consolidation Principles Applied

The consolidated financial statements have been prepared in accordance with the procedures listed in the "Communiqués related to the Regulation on the Preparation of the Consolidated Financial Statements of Banks" published in the Official Gazette No. 26340 dated 8 November 2006 and the "Consolidated Financial Statements" ("TFRS 10").

1.1. Consolidation Principles for Subsidiaries

Subsidiaries are all entities in which the Group has the power to control financial and operational policies for the benefit of the Parent Bank (a) directly and indirectly, with the authority to exercise more than 50% of the voting rights pertaining to shares in the owned companies; or (b) not having the power to exercise more than 50% of the rights of use, otherwise having control over financial and business policies.

Control is evident when the Parent Bank owns, either directly or indirectly, the majority of the share capital of the company or owns the privileged shares or owns the right of controlling the operations of the company in accordance with the agreements made with other shareholders or owns the right of appointment or the designation of the majority of the board of directors of the company.

Subsidiaries are consolidated with full consolidation method, considering the size of their assets and equity within the scope of their activities and the materiality principle. Subsidiaries are included in the scope of consolidation since the control of their activities is transferred to the group and are excluded from the scope of consolidation from the date the control disappears. Where necessary, the accounting policies of the subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

According to the full consolidation method, 100% of the balance sheet, profit or loss statement and off-balance sheet items of the subsidiaries are consolidated with the balance sheet, profit or loss statement and off-balance sheet items of the Parent Bank. The carrying amount of the Group's investments in each subsidiary is netted off with the portion of the capital of each subsidiary that belongs to the Group. Unrealized gains and losses and balances arising from transactions between subsidiaries included in consolidation are eliminated. To determine the net income of the Group, minority interest in the net income of the consolidated subsidiaries have been determined and deducted from the net income of the subsidiary. Minority interests in the consolidated balance sheet are presented separately from the liabilities and shares of the Group shareholders. In addition, minority interests are presented separately in the profit or loss statement interest.

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The subsidiaries included in consolidation, their title, their place of incorporation, their main activities and their effective shareholding rates are as follows:

Title	Address (City/Country)	Main Activities	Parent Bank's Share Percentage (%)	Parent Bank's Risk Group Share Percentage (%)
Ziraat Yatırım Menkul Değerler A.Ş.	İstanbul/Türkiye	Brokerage Houses	99,60	99,60
Ziraat Portföy Yönetimi A.Ş.	İstanbul/Türkiye	Portfolio Management	74,90	99,80
Ziraat Katılım Bankası A.Ş.	İstanbul/Türkiye	Banking	100,00	100,00
Ziraat Gayrimenkul Yatırım Ortaklığı A.Ş.	İstanbul/Türkiye	Real Estate	81,06	81,06
Ziraat Girişim Sermayesi Ortaklığı A.Ş.	İstanbul/Türkiye	Venture Capital	100,00	100,00
Ziraat Dinamik Banka A.Ş.	İstanbul/Türkiye	Banking	100,00	100,00
Ziraat Finansal Teknolojiler Elektronik Para ve Ödeme Hizmetleri A.Ş.	İstanbul/Türkiye	Payment Services	100,00	100,00
Ziraat Bank International AG	Frankfurt/Germany	Banking	100,00	100,00
Ziraat Bank BH d.d.	Sarajevo/Bosnia and Herzegovina	Banking	100,00	100,00
Ziraat Bank (Moscow) JSC	Moscow/Russia	Banking	99,91	100,00
Kazakhstan Ziraat Int. Bank	Almaty/Kazakhstan	Banking	99,92	99,92
Ziraat Bank Azerbaycan ASC	Baku/Azerbaijan	Banking	99,98	100,00
Ziraat Bank Montenegro AD	Podgorica/Montenegro	Banking	100,00	100,00
JSC Ziraat Bank Georgia	Tbilisi/Georgia	Banking	100,00	100,00
Ziraat Bank Uzbekistan JSC	Tashkent/Uzbekistan	Banking	100,00	100,00

1.2. Consolidation Principles of Associates and Entities under common control

An associate is a partnership with which the Parent Bank participates in its capital and has significant effect on it although it has no capital or management control, whose main operation is banking, and which operates according to special legislation with permission and license and is established abroad. The related associate is consolidated with equity method in accordance with materiality principle. Significant effect refers to the participation power on the constitution of the financial and management policies of the participated associate. If the Parent Bank has 10% or more voting right on the associate, as long as it is not proved otherwise, it will be accepted that the Parent Bank has significant effect on that associate. Equity method is an accounting method which foresees the increase or decrease of the book value of capital share in an associate from the changed amount in the associate participating shareholder's equity during the period by the portion of the participant and the deduction of the dividend from the associate from the changed value of the associate amount. The associates and joint ventures consolidated with the equity method, their title, place of incorporation, main activities, effective shareholding rates and direct and indirect shareholding rates are as follows:

Title	Address (City/Country)	Main Activities	Parent Bank's Share Percentage (%)	Parent Bank's Risk Group Share Percentage (%)
Turkmen Turkish Joint Stock Commercial Bank	Ashgabat/Turkmenistan	Banking	50,00	50,00
Arap Türk Bankası A.Ş.	İstanbul/Türkiye	Banking	15,43	15,43
Birleşim Varlık Yönetim A.Ş.	İstanbul/Türkiye	Asset Management	16,00	16,00

1.3. Principles Applied During Share Transfer, Merger and Acquisition

Acquisition of entities are accounted by the purchase method on the date of purchase when the control is being transferred to the Group. Control explains managing power of Group on entity's financial and operational policies for the purpose of providing benefit from operations of entity. While evaluating control, executable potential voting rights are taken consideration by Group.

1.4. Transactions with Minority Shareholders

The Group considers transactions with minority shareholders as transactions within the Parent Bank. For acquisitions from minority shareholders, the difference between the acquisition cost and related portion of net assets' booked value is deducted from equity. Profit or loss resulting from sales to minority shareholders is booked under equity.

1.5. Presentation of Unconsolidated Subsidiaries and Associates in Consolidated Financial Statements

Subsidiaries, which are not included in the scope of consolidation, are accounted for their fair values, while associates are accounted for at their cost values after netting impairment if any, and are reflected in the consolidated financial statements.

IV. EXPLANATIONS ON FORWARD TRANSACTIONS, OPTIONS AND DERIVATIVE INSTRUMENTS

The Group's derivative transactions include cross currency swaps, interest rate swaps, currency and precious metal swaps, long-term financing transactions, fully or partially covered options and forward foreign currency buy/sell transactions. The Parent Bank has no embedded derivative instruments separated from the articles of association.

Derivative financial instruments of the Group are classified under "TFRS 9 Financial Instruments Standard" ("TFRS 9"), "Derivative Financial Assets Measured at Fair Value Through Profit or Loss".

Derivative financial instruments are initially recognized at fair value. Derivative transactions, depending on the fair value being positive or negative is shown as derivative financial assets at fair value through profit or loss or derivative financial liabilities measured at fair value through profit or loss in the following periods of the recording. Differences in fair value as a result of the valuation are accounted for under profit/loss from derivative financial transactions and profit/loss from foreign exchange transactions in the commercial profit/loss item in the profit or loss statement.

The fair value of derivative instruments is calculated by taking into account the market values or by applying the cash flow model discounted with market rates.

Liabilities and receivables arising from the derivative instruments are followed in the off-balance sheet accounts with their contractual values.

V. EXPLANATIONS ON INTEREST INCOME AND EXPENSE

Interest income and expenses of the group are recognized according to the effective interest method (rate equal to the rate in calculation of present value of future cash flows of financial assets or liabilities).

Interest income from financial assets is recognized as gross carrying amount according to the effective interest rate method except for interest income from purchased or originated credit-impaired financial assets or financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. The Parent Bank has started to calculate rediscount as of 1 January 2018 for its non-performing loans. Rediscount is calculated over the net book value (Gross Book Value - Expected Credit Losses) of the non-performing loans.

If the expectations for the cash flows in the financial asset are revised for reasons other than the credit risk, the amendment is reflected in the carrying amount of the asset and in the related profit or loss statement line and is amortized over the estimated life of the financial asset.

Total of minimum rental payments including interests and principals are recorded under "financial lease receivables" as gross. The interest which is the difference between the total of rental payments and the cost of the related tangible asset is recorded under "unearned income". When the rent payment incurs, the rent amount is deducted from "financial lease receivables"; and the interest portion is recorded as interest income in the profit or loss statement.

Profit share income is accounted for by applying the internal rate of return method. Group calculates expense accrual according to the unit value calculation method over the participation accounts.

VI. EXPLANATIONS ON FEE AND COMMISSION INCOME AND EXPENSE

Income and expenses from banking, agency and intermediary services are recognized as income/expense and conformant with TFRS 15 Revenue from Contracts with Customers on the date they are collected.

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Prepaid expense amounts are recognized as expense on an accrual basis during the service period.

Commission income from individual, corporate and commercial loans are transferred to income accounts according to periodicity principle using effective interest rate method on an accrual basis.

VII. EXPLANATIONS ON FINANCIAL ASSETS

Financial assets are recognized or derecognized according to TFRS 9 Financial Instruments Part 3 Recognition and Derecognition. Financial assets are measured at fair value at initial recognition in the financial statements. They are included in the balance sheet of the Group, if the Group is a legal party to these instruments.

The Group classifies and recognizes its financial assets as "Financial Assets Measured at Fair Value Through Profit/Loss", "Financial Assets Measured at Fair Value Through Other Comprehensive Income" or "Financial Assets Measured at Amortised Cost". This classification is based on the contractual cash flow characteristics of the related business model used for management of the financial assets at initial recognition.

Financial assets mainly constitute the Group's commercial activities and operations. These instruments have the ability to expose, affect, and diminish the liquidity, credit and interest rate risks in the financial statements.

Classification and Measurement within the Scope of 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.

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

Financial Assets at Fair Value Through Profit or Loss

Financial assets at fair value through profit or loss;

- managed by a business model other than the business model aimed at holding contractual cash flows for collection and the business model aiming at collecting and selling contractual cash flows,
- are obtained in order to profit from fluctuations in prices and similar factors in the short-term in the market, or are part of a portfolio aimed at making a profit in the short-term, regardless of the reason for the acquisition,
- the terms of the contract for the financial asset do not result in cash flows that only include principal and interest payments on the principal balance at specified dates. are financial assets.

Financial assets at the fair value through profit or loss are initially recognized at fair value. All gains and losses arising from these valuations are reflected in the profit or loss statement. Earned interests are included in interest income and dividends received are included in dividend income.

Among the financial assets at fair value through profit or loss, Government Bonds and Treasury Bills traded in the BIST, the weighted average clearing prices formed in the BIST on the balance sheet date, and the financial assets not traded in the BIST, with the prices of the Central Bank of the Republic of Türkiye, Eurobonds Bench The transaction prices in the Upmarket and the funds in the Bank's portfolio are valued according to the fund price announced for the relevant day. Gains and losses resulting from the valuation are included in the profit/loss accounts.

Financial Assets at Fair Value Through Other Comprehensive Income

Financial assets are classified as financial assets at 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 of interest at certain dates.

Financial assets at fair value through other comprehensive income are subsequently measured at their fair value. The interest income of financial assets at fair value through other comprehensive income that are calculated by effective interest rate method and dividend income from equity instruments are reflected in the statement of profit or loss. "Unrealized profits and losses", the difference between the fair value of debt instruments at fair value through other comprehensive income and their amortized cost, are not reflected in the statement of profit or loss for the period until the corresponding financial asset is collected, sold, disposed of or weakened and is followed in the "Other Comprehensive Income or Expenses to be Reclassified in Profit or Loss" account under equity. Accumulated fair value differences under equity are reflected to the income statement when such securities are collected or disposed.

Securities representing a share in the capital are recognized at fair value if they are traded in organized markets and/or their fair value can be determined reliably, and if they are not traded in organized markets, they are reflected in the financial statements with their values found using other valuation models. The valuation differences of the said securities are followed in the "Other Accumulated Comprehensive Income or Expenses Not to be Reclassified in Profit or Loss" account under equity.

Financial Assets at Measured at Amortized Cost

A financial asset is classified as a financial asset measured at amortized cost when the Parent Bank's policy within a business model is to hold the asset to collect contractual cash flows and the terms give rise to cash flows that are solely payments of principal of interest at certain dates.

Measured at amortized cost is recognized at cost which represents its fair value at initial recognition by adding the transaction costs and subsequently measured at amortized cost by using the effective interest rate method. Interest income related to the financial asset measured at amortized cost is recognized in the statement of profit or loss.

Financial assets measured at fair value through other comprehensive income and measured at amortized cost portfolios of the Group include Consumer Price Index (CPI) indexed bonds. Mentioned securities are valued and accounted according to the effective interest rate method which is calculated according to the real coupon rate and the reference inflation index on the issue date. The actual coupon payment amounts of these securities, purchase and sale transactions and year-end valuations are calculated by using the index announced by the treasury. Index calculations related to CPI indexed bonds are made by the method specified in Ministry of Treasury and Finance's CPI Indexed Bonds Investor Guide.

Loans

Loans consist of financial assets which are created by providing money, goods or services to the debtor. Loans are initially recognized at acquisition cost presenting their fair value and thereafter measured at amortized cost using the "Effective Interest Rate 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. Foreign exchange loans are recognized with fixed price and revalued by the counter foreign exchange buying rate of the Bank.

The Group sets aside the expected loss provision 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" published in the Official Gazette dated 22 June 2016 and numbered 29750. In this context, the Parent 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.

In calculating the expected loss provision for its loans, the Bank has also taken into account the possible difficulties that the uncertainties related to the earthquake disaster experienced on 6 February 2023 may cause in the cash flows or payments of the customers.

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VIII. EXPLANATIONS ON IMPAIRMENT OF FINANCIAL ASSETS

Explanations on Expected Loss Provisions

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

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

In addition, the Bank made provision on the model outputs for customer groups, which it believed that the model did not statistically respond to credit risk factors, using expert opinion. In accordance with TFRS 9, in the expected credit loss calculation, a certain part of commercial and corporate loans are obtained in accordance with internal policies, taking into account the threshold amounts determined for risk according to the bank's current classification policy and segment structure. The calculation is made by discounting the cash flows expected from the customer or collateral sales to their present value with the effective interest rate. The reserve will be reviewed in the following reporting periods, taking into account the loan portfolio and changes in future expectations.

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, credit commitments and financial guarantee contracts.

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

Expected credit loss is an estimate of the expected credit losses over the life of a financial instrument and the following aspects are important for the measurement:

- Probability-weighted and neutral amount determined by taking into account possible outcomes,
- Time value of the money,
- Reasonable and supportable information on past events, current conditions and forecast of future economic conditions, at the time of reporting.

These financial assets are divided into three categories depending on the gradual increase in credit risk observed since their initial recognition:

12 Month Expected Credit Losses (Stage 1)

These are the financial assets that do not have a significant increase in credit risk at the time of recognition or since initial recognition. For such assets, impairment for credit risk 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 credit quality.

The expected 12-month 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 lifetime loss expectancy.

Provision for Lifetime Expected loss (Stage 2)

While the expected loss provision is calculated for 1 year for loans in the 1st stage, it is calculated by taking into account the entire remaining maturity for loans in the 2nd stage.

The basic criteria for the classification of financial assets in the second stage are as follows;

- Receivables with a delay of 30 days or more
- Restructring of the loan
- Close monitoring criteria in the Bank's Early Warning System
- Early warning note
- Significant increase in credit risk

In identifying customers with a significant increase in credit risk, the probability of default at the time of loan allocation/ disbursement and the change in the probability of default produced by behavioural models as of the reporting date are taken into account. Customers whose changes exceed the determined threshold value are classified under the second group. Corporate loans are processed on a customer basis, while individual loans are processed on a product basis.

Credit-Impaired Losses (Stage 3)

Includes financial assets that have objective evidence of impairment at the reporting date. For these assets, lifetime expected credit losses are recognized.

The Group considers the debt to be in default in the following two cases:

- Objective Default Definition: It means debt having past due more than 90 days. This assumption can be proved otherwise in the light of supportable information.

- Subjective Default Definition: It means it is considered as unlikeliness to pay. Whenever it is considered that an obligor is unlikely to pay its credit obligations, it should be considered as defaulted regardless of the existence of any past-due amount or of the number of days past due.

Collective assessment of financial instruments is based on homogeneous group assets referring to portfolio segmentation including similar credit risk and product characteristics. This section provides an overview of the risk parameter estimation methods for the expected loss calculation approach on a common basis for each stage.

Credits that differ in cash flows or have different characteristics with other credits may be subject to individual valuation instead of aggregate valuation. A credit loss can be defined as the difference between all contractual cash flows that are outstanding under the contract and the original expected Effective Interest Rate value and discounted cash flows.

When cash flows are estimated, the following situations are considered:

- All contractual terms of the financial instrument during the expected life,
- 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 (PD)

Probability of default refers to the likelihood that a loan will default at a certain time. In default probability models, sectorial information for the corporate portfolio and product information for the individual portfolio are taken as the basis.

Exposure at Default (EAD)

The EAD represents an estimate of the exposure to credit risk at the time of a potential default occurring during the life of a financial instrument.

Loss Given Default (LGD)

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. The Parent Bank uses the macroeconomic forecasting model developed during the creation of multiple scenarios to be used in expected credit loss calculations. The macroeconomic variables that stand out during the estimation are the Gross Domestic Product (GDP) and the Consumer Price Index (CPI), and the risk parameters are updated if deemed necessary, taking into account the compatibility with the portfolio. In addition to macroeconomic indicators, the Parent Bank preferred the precautionary approach by adding expert opinion while creating macroeconomic models, taking into account the economic conditions, and the numerical effects of these risks were also included in the models.

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The Methodology of Behavioural 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, behavioural 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.

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.

IX. EXPLANATIONS ON OFFSETTING FINANCIAL INSTRUMENTS

Financial assets and liabilities are offset, and the net amount is reported in the balance sheet when the Group 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 SECURITIES LENDING TRANSACTIONS

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 Group, 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 Receivables" account and interest expense accruals for the period are calculated with the effective interest rate method.

Securities purchased with resale commitment ("Reverse Repo") are accounted in "Money Markets Receivables" on the balance sheet and interest income accruals for the period are calculated with the effective interest rate method.

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

The assets acquired by the Group 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 Group.

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 are continued to be classified as held for sale if there is sufficient evidence that the delay is due to events or conditions beyond the Parent Bank's control and that the Bank's plan to sell the related asset (or disposal group) is in progress.

The properties acquired by the Group due to receivables are shown in the line of held for sale purpose in the financial statements depending on the termination of the term sales contract.

A discontinued operation is a division of a business that is classified as disposed or held for sale. The results related to discontinuing operations are presented separately in the profit or loss statement. The Group does not have any discontinued operations.

XII. EXPLANATIONS ON GOODWILL AND OTHER INTANGIBLE ASSETS

As of the balance sheet date, there is no goodwill in the financial statements of the Group. (31 December 2022: None).

Other intangible assets are based on their initial acquisition amounts and other direct costs required to make the asset available. Other intangible assets were revalued over their remaining amounts after deducting the accumulated depreciation and, if any, the accumulated depreciation from the cost value in the period following their recording.

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. Expenditures for other intangible assets are amortized with equal amounts within the lease period, and if the lease period is not certain or is more than five years, the redemption period is accepted as five years (depreciation rate 20%).

The Group recognizes its software costs incurred under the intangible assets-intangible rights account and the expenses that qualify as development are added to software's initial costs and amortized over 3 years considering the useful lives. The Parent Bank has determined estimated useful lives of the intangible assets between 3 and 15 years and it applies depreciation rates between 33.3% to 6.7%

XIII. EXPLANATIONS ON PROPERTY AND EQUIPMENT

Property and equipment are 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. As of 31 January 2014, the Bank has changed its accounting policies and has decided to pursue the real estates registered in its portfolio at fair values. The valuation differences resulting from the valuations of real estate's made by independent appraisal firms are accounted for in the revaluation differences account of tangible fixed assets under shareholders' equity.

Property and equipment (except for immovables) are presented in the financial statements over their remaining cost after deducting accumulated depreciation from cost amounts, if any, and after deducting accumulated depreciation from their fair values. Property and equipment are depreciated over their estimated useful lives using the straight-line method. The amortization method applied in the current period has not been changed.

Estimated useful lives and amortization rates of property and equipment are below:

	Estimated Useful Lives (Year)	Amortization Rate
Buildings	50	2%
Safe-deposit boxes	50	2%
Other movable properties	3-15	33,33-6,66%
Assets held under leases	10	10%

Gains or losses arising from the disposal of property and equipment are reflected in the profit or loss accounts as the difference between the net disposal revenue of the tangible asset and the net book value.

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.

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.

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XIV. EXPLANATIONS ON INVESTMENT PROPERTIES

Investment properties consist of assets held to earn rent and/or value increase. The mentioned real estates owned by the Group are shown in the consolidated financial statements using the fair value method within the framework of TAS 40 "Investment Properties". Gains and losses arising from a change in the fair value of investment properties are reflected in the profit/loss accounts in the period they occur.

XV. EXPLANATIONS ON LEASING TRANSACTIONS

Leases in TFRS 16

The Group measures the operational lease liabilities based on the present value of the lease payments that have not been paid at the date of lease is actually started, in accordance with TFRS 16. Lease payments are discounted by using the Group's incremental borrowing rate. 2-year government bond indicator interest rates are used for Turkish Lira rentals, and Eurobond indicator interest rates are used for foreign currency leasing transactions for ongoing contracts.

After the lease actually started, the Group; Increases the carrying amount to reflect the interest in the lease obligation, reduce the carrying value to reflect the lease payments made, and re-measure the carrying value to reflect reassessments and changes to the lease, or to reflect fixed lease payments in revised core.

The interest on the lease liability for each period of the lease term, is the amount calculated by charging a fixed periodic interest rate on remaining balance of lease liability.

After the date of lease actually started, the Group remeasures the lease liability to reflect the changes in lease payments. The Group reflects the remeasurement amount of the lease liability, in financial statements as adjustments in right to use assets.

The Group uses a revised discount rate that reflects changes in the interest rate if there is a change in the initial lease period or the use of the purchase option.

The Group remeasures the lease liability by discounting the revised lease payments using a revised discount rate for a lease modification that is not accounted for as a separate lease, at the effective date of the lease modification. The revised discount rate is determined as the alternative borrowing interest rate at the effective date of the modification. The Group decreases carrying amount of the right-of-use asset to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease. Any gain or loss relating to the partial or full termination of the lease is recognized in profit or loss. A corresponding adjustment to the right-of-use asset is made for all other lease modifications.

The Group does not apply the standard provisions for leases shorter than 1 year in line with the exception provisions of the relevant standard. The Group reflects the lease payments associated with these leases linearly throughout the lease period and reflects them in the financial statements.

Subject to financial leasing in the consolidated balance sheet of the entity is shown as a receivable equal to net leasing. The interest income is determined to form a fixed revenue return ratio using net investment method related to lease asset of the lessor, and the portion of interest income which does not take part in the related term is followed under the unearned interest income account.

Tangible assets that are acquired under leasing are amortized with respect to the rates used for directly acquired assets that have similar nature. Assets held under leases are recognized under the tangible assets account and are depreciated on annual and monthly basis with respect to their useful lives. Principal and installment paid for tangible fixed assets that are acquired under leasing are charged to liability account "Lease Liabilities", whereas interests are recognized in "Deferred Leasing Expenses" account. At installment payments, principal and interest amount of installment amount is debited to "Lease Liabilities" account, whereas interest is credited in "Deferred Leasing Expenses" account and recorded to the "Other Interest Expenses".

XVI. EXPLANATIONS ON PROVISIONS, CONTINGENT ASSET AND LIABILITIES

Provisions other than provisions for impairment set for loans and other receivables and provisory liabilities are accounted in accordance with TAS 37 "Turkish Accounting Standard on Provisions, Contingent Liabilities and Contingent Assets Corresponding".

The Group 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 from the Parent Bank 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.

XVII. EXPLANATIONS ON OBLIGATIONS RELATED TO EMPLOYEE RIGHTS

Employment Termination and Vacation Benefits

The Group recognizes its liabilities of employment terminations and vacation benefits in accordance with TAS 19 "Turkish Accounting Standard about Benefits for Employee" and estimates the net present value of future liabilities arising from employment terminations and vacation benefits and reflects this provision amount in the financial statements.

Under the Turkish legislation as supplemented by union agreements, Employment Termination Benefit payments are made in case of retirement or employment termination or resignation depending on the arise of the legal conditions. According to the related legislation, depending on the status and position of the employee in the Group and social security institution, retirement bonus pension/severance payments are calculated for the time that the personnel has worked. Employment termination is calculated based on actuarial assumptions. These assumptions based on the calculation are below:

The Parent Bank uses independent actuaries in determining liability and also makes assumptions about issues such as discount rate and inflation. As of 31 December 2023, retirement benefit obligation is TL 5.312.642 (31 December 2022: TL 6.140.669).

	Current Period	Prior Period
Discount Rate	28,00%	10,60%
Inflation	23,67%	10,08%

The Bank recognize its actuarial profit and loss under shareholders' equity in accordance with the revised TAS 19 Turkish Accounting Standard for Employee Benefits, which entered into force as of 1 January 2013. The Bank has reclassified actuarial loss of TL 1.475.432 after deferred tax effect under shareholders' equity in the financials (31 December 2022: TL 2.852.002 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.

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

GRI 201-3, 402-1

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Liability of T.C. Ziraat Bankası and T. Halk Bankası Members Pension and Relief Fund

Some of the Parent Bank and Ziraat Katılım Bankası A.Ş. 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 31 March 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 interest rate of 9,80%. Moreover, the unfulfilled other social rights and payments existed in the settlement deeds of the subjected pension funds of the transferred participants, members or the rightful owners will be continued to be fulfilled by the employer entities of the funds and its participants.

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

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

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

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

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

The technical balance sheet report as of 31 December 2023 which is prepared in accordance with the new law and the rate determined as 9,80%, concluded no technical deficit arises in the above-mentioned fund. Since the Parent 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 Parent Bank's financial statements.

GRI 201-3, 402-1

XVIII. EXPLANATIONS ON TAXATION

Current Tax

The corporate tax rate of 20% was designated in Corporate Tax Law No. 5520 which was taken into effect on 1 January 2006 after being published in the Official Gazette dated 21 June 2006 numbered 26205 for corporate earnings.

However;

Pursuant to Article 25 of Law No. 7394 published in the Official Gazette dated 15 April 2022 and numbered 31810; Corporate tax rate has been determined as 25% for banks, companies within the scope of Law No. 6361, electronic payment and money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies is determined as 25%, and this rate will be effective as of 1 July 2022. It came into force to start with the declarations that must be submitted and to be applied to corporate earnings for accounting periods starting from 1 January 2022.

In accordance with Article 21 of the Law No. 7456 published in the Official Gazette dated 15 July 2023 and numbered 32249, starting from the declarations that must be submitted as of 1/10/2023; The corporate tax rate to be applied to the earnings 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. As of 31 December 2023, the corporate tax rate has been applied as 30% in the financial statements.

The corporate tax rate is applied to the tax base to be found as a result of the addition of the non-deductible expenses in accordance with the tax laws to the commercial income of the corporations and deducting the exceptions (such as the participation earnings 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 exempted part of revenue to the other accounts with other ways out of capitalizing in five years or withdrawn from company or transferring from limited taxpayer corporations to the headquarters, are considered as tax loss. This is also be applicable in the condition of liquidation of business (Except transfers and divisions that make according to this code).

GRI 207-1, 207-4

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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.

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 previous 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.

With the Communiqué on Amendments to the Tax Procedure Law General Communiqué numbered 547 (sequence number 537), published in the Official Gazette numbered 32073 dated 14 January 2023, the procedures and principles of the articles of law allowing the revaluation of immovable properties and depreciable economic assets have been rearranged. Accordingly, the Parent Bank has revalued the real estate and depreciable economic assets in its balance sheet until 30 September 2023, provided that the conditions stipulated in the Provisional Article 32 of the Tax Procedure Law and the Duplicate Article 298/ç are met. Since the financial statements were subject to inflation adjustment as of 31 December 2023, real estate and depreciable economic assets were not revalued as of 31 December 2023. Corporate tax is calculated by taking into account the depreciation allocated on the revalued values of real estate and depreciable economic assets until 30 September 2023.

GRI 207-1, 207-4

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Tax rates used in tax calculation considering the related countries' tax legislation as of 31 December 2023 are presented below:

Russia	20%
Kazakhstan	20%
Germany	15%
Bosnia Herzegovina	10%
Azerbaijan	20%
Montenegro	15%
Georgia	15%
Uzbekistan	20%

Deferred Tax

The Parent 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 and accounting.

With the Law No. 7394 on the Evaluation of Immovable Property Owned by the Treasury and Amending the Value Added Tax Law, which was published in the Official Gazette dated April 15, 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 October 1, 2023; The corporate tax rate to be applied to the profits of corporations in 2023 and the following taxation periods has been increased from 25% to 30% for banks and other institutions mentioned in the law.

Deferred tax liability or assets are determined by calculating the tax effects of the temporary differences between the amounts of assets and liabilities shown in the financial statements and the amounts taken into account in the calculation of the legal tax base, according to the balance sheet method, taking into account the enacted tax rates. In the calculation of deferred tax, the Bank estimates the time when temporary differences will be taxable/deductible and uses enacted tax rates as of the balance sheet date in accordance with the current tax legislation. As the deferred tax assets or liabilities within the scope of TAS 12 are calculated based on the tax rates (and tax laws) that are in effect or nearly effective as of the end of the reporting period (balance sheet date), using the tax rates expected to be applied in the periods when the assets are converted into income or the liabilities are paid, As of 31 December 2023, 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.

According to the temporary article 33 of the Tax Procedure Law, in the financial statements dated 31 December 2023, the tax effects arising from the inflation adjustment of corporate taxes are included in the deferred tax calculation as of 31 December 2023.

GRI 207-1, 207-4

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XIX. EXPLANATIONS ON BORROWINGS

The Group recognizes its debt instruments in accordance with TFRS 9 "Financial Instruments" and all financial liabilities are carried at amortized cost by using effective interest rate method. The Group has no borrowings that require hedging techniques for accounting and revaluation of debt instruments and liabilities representing the borrowings.

If required, the Group borrows from domestic and foreign real people and entities with debt instruments such as bill/bond issuance. These transactions are recognized at fair value including acquisition costs at the transaction date while accounted with effective interest rate method over their discounted costs in the following periods.

The Group has issued no convertible bonds to shares and has no instruments representing its own borrowings.

XX. EXPLANATIONS ON ISSUANCE OF SHARE CERTIFICATES

There are no issued shares by the Group.

XXI. EXPLANATIONS ON AVALIZED DRAFTS AND ACCEPTANCES

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

XXII. EXPLANATIONS ON GOVERNMENT GRANTS

There are no government incentives utilized by the Group as of the balance sheet date.

XXIII. 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. FC cash equivalents and balances regarding banks are valued by the period end counter foreign currency buying rate of the Bank.

For the purposes of the cash flow statement, "Cash" includes cash, effectives, 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.

XXIV. EXPLANATIONS ON SEGMENT REPORTING

Information about operating segments which are determined in line with TFRS 8 "Turkish Accounting Standard Operating Segments" together with organizational and internal reporting structure of the Group, are disclosed in Note X of Section Four.

XXV. EXPLANATIONS ON OTHER MATTERS

None.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

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SECTION FOUR

EXPLANATIONS RELATED TO THE FINANCIAL POSITION AND RISK MANAGEMENT

I. EXPLANATIONS ON THE COMPONENTS OF CONSOLIDATED SHAREHOLDERS' EQUITY

Shareholders "equity and capital adequacy ratio were calculated 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 31 January 2023 and numbered 10496, the Central Bank's foreign exchange buying rate of 31 December 2022 was used while calculating the valued amounts in foreign currency in calculating the amount subject to credit risk.
- Within the framework of the regulation dated 21 December 2021 No. 9996, if the net valuation differences of the securities held by banks in the portfolio of "Financial Assets at Fair Value through Other Comprehensive Income" are negative, these differences may not be taken into consideration in the calculation of equity amount.

As of 31 December 2023, the Parent Bank's total regulatory capital has been calculated as TL 426.846.562 (31 December 2022: TL 255.818.605), capital adequacy ratio is 16,79% (31 December 2022: 15,78%). This ratio is well above the minimum ratio required by the legislation.

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1. Information Related to The Components of Shareholders' Equity

	Current Period 31 December 2023	Prior Period 31 December 2022
COMMON EQUITY TIER 1 CAPITAL		
Paid-in capital following all debts in terms of claim in liquidation of the Bank	84.600.000	34.900.000
Share issue premiums	-	-
Reserves	120.658.996	74.732.663
Gains recognized in equity as per TAS	60.986.317	72.993.953
Profit	101.536.877	47.416.520
Current Period Profit	99.344.307	46.462.121
Prior Period Profit	2.192.570	954.399
Shares acquired free of charge from associates, subsidiaries and entities under common control and cannot be recognized within profit for the period	1.127.113	279.341
Minority Interest	823	1.986
Common Equity Tier 1 Capital Before Deductions	**368.910.126**	**230.324.463**
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	12.807.126	19.920.751
Improvement costs for operating leasing	992.825	154.357
Goodwill (net of related tax liability)	-	-
Other intangibles other than mortgage-servicing rights (net of related tax liability)	4.757.497	2.766.382
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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	Current Period 31 December 2023	Prior Period 31 December 2022
Excess amount arising from the net long positions of investments in common equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital	-	-
Excess amount arising from mortgage servicing rights	-	-
Excess amount arising from deferred tax assets based on temporary differences	-	-
Other items to be Defined by the BRSA (-)	-	-
Deductions to be made from common equity due to insufficient Additional Tier I Capital or Tier II Capital	-	-
Total Deductions from Common Equity Tier I Capital	**18.557.448**	**22.841.490**
Total Common Equity Tier I Capital	**350.352.678**	**207.482.973**
ADDITIONAL TIER I CAPITAL		
Preferred Stock not Included in Common Equity Tier I Capital and the Related Share Premiums	-	-
Debt instruments and premiums approved by BRSA	48.758.145	30.236.921
Debt instruments and premiums approved by BRSA (Temporary Article 4)	-	-
Third parties' share in the Additional Tier I capital - -	-	-
Third parties' share in the Additional Tier I capital (Covered by Temporary Article 3)	-	-
Additional Tier I Capital before Deductions	**48.758.145**	**30.236.921**
Deductions from Additional Tier I Capital	-	-
Direct and Indirect Investments of the Bank on its own Additional Tier I Capital (-)	-	-
Investments of Bank to Banks that invest in Bank's additional equity and components of equity issued by financial institutions with compatible with Article 7.	-	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital	-	-
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital	-	-
Other Items to be defined by the BRSA (-)	-	-
Transition from the Core Capital to Continue to deduce Components		
Goodwill and other intangible assets and related deferred tax liabilities which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
Net deferred tax asset/liability which is not deducted from Common Equity Tier 1 capital for the purposes of the sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-	-
Total Deductions from Additional Tier I Capital	-	-
Total Additional Tier I Capital	**48.758.145**	**30.236.921**
Total Tier I Capital (Tier I Capital= Common Equity Tier I Capital + Additional Tier I Capital)	**399.110.823**	**237.719.894**
TIER II CAPITAL	-	-
Debt instruments and share issue premiums deemed suitable by the BRSA	-	-
Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)	-	-
Third parties' share in the secondary capital	-	-
Third parties' share in the secondary capital (Covered by Temporary Article 3)	-	-
Provisions (Article 8 of the Regulation on the Equity of Banks)	27.811.243	18.123.366
Tier II Capital Before Deductions	**27.811.243**	**18.123.366**
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	**27.811.243**	**18.123.366**
Total Capital (The sum of Tier I Capital and Tier II Capital)	**426.922.066**	**255.843.260**

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	Current Period 31 December 2023	Prior Period 31 December 2022
Total Capital (The sum of Tier I Capital and Tier II Capital)	**426.922.066**	**255.843.260**
Deductions from Capital Loans granted contrary to the 50th and 51st Article of the Law	-	-
Net Book Values of Movables and Immovables Exceeding the Limit Defined in the Article 57, Clause 1 of the Banking Law and the Assets Acquired against Overdue Receivables and Held for Sale but Retained more than Five Years	-	-
Other items to be defined by the BRSA	75.504	24.655
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 (-)	-	-
CAPITAL		
Total Capital (Total of Tier I Capital and Tier II Capital)	426.846.562	255.818.605
Total Risk Weighted Assets	2.542.020.315	1.621.034.385
CAPITAL ADEQUACY RATIOS		
Consolidated CET 1 Capital Ratio (%)	13,78	12,80
Consolidated Tier I Capital Ratio (%)	15,70	14,67
Consolidated Capital Adequacy Ratio (%)	16,79	15,78
BUFFERS		
Total additional core capital requirement ratio (a+b+c)	4,578	4,56
a) Capital conservation buffer requirement (%)	2,50	2,50
b) Bank specific countercyclical buffer requirement (%)	0,078	0,06
c) Higher bank buffer requirement ratio (%)	2	2
Additional CET 1 Capital Over Total Risk Weighted Assets Ratio Calculated According to the Article 4 of Capital Conservation and Counter-Cyclical Capital Buffers Regulation	9,28	8,30
Amounts Lower than Excesses as per Deduction Rules		
Remaining Total of Net Long Positions of the Investments in Equity Items of Consolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital	431.023	307.624
Remaining Total of Net Long Positions of the Investments in Tier I Capital of Consolidated Banks and Financial Institutions where the Bank Owns more than 10% or less of the Issued Share Capital	210.486	135.876
Remaining Mortgage Servicing Rights	-	-
Net Deferred Tax Assets arising from Temporary Differences	33.467.558	5.928.087
Limits for Provisions Used in Tier II Capital Calculation		
General Loan Provisions for Exposures in Standard Approach (before limit of one hundred and twenty five per the thousand	60.569.964	46.570.632
General Loan Provisions for Exposures in Standard Approach Limited by 1.25% of Risk Weighted Assets	27.811.243	18.123.366
Total Loan Provision that Exceeds Total Expected Loss Calculated According to Comminique on Calculation of Credit Risk by Internal Ratings Based Approach	-	-
Total Loan Provision that Exceeds Total Expected Loss Calculated According to Comminique on Calculation of Credit Risk by Internal Ratings Based Approach, Limited by 0.6% Risk Weighted Assets	-	-
Debt Instruments Covered by Temporary Article 4 (effective between 1.1.2018-1.1.2022)		
Upper Limit for Additional Tier I Capital Items subject to Temporary Article 4	-	-
Amount of Additional Tier I Capital Items Subject to Temporary Article 4 that Exceeds Upper Limit	-	-
Upper Limit for Additional Tier II Capital Items subject to Temporary Article 4	-	-
Amount of Additional Tier II Capital Items Subject to Temporary Article 4 that Exceeds Upper Limit	-	-

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2. Items Included in Capital Calculation

Information about instruments included in total capital calculation-Current Period	
Issuer	T.C Ziraat Bankası A.Ş.
Identifier (CUSIP, ISIN etc.)	XS1984644739
Governing law (s) of the instrument	Subject to English Law and in terms of certain articles to Turkish Regulations. It is issued within the scope of the Communiqué VII-128.8 on Debt Instruments of the Capital Markets Board and the Regulation on Bank Capital of the BRSA.
Regulatory treatment	
Subject to 10% deduction as of 1/1/2015	No.
Eligible on unconsolidated and/or consolidated basis	Eligible on unconsolidated and consolidated
Instrument type	Additional Capital Bond Issuance (Tier 1 Capital)
Amount recognized in regulatory capital (Currency in TL million, as of most recent reporting date)	45.076
Nominal value of instrument (TL million)	45.076
Accounting classification of the instrument	347001-Subordinated Debts
Original date of issuance	24 April 2019
Maturity structure of the instrument (perpetual/dated)	Perpetual
Issue date of the instrument	24 April 2019
Issuer call subject to prior supervisory (BRSA) approval	Yes
Call option dates, conditioned call dates and call amount	Subject to the approval of the BRSA, a repayment option is available at the end of each 5-year period from the date of issue.
Subsequent call dates, if applicable	24 April 2024
Interest/dividend payment	
Fixed or floating coupon/dividend payments	Fixed
Coupon rate and any related index	First 5 years fixed 5,076%, next 5 years MS + 5,031% fixed
Existence of any dividend payment restriction	None
Fully discretionary, partially discretionary or mandatory	Fully discretionary
Existence of step up or other incentive to redeem	None
Noncumulative or cumulative	Noncumulative
Convertible into equity shares	
If convertible, conversion trigger (s)	None
If convertible, fully or partially	None
If convertible, conversion rate	None
If convertible, mandatory or optional conversion	None
If convertible, type of instrument convertible into	None
If convertible, issuer of instrument to be converted into	None
Write-down feature	
If bonds can be written-down, write-down trigger(s)	Yes. Article 7 of the Regulation on Bank Capital
If bond can be written-down, full or partial	Has full or partial write down feature
If bond can be written-down, permanent or temporary	Has permanent or temporary write down feature
If temporary write-down, description of write-up mechanism.	Has-write up mechanism
Position in subordination hierarchy in case of liquidation (instrument type immediately senior to the instrument)	After the debt instruments to be included in secondary capital calculation, the depositors and all other creditors
In compliance with article number 7 and 8 of Regulation on Bank Capital	Instrument is in compliant with Article 7 of the Regulation on Bank Capital.
Details of incompliances with article number 7 and 8 of Regulation on Bank Capital	Instrument is in compliant with Article 7 of the Regulation on Bank Capital.

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Information about instruments included in total capital calculation-Current Period	
Issuer	Türkiye Wealth Fund.
Identifier (CUSIP, ISIN vb.)	-
Governing law (s) of the instrument	The Regulation on Bank Capital and Communique on Principles Regarding Debt Securities to be Included in the Calculation of Banks' Equity of the BRSA. 5 October 2013
Regulatory treatment	
Subject to 10% deduction as of 1/1/2015	None
Eligible on consolidated and/or unconsolidated basis	Eligible on consolidated and unconsolidated
Instrument type	Additional Capital Credit (Tier 1 Capital)
Amount recognized in regulatory capital (Currency in TL million, as of most recent reporting date)	2.541
Nominal value of instrument (TL million)	3.255
Accounting classification of the instrument	347000-Subordinated Loans
Original date of issuance	24 April 2019
Maturity structure of the instrument (perpetual/dated)	Perpetual
Issue date of the instrument	24 April 2019
Issuer call subject to prior supervisory (BRSA) approval	Yes
Call option dates, conditioned call dates and call amount	Option date is 5 years, (subject to BRSA permission)
Subsequent call dates, if applicable	-
Interest/dividend payment	
Fixed or floating coupon/dividend payments	None
Coupon rate and any related index	None
Existence of any dividend payment restriction	None
Fully discretionary, partially discretionary or mandatory	None
Existence of step up or other incentive to redeem	None
Noncumulative or cumulative	None
Convertible into equity shares	
If convertible, conversion trigger (s)	None
If convertible, fully or partially	None
If convertible, conversion rate	None
If convertible, mandatory or optional conversion	None
If convertible, type of instrument convertible into	None
If convertible, issuer of instrument to be converted into	None
Write-down feature	
If bonds can be written-down, write-down trigger(s)	If the Core Capital adequacy ratio or the consolidated Core Capital adequacy ratio falls below 5,125 percent
If bond can be written-down, full or partial	Yes
If bond can be written-down, permanent or temporary	Temporary
If temporary write-down, description of write-up mechanism.	It is possible to write up after temporary write down.
Position in subordination hierarchy in case of liquidation (instrument type immediately senior to the instrument)	i. After payments within the scope of Priority Liabilities, ii. Equal (pari passu) among themselves and with all other Co-Liabilities without order of preference, and iii. Prior to all payments under Low-Degree Liabilities.
In compliance with article number 7 and 8 of Regulation on Bank Capital	Instrument is in compliant with Article 7 of the Regulation on Bank Capital.
Details of incompliances with article number 7 and 8 of Regulation on Bank Capital	Instrument is in compliant with Article 7 of the Regulation on Bank Capital

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Information about instruments included in total capital calculation-Current Period	
Issuer	Türkiye Wealth Fund.
Identifier (CUSIP, ISIN vb.)	-
Governing law (s) of the instrument	The Regulation on Bank Capital and Communique on Principles Regarding Debt Securities to be Included in the Calculation of Banks' Equity of the BRSA. 5 October 2013
Regulatory treatment	
Subject to 10% deduction as of 1/1/2015	None
Eligible on consolidated and/or unconsolidated basis	Eligible on consolidated and unconsolidated
Instrument type	Additional Capital Credit (Tier 1 Capital)
Amount recognized in regulatory capital (Currency in TL million, as of most recent reporting date)	1.141
Nominal value of instrument (TL million)	1.857
Accounting classification of the instrument	347000-Subordinated Loans
Original date of issuance	09 March 2022
Maturity structure of the instrument (perpetual/dated)	Perpetual
Issue date of the instrument	09 March 2022
Issuer call subject to prior supervisory (BRSA) approval	Yes
Call option dates, conditioned call dates and call amount	Option date is 5 years, (subject to BRSA permission)
Subsequent call dates, if applicable	-
Interest/dividend payment	
Fixed or floating coupon/dividend payments	None
Coupon rate and any related index	None
Existence of any dividend payment restriction	None
Fully discretionary, partially discretionary or mandatory	None
Existence of step up or other incentive to redeem	None
Noncumulative or cumulative	None
Convertible into equity shares	
If convertible, conversion trigger (s)	None
If convertible, fully or partially	None
If convertible, conversion rate	None
If convertible, mandatory or optional conversion	None
If convertible, type of instrument convertible into	None
If convertible, issuer of instrument to be converted into	None
Write-down feature	
If bonds can be written-down, write-down trigger(s)	If the Core Capital adequacy ratio or the consolidated Core Capital adequacy ratio falls below 5,125 percent
If bond can be written-down, full or partial	Yes
If bond can be written-down, permanent or temporary	Temporary
If temporary write-down, description of write-up mechanism.	It is possible to write up after temporary write down.
Position in subordination hierarchy in case of liquidation (instrument type immediately senior to the instrument)	i. After payments within the scope of Priority Liabilities, ii. Equal (pari passu) among themselves and with all other Co-Liabilities without order of preference, and iii. Prior to all payments under Low-Degree Liabilities.
In compliance with article number 7 and 8 of Regulation on Bank Capital	Instrument is in compliant with Article 7 of the Regulation on Bank Capital.
Details of incompliances with article number 7 and 8 of Regulation on Bank Capital	Instrument is in compliant with Article 7 of the Regulation on Bank Capital

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3. Necessary Explanations in order to Reach an Agreement Between the Statement of Shareholder's Equity and Balance-Sheet Amounts

	Current Period	Prior Period
Balance Sheet - Equity	**362.986.091**	**214.081.750**
Operational Leasing Development Costs	(992.825)	(154.357)
Goodwill and Other Intangible Assets and Related Deferred Taxes Liabilities	(4.757.497)	(2.766.382)
TIER 2 Capital (Provisions)	27.811.243	18.123.366
Debt Instruments and the Related Issuance Premiums Defined by the BRSA TIER 2 Capital (Provisions)	48.758.145	30.236.921
Other deductions from common equity	(75.504)	(24.655)
Minority interest	(6.883.091)	(3.678.038)
Other regulations	-	-
Amount recognized in regulatory capital	**426.846.562**	**255.818.605**

II. EXPLANATIONS ON THE CONSOLIDATED CREDIT RISK

1. Information on Credit Risk

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

The limits of the credit customers are identified, after combined assessment of various factors like the financial and non-financial information of the credit customers, credit requirements, sectoral and geographical features and, in conformity with the legal legislation, in line with the credit authorization limits of the branches, Group Presidencies, Department Presidencies, Assistant General Management, General Manager, Credit Committee and Board of Directors.

In order to prevent the risk intensity on the Corporate/Commercial loan portfolio, limits are determined and followed on the basis of group companies, private and public firms, and different debtor groups. Similarly, in determining the limits of the agricultural loan portfolio the structures of the regions are considered. The Group's credit authority limits on given consumer loans are defined with the separation of type and guarantee and these limits are updated according to economic conjuncture and demands of Regional Directorates/Branches.

The limits, subjects, collateral structure, maturities, accounts booked, outstanding balances of the loans allocated by the branches are periodically analyzed depending on the number of customers and monitored on customer and regional basis.

In corporate/commercial loans, companies continue to be monitored after the allocation of the loan, and changes in the financial structures and market relations of loan companies are followed. Credit limits are determined and approved to be valid for one year, and renewals are made provided that there is no negative change in the customer's situation (financial structure, market, collateral, etc.).

The Parent Bank is assessing credibility of the customer as the essential factor in issuing credits and creditors' credit worthiness are ascertained during credit application and limit allocation/renewal. Documents to be obtained during the application are evidently mentioned in regulations and appropriateness of the documents obtained during application is controlled by internal audit departments. The Parent Bank considers guarantees as important in minimization and elimination of the risk. As a result of policies and process based on obtaining reliable and robust guarantees, the Parent Bank's credit risk significantly declines.

On August 2012 the Parent Bank started applying internal ratings processes as a decision support system for analyzing credit worthiness and determining credit allocation for Corporate/Commercial consumer loans.

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

Identification of limits for domestic and foreign banks are done by rating which is determined by considering the needs of clients and departments together with financial and economic conditions of the banks and their countries. When banks and/or countries are financially or economically risky, identified limits can be restricted with maturity, amount or type of transaction or use of credit is called off.

Since the Parent Bank's abroad lending operations have no significant effect on the financial statements, and operations and transactions are diversified via the use of different financial institutions in various countries, The Parent Bank is not believed to be exposed to a significant credit risk as a result of these operations.

Foreign financial institution and country risks of the Parent Bank are generally taken on financial institutions and countries which are rated by international rating institutions. Treasury operations are executed in the frame of pre-determined authorization and limits, these authorization and limits are monitored. Client transactions within the context of Fund Management are done in the frame of general loan limits determined for the client.

The Parent Bank engages in foreign currency swaps and forward transactions considering its asset-liability balance and legal limits within the framework of the authorities and limits determined by the Board of Directors. These are not considered to generate material risk given the amount of these transactions in the balance sheet.

Non-cash risks of customers classified as non-performing loans in accordance with the Communiqué on "Methods and Principles on Determining the Nature of Loans and Other Receivables and Allocation of Provisions" are subjected to expected loss provision (Stage 3) under the same regulation, when the related risks are reimbursed and transformed into cash receivables, they are followed up in the same risk group as the cash loan which was previously classified as non-performing loans and the expected losses provision (Stage 3) continues to be provided.

Restructured and rescheduled loans are also booked in line with procedures and under accounts defined by the related regulation. Furthermore, they are monitored by the Parent Bank in line with credit risk policies. In this context, financial situation and commercial operations of related customers are analyzed and in terms of restructured plan, whether principal and interest payments have been paid is being checked and necessary measures are taken.

The percentage of top 100 and top 200 cash loans in the total cash loan portfolio is 26% and 31% respectively (31 December 2022: 28% and 34%).

The percentage of top 100 and top 200 non-cash loans in the total non-cash loan portfolio is 47% and 57% respectively (31 December 2022: 46% and 56%).

The percentage of top 100 and top 200 cash and non-cash loans in the total cash and non-cash loan portfolio is 27% and 33% respectively (31 December 2022: 28% and 35%).

TFRS 9 expected loss provisions for the loans for the Stage 1 and Stage 2 are amounted TL 60.144.087. (31 December 2022: TL 46.368.264)

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

2. The Profile of Important Risks of Important Regions

	Conditional and unconditional receivables from central governments or central banks	Conditional and unconditional receivables from regional or local governments	Conditional and unconditional receivables from administrative units and non-commercial enterprises	Conditional and unconditional receivables from multilateral development banks	Conditional and unconditional receivables from international organisations	Conditional and unconditional receivables from banks and brokerage houses	Conditional and unconditional corporate receivables	Conditional and unconditional retail receivables
Current Period								
Domestic	1.393.286.378	6.939.816	35.047.233	-	-	37.063.576	1.043.275.449	669.866.038
European Union Countries	1.345.853	-	-	-	-	26.834.110	12.900.797	666.225
OECD Countries (1)	-	-	-	-	-	147.382.482	2.503.095	91.379
Off-shore Banking Regions	8	-	-	-	-	4.191.069	-	697
USA, Canada	-	-	-	-	-	9.509.720	2.026.701	49.743
Other Countries	10.197.959	1.690	24	-	-	22.722.881	34.804.434	6.049.358
Subsidiaries, Associates and Joint Ventures	-	-	-	-	-	-	-	-
Unallocated Assets/Liabilities (2)	-	-	-	-	-	-	-	-
Total	**1.404.830.198**	**6.941.506**	**35.047.257**	**-**	**-**	**247.703.838**	**1.095.510.476**	**676.723.440**

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

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

(2) Assets and liabilities that could not be distributed on a consistent basis

	Conditional and unconditional receivables from central governments or central banks	Conditional and unconditional receivables from regional or local governments	Conditional and unconditional receivables from administrative units and non-commercial enterprises	Conditional and unconditional receivables from multilateral development banks	Conditional and unconditional receivables from international organisations	Conditional and unconditional receivables from banks and brokerage houses	Conditional and unconditional corporate receivables	Conditional and unconditional retail receivables
Prior Period								
Domestic	767.061.180	727.678	13.023.438	-	-	27.763.097	748.829.337	359.264.273
European Union Countries	808.846	-	-	-	-	26.248.385	11.845.538	416.238
OECD Countries (1)	-	-	-	-	-	55.740.210	639.944	38.663
Off-shore Banking Regions	41	-	-	-	-	1.728.423	-	1.935
USA, Canada	-	-	-	-	-	2.687.129	1.005.136	24.951
Other Countries	3.616.421	5.193	27	-	-	6.990.082	18.653.623	3.484.358
Subsidiaries, Associates and Joint Ventures	-	-	-	-	-	-	-	-
Unallocated Assets/Liabilities (2)	-	-	-	-	-	-	-	-
Total	**771.486.488**	**732.871**	**13.023.465**	**-**	**-**	**121.157.326**	**780.973.578**	**363.230.418**

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

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

(2) Assets and liabilities that could not be distributed on a consistent basis

Conditional and unconditional receivables secured by mortgages	Past due receivables	Receivables defined in high risk category by BRSA	Securities collateralised by mortgages	Securitisation positions	Short-term receivables from banks, brokerage houses and corporates	Investments similar to collective investment funds	Investments in Equity Instruments	Other Receivables	Total
303.136.082	4.792.981	192.241.961	-	-	-	1.135.468	2.361.092	139.187.015	3.828.333.089
442.403	8.896	35.320	-	-	-	-	5.152	68.955	42.307.711
79.628	1.194	3.200	-	-	-	-	-	-	150.060.978
1.599	6	3	-	-	-	-	-	-	4.193.382
59.721	3.195	3.494	-	-	-	-	-	-	11.652.574
727.490	1.068.786	8.908.599	-	-	-	-	78.813	3.736.439	88.296.473
-	-	-	-	-	-	775	1.524.002	770.992	2.295.769
-	-	-	-	-	-	-	-	-	-
304.446.923	**5.875.058**	**201.192.577**	**-**	**-**	**-**	**1.136.243**	**3.969.059**	**143.763.401**	**4.127.139.976**

Conditional and unconditional receivables secured by mortgages	Past due receivables	Receivables defined in high risk category by BRSA	Securities collateralised by mortgages	Securitisation positions	Short-term receivables from banks, brokerage houses and corporates	Investments similar to collective investment funds	Investments in Equity Instruments	Other Receivables	Total
238.788.891	3.008.502	98.510.074	-	-	-	1.776.330	837.504	94.342.338	2.353.932.642
328.654	4.092	58.241	-	-	-	-	4.035	167.915	39.881.944
46.822	484	3.669	-	-	-	-	-	-	56.469.792
1.803	5	249	-	-	-	-	-	-	1.732.456
37.669	749	3.069	-	-	-	-	-	-	3.758.703
441.501	3.994	10.661.108	-	-	-	-	30.043	3.402.784	47.289.134
-	-	-	-	-	-	1.117.093	1.892.678	-	3.009.771
-	-	-	-	-	-	-	-	-	-
239.645.340	**3.017.826**	**109.236.410**	**-**	**-**	**-**	**2.893.423**	**2.764.260**	**97.913.037**	**2.506.074.442**

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

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

3. Risk Profile by Sectors or Counterparties

	Risk Classes								
Current Period	**Conditional and unconditional receivables from central governments or central banks**	**Conditional and unconditional receivables from regional or local governments**	**Conditional and unconditional receivables from administrative units and non-commercial enterprises**	**Conditional and unconditional receivables from multilateral development banks**	**Conditional and unconditional receivables from international organizations**	**Conditional and unconditional receivables from banks and brokerage houses**	**Conditional and unconditional corporate receivables**	**Conditional and unconditional retail receivables**	**Conditional and unconditional receivables secured by mortgages**
Sectors/Counter Parties									
Agriculture	82	932.565	16.609.230	-	-	-	45.362.151	331.935.671	36.108.945
Farming and Stockbreeding	5	932.565	16.609.230	-	-	-	42.592.645	330.510.275	35.915.033
Forestry	77	-	-	-	-	-	522.788	996.351	99.671
Fishing	-	-	-	-	-	-	2.246.718	429.045	94.241
Manufacturing	135.243	5.011	1.033.082	-	-	-	480.188.023	64.203.234	8.297.473
Mining and Quarrying	-	-	-	-	-	-	22.648.213	936.547	244.457
Production	135.225	36	941.021	-	-	-	376.951.494	62.462.307	7.946.401
Electric, Gas and Water	18	4.975	92.061	-	-	-	80.588.316	804.380	106.615
Construction	-	-	11	-	-	-	122.604.171	17.355.577	6.504.403
Services	621.048.835	27.783	3.384.604	-	-	247.703.838	373.503.209	91.589.349	13.896.389
Wholesale and Retail Trade	-	26	15.868	-	-	-	120.308.481	68.313.816	9.840.561
Hotel Food and Beverage Services	37.972	35	4.302	-	-	-	26.046.748	5.509.378	1.082.002
Transportation and Telecommunication	-	25	2.974.044	-	-	-	106.622.352	7.154.793	1.149.286
Financial Institutions	611.914.289	-	6.380	-	-	244.087.449	24.066.295	240.297	859
Real Estate and Leasing Services	8.874.406	27.696	259.143	-	-	3.616.389	90.467.988	7.976.756	1.465.914
Self Employment Services	-	-	-	-	-	-	-	-	-
Education Services	220.701	-	61.418	-	-	-	1.501.352	838.490	140.908
Health and Social Services	1.467	1	63.449	-	-	-	4.489.993	1.555.819	216.859
Other	783.646.038	5.976.147	14.020.330	-	-	-	73.852.922	171.639.609	239.639.713
Total	**1.404.830.198**	**6.941.506**	**35.047.257**	**-**	**-**	**247.703.838**	**1.095.510.476**	**676.723.440**	**304.446.923**

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

Risk Classes										
Past due receivables	Receivables defined in high-risk category by BRSA	Securities collateralized by mortgages	Securitization positions	Short-term from banks, brokerage houses and corporates	Investments similar to collective investment funds	Investments in Equity Instruments	Other Receivables	TL	FC	Total
241.722	10.495.556	-	-	-	-	-	-	437.882.605	3.803.317	441.685.922
239.165	10.444.398	-	-	-	-	-	-	434.914.722	2.328.594	437.243.316
1.666	17.694	-	-	-	-	-	-	1.583.325	54.922	1.638.247
891	33.464	-	-	-	-	-	-	1.384.558	1.419.801	2.804.359
1.319.209	28.756.256	-	-	-	-	-	-	326.575.784	257.361.747	583.937.531
1.857	2.362.937	-	-	-	-	-	-	9.202.677	16.991.334	26.194.011
985.419	22.959.720	-	-	-	-	-	-	284.412.578	187.969.045	472.381.623
331.933	3.433.599	-	-	-	-	-	-	32.960.529	52.401.368	85.361.897
677.169	10.739.980	-	-	-	252.272	-	-	80.822.737	77.310.846	158.133.583
1.402.733	28.423.022	-	-	-	883.407	3.969.059	98.815.206	747.368.996	737.278.438	1.484.647.434
505.793	16.568.090	-	-	-	-	-	305	175.220.204	40.332.736	215.552.940
195.591	933.876	-	-	-	-	-	-	16.446.694	17.363.210	33.809.904
37.413	1.005.324	-	-	-	-	-	-	18.728.094	100.215.143	118.943.237
5	4.703.514	-	-	-	683.236	3.969.059	98.814.901	476.645.732	511.840.552	988.486.284
489.499	4.272.684	-	-	-	200.171	-	-	51.630.495	66.020.151	117.650.646
-	-	-	-	-	-	-	-	-	-	-
168.091	382.629	-	-	-	-	-	-	2.939.533	374.056	3.313.589
6.341	556.905	-	-	-	-	-	-	5.758.244	1.132.590	6.890.834
2.234.225	122.777.763	-	-	-	564	-	44.948.195	1.043.692.873	415.042.633	1.458.735.506
5.875.058	**201.192.577**	**-**	**-**	**-**	**1.136.243**	**3.969.059**	**143.763.401**	**2.636.342.995**	**1.490.796.981**	**4.127.139.976**

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

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

	Risk Classes								
Prior Period	**Conditional and unconditional receivables from central governments or central banks**	**Conditional and unconditional receivables from regional or local governments**	**Conditional and unconditional receivables from administrative units and non-commercial enterprises**	**Conditional and unconditional receivables from multilateral development banks**	**Conditional and unconditional receivables from international organizations**	**Conditional and unconditional receivables from banks and brokerage houses**	**Conditional and unconditional corporate receivables**	**Conditional and unconditional retail receivables**	**Conditional and unconditional receivables secured by mortgages**
Sectors/Counter Parties									
Agriculture	82	59.512	35.150	-	-	-	32.551.185	151.503.183	17.610.511
Farming and Stockbreeding	5	59.512	35.150	-	-	-	31.266.208	150.806.203	17.517.337
Forestry	77	-	-	-	-	-	196.687	578.986	56.669
Fishing	-	-	-	-	-	-	1.088.290	117.994	36.505
Manufacturing	129.541	1.104	280.106	-	-	-	342.046.768	32.641.565	4.883.286
Mining and Quarrying	-	-	-	-	-	-	15.328.789	464.649	116.469
Production	129.530	9	119.426	-	-	-	253.248.181	31.855.869	4.705.324
Electric, Gas and Water	11	1.095	160.680	-	-	-	73.469.798	321.047	61.493
Construction	-	-	11	-	-	-	87.408.734	10.550.748	4.059.157
Services	351.164.458	19.759	1.058.264	-	-	121.157.326	289.565.876	57.854.566	10.142.433
Wholesale and Retail Trade	-	26	4.592	-	-	-	79.654.784	42.436.423	7.093.166
Hotel Food and Beverage Services	13.886	35	2.452	-	-	-	18.585.535	3.431.655	816.343
Transportation and Telecommunication	-	25	932.590	-	-	-	106.457.485	5.197.136	767.913
Sectors/Counter Parties	348.728.601	-	9.074	-	-	119.425.536	10.795.982	26.891	17.141
Real Estate and Leasing Services	2.300.128	19.672	31.571	-	-	1.731.790	69.604.657	5.068.111	1.192.295
Self-Employment Services	-	-	-	-	-	-	35.863	41.064	28.355
Education Services	120.403	-	17.723	-	-	-	1.361.871	588.900	85.665
Health and Social Services	1.440	1	60.262	-	-	-	3.069.699	1.064.386	141.555
Other	420.192.407	652.496	11.649.934	-	-	-	29.401.015	110.680.356	202.949.953
Total	**771.486.488**	**732.871**	**13.023.465**	**-**	**-**	**121.157.326**	**780.973.578**	**363.230.418**	**239.645.340**

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

Risk Classes										
Past due receivables	Receivables defined in high risk category by BRSA	Securities collateralized by mortgage	Securitization positions	Short-term from banks, brokerage houses and corporates	Investments similar to collective investment funds	Investments in Equity Instruments	Other Receivables	TL	FC	Total
171.654	4.339.769	-	-	-	-	-	-	204.731.909	1.539.137	206.271.046
170.309	4.298.967	-	-	-	-	-	-	203.252.523	901.168	204.153.691
711	4.899	-	-	-	-	-	-	814.260	23.769	838.029
634	35.903	-	-	-	-	-	-	665.126	614.200	1.279.326
329.160	28.687.823	-	-	-	-	-	-	239.478.978	169.520.375	408.999.353
1.982	1.978.292	-	-	-	-	-	-	6.359.175	11.531.006	17.890.181
307.379	23.719.359	-	-	-	-	-	-	199.526.869	114.558.208	314.085.077
19.799	2.990.172	-	-	-	-	-	-	33.592.934	43.431.161	77.024.095
192.104	6.680.566	-	-	-	303.180	-	-	54.783.215	54.411.285	109.194.500
415.107	23.145.031	-	-	-	2.590.061	2.124.655	70.417.237	365.791.206	563.863.567	929.654.773
329.486	14.104.647	-	-	-	-	-	-	117.554.070	26.069.054	143.623.124
31.373	960.196	-	-	-	-	-	-	9.924.734	13.916.741	23.841.475
20.221	1.753.329	-	-	-	-	-	-	14.376.718	100.751.981	115.128.699
1	3.797.251	-	-	-	1.597.500	-	70.417.237	180.518.673	374.296.541	554.815.214
27.798	2.008.023	-	-	-	992.561	2.124.655	-	37.946.411	47.154.850	85.101.261
-	19	-	-	-	-	-	-	96.270	9.031	105.301
3.002	152.246	-	-	-	-	-	-	1.627.095	702.715	2.329.810
3.226	369.320	-	-	-	-	-	-	3.747.235	962.654	4.709.889
1.909.801	46.383.221	-	-	-	182	639.605	27.495.800	565.468.867	286.485.903	851.954.770
3.017.826	**109.236.410**	**-**	**-**	**-**	**2.893.423**	**2.764.260**	**97.913.037**	**1.430.254.175**	**1.075.820.267**	**2.506.074.442**

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

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

4. Analysis of maturity-bearing exposures according to remaining maturities

Current Period	Term to Maturity				
	1 Month	1-3 Months	3-6 Months	6-12 Months	Over 1 Year
Exposure Classifications:					
Conditional and unconditional exposures to central governments or central banks	224.715.145	7.682.168	47.215.052	20.694.521	1.104.523.312
Conditional and unconditional exposures to regional governments or local authorities	6.802	8.616	29.284	41.821	6.854.983
Conditional and unconditional receivables from administrative units and non-commercial enterprises	18.758	4.534	451.074	207.036	34.365.855
Conditional and unconditional exposures to multilateral development banks	-	-	-	-	-
Conditional and unconditional exposures to international organisations	-	-	-	-	-
Conditional and unconditional exposures to banks and brokerage houses	59.376.471	14.746.606	22.474.881	10.441.045	140.664.835
Conditional and unconditional exposures to corporates	37.065.367	41.285.488	40.846.751	264.486.540	711.826.330
Conditional and unconditional retail exposures	10.169.908	35.321.164	46.708.812	283.076.455	301.447.101
Conditional and unconditional exposures secured by real estate property	1.068.326	3.215.721	5.097.807	25.934.245	269.130.824
Past due receivables	2.728.363	278.132	353.056	487.019	2.028.488
Receivables defined in high risk category by BRSA	4.212.434	1.732.620	2.678.538	134.961.819	57.607.166
Exposures in the form of bonds secured by mortgages	-	-	-	-	-
Securitization Positions	-	-	-	-	-
Short term exposures to banks, brokerage houses and corporates	-	-	-	-	-
Exposures in the form of collective investment undertakings	-	2.991	6.575	451.348	675.329
Investments in Equity Instruments	-	-	-	-	3.969.059
Grand Total	**339.361.574**	**104.278.040**	**165.861.830**	**740.781.849**	**2.633.093.282**

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

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

Prior Period	Term to Maturity				
	1 Month	1-3 Months	3-6 Months	6-12 Months	Over 1 Year
Exposure Classifications:					
Conditional and unconditional exposures to central governments or central banks	113.615.352	3.470.587	11.947.034	59.514.961	582.938.554
Conditional and unconditional exposures to regional governments or local authorities	6.482	7.227	16.959	57.798	644.405
Conditional and unconditional receivables from administrative units and non-commercial enterprises	10.254	21.651	207.953	1.691.561	11.092.046
Conditional and unconditional exposures to multilateral development banks	-	-	-	-	-
Conditional and unconditional exposures to international organisations	-	-	-	-	-
Conditional and unconditional exposures to banks and brokerage houses	45.092.658	15.493.391	11.986.860	4.623.302	43.961.115
Conditional and unconditional exposures to corporates	43.029.859	59.743.020	69.842.761	189.452.072	418.905.866
Conditional and unconditional retail exposures	5.363.757	15.944.616	23.272.994	160.681.598	157.967.453
Conditional and unconditional exposures secured by real estate property	942.794	2.002.926	2.516.988	17.559.489	216.623.143
Past due receivables	718.888	127.365	531.432	239.937	1.400.204
Receivables defined in high risk category by BRSA	3.955.563	4.170.579	10.574.731	43.641.073	46.894.464
Exposures in the form of bonds secured by mortgages	-	-	-	-	-
Securitization Positions	-	-	-	-	-
Short term exposures to banks, brokerage houses and corporates	-	-	-	-	-
Exposures in the form of collective investment undertakings	-	51.094	107.646	1.079.210	1.655.473
Investments in Equity Instruments	-	-	-	-	2.764.260
Grand Total	**212.735.607**	**101.032.456**	**131.005.358**	**478.541.001**	**1.484.846.983**

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

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

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

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

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

Fitch Rating's and the Islamic International Rating Agency's (IIRA) risk ratings as per the credit quality grades and the risk weights according to exposure categories are presented below:

		Exposure to Banks and Brokerage Houses	
Credit Quality Grade	Fitch Ratings Long Term Credit Rating	Exposures with Original Maturities Less Than 3 Months	Exposures with Original Maturities More Than 3 Months
1	AAA to AA-	20%	20%
2	A+ to A-	20%	50%
3	BBB+ to BBB-	20%	50%
4	BB+ to BB-	50%	100%
5	B+ to B-	50%	100%
6	CCC+ and below	150%	150%

Credit Quality Grade	IIRA Long Term Credit Rating	Receivables from the Central Governments and the Central Banks
1	AAA to AA-	0%
2	A+ to A-	20%
3	BBB+ to BBB-	50%
4	BB+ to BB-	100%
5	B+ to B-	100%
6	CCC+ and below	150%

5. Exposures by risk weights

Current Period

	Risk Weights	0%	10%	20%	25%	35%	50%	75%	100%	150%	250%	Other	Deductions from Equity
1	Exposures before Credit Risk Mitigation	1.417.799.440	-	95.663.081	-	7.613.818	294.765.097	804.297.697	1.306.531.203	125.714.622	-	74.755.018	5.825.826
2	Exposures after Credit Risk Mitigation	1.626.214.981	-	68.789.506	-	155.733.033	234.090.037	595.045.778	1.246.967.081	125.544.542	-	74.755.018	5.825.826

Prepared with the numbers after conversion rate to credit.

Prior Period

	Risk Weights	0%	10%	20%	25%	35%	50%	75%	100%	150%	250%	Other	Deductions from Equity
1	Exposures before Credit Risk Mitigation	784.288.690	-	46.238.558	-	5.378.281	167.570.273	480.569.207	912.768.077	47.153.815	-	62.107.541	2.945.394
2	Exposures after Credit Risk Mitigation	863.416.292	-	45.975.174	-	136.476.515	152.214.302	327.673.855	871.185.389	47.025.374	-	62.107.541	2.945.394

Prepared with the numbers after conversion rate to credit.

(*) In accordance with the Regulation on Measurement and Evaluation of Banks' Capital Adequacy risk weights of 2% and/or 4% have been added to the Calculation of the Capital Liability for Risks Arising from Central Counterparties as of the current period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

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

6. Information in terms of major sectors and type of counterparties

Current Period	Loans		Provisions
	Impaired (TFRS 9)		
	Significant Increase in Credit Risk (Stage 2)	Non-performing loans (Stage 3)	Provisions for Expected Credit Loss (TFRS)
Agriculture	**8.876.099**	**865.393**	**868.924**
Farming and Stockbreeding	8.794.844	846.936	851.294
Forestry	47.376	12.317	11.818
Fishery	33.879	6.140	5.812
Manufacturing	**55.338.519**	**4.509.107**	**31.150.199**
Mining and Quarrying	806.934	36.979	131.799
Production	47.911.211	3.835.786	27.409.729
Electricity, Gas and Water	6.620.374	636.342	3.608.671
Construction	**14.948.382**	**9.427.004**	**13.408.158**
Services	**49.296.390**	**7.119.207**	**11.816.611**
Wholesale and Retail Trade	16.265.842	3.085.175	3.324.637
Accommodation and Dining	9.677.356	892.788	1.392.623
Transportation and Telecom.	388.116	172.401	162.862
Financial Institutions	101.760	7.278	5.359
Real Estate and Rental Services	21.457.797	1.893.422	5.983.142
Professional Services	70	140	101
Educational Services	332.367	988.532	726.568
Health and Social Services	1.073.082	79.471	221.319
Other	**17.968.063**	**8.010.149**	**8.474.931**
Total	**146.427.453**	**29.930.860**	**65.718.823**

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

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

Prior Period	Loans		Provisions
	Impaired (TFRS 9)		
	Significant Increase in Credit Risk (Stage 2)	Non-performing loans (Stage 3)	Provisions for Expected Credit Loss (TFRS)
Agriculture	**3.798.858**	**953.502**	**1.021.046**
Farming and Stockbreeding	3.787.838	938.201	1.007.413
Forestry	6.166	9.438	8.323
Fishery	4.854	5.863	5.310
Manufacturing	**36.505.877**	**2.934.846**	**17.343.091**
Mining and Quarrying	727.461	36.627	137.166
Production	29.252.291	2.642.643	15.677.227
Electricity, Gas and Water	6.526.125	255.576	1.528.698
Construction	**9.224.863**	**3.935.665**	**6.737.985**
Services	**31.960.042**	**5.084.000**	**13.869.055**
Wholesale and Retail Trade	6.017.430	3.033.916	3.683.167
Accommodation and Dining	6.528.333	664.395	2.308.812
Transportation and Telecom.	571.312	188.017	170.299
Financial Institutions	140.537	12.718	28.450
Real Estate and Rental Services	16.894.102	1.112.594	7.043.097
Professional Services	26.006	90	158
Educational Services	864.403	17.890	184.202
Health and Social Services	917.919	54.380	450.870
Other	**9.965.134**	**6.339.940**	**6.376.993**
Total	**91.454.774**	**19.247.953**	**45.348.170**

7. Information about Value Adjustment and Change in Provisions

	Current Period	Opening Balance	Provision for Period	Provision Reversals	Other Adjustments	Closing Balance
1	Stage 3 Expected Loss Provisions	15.874.535	12.146.192	(5.361.565)	(17.196)	22.641.966
2	Stage 1 and 2 Expected Loss Provisions	38.480.174	25.717.088	(9.928.504)	9.790	54.278.548

	Prior Period	Opening Balance	Provision for Period	Provision Reversals	Other Adjustments	Closing Balance
1	Stage 3 Expected Loss Provisions	15.272.896	6.007.385	(4.823.134)	(582.612)	15.874.535
2	Stage 1 and 2 Expected Loss Provisions	17.651.921	20.967.069	(124.128)	(14.688)	38.480.174

8. Risks Included Capital Capacity Buffer Calculations

Current Period

Country	Banking Accounts RWA	Trading Accounts RWA	Total
Kazakhstan	16.774.658	-	16.774.658
Bosnia and Herzegovina	15.056.859	-	15.056.859
Azerbaijan	11.913.505	-	11.913.505
Germany	10.748.610	-	10.748.610
Uzbekistan	9.778.507	-	9.778.507
Iraq	4.395.868	921.119	5.316.987
Russia	4.725.704	-	4.725.704
Turkish Republic of Northern Cyprus	4.522.649	-	4.522.649
USA	1.701.663	2.548.956	4.250.619
Holland	2.468.415	-	2.468.415
Other	14.672.334	-	14.672.334

Prior Period

Country	Banking Accounts RWA	Trading Accounts RWA	Total
Bosnia and Herzegovina	13.912.126	-	13.912.126
Germany	11.235.323	-	11.235.323
Kazakhstan	4.637.595	-	4.637.595
Azerbaijan	4.455.894	-	4.455.894
Russia	3.379.162	-	3.379.162
Turkish Republic of Northern Cyprus	3.377.246	-	3.377.246
Uzbekistan	2.791.932	-	2.791.932
USA	906.371	1.300.213	2.206.584
Iraq	1.508.709	590.783	2.099.492
Kosovo	1.630.051	136.256	1.766.307
Other	8.227.356	-	8.227.356

III. EXPLANATIONS ON THE CONSOLIDATED CURRENCY RISK

1. Whether the Parent 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 Director

The Parent Bank's policy is to avoid carrying significant position by means of foreign currency management. 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 approved by the Board of Directors is also monitored on daily basis. Additionally, dealer's position and operational limits for foreign exchange transactions are under the authorization of the Board of Directors.

2. Hedge Against Foreign Exchange Debt Instruments and Net Foreign Exchange Investments by Hedging Derivative Instruments, if Material

None.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

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

3. Management Policy for Foreign Currency Risk

Periodic "Liquidity Gap Analysis" and "Repricing Gap Analysis" to determine the liquidity and structural interest rate risks in the US Dollar and Euro, which are the most important foreign currencies in which the Parent Bank operates, and the historical renewal rates of foreign exchange deposit accounts. "Structural Liquidity Gap Analysis" is performed. In addition, daily VAR analysis for the follow-up of the currency risk and within the scope of legal reporting, Foreign Currency Net General Position/Equity Standard Ratio and Foreign Currency Liquidity Position are regularly monitored. The Parent Bank manages the Turkish Lira or foreign currency risks that may occur in domestic and international markets and follow the transactions that create these risks and manages these risks at the optimum level within the framework of market expectations and within the scope of its strategies by considering the balance with other financial risks. Sensitivity analysis regarding the currency risk that the Group is exposed to is explained in Note 6.

4. 6. Current Foreign Exchange Bid Rates of The Parent 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
22.12.2023	28,7758	31,7305	19,6020	4,2569	2,8839	33,7486	21,7311	2,8293	36,6133	7,6641	20,2464
25.12.2023	28,7842	31,6641	19,5795	4,2490	2,8710	33,5805	21,6953	2,8245	36,5020	7,6663	20,1985
26.12.2023	28,8984	31,8271	19,6534	4,2704	2,8758	33,7698	21,8604	2,8296	36,7003	7,6976	20,2754
27.12.2023	28,9541	32,0652	19,7899	4,3020	2,8958	34,0039	21,9423	2,8619	36,9163	7,7133	20,2880
28.12.2023	29,0154	32,1636	19,8188	4,3162	2,9139	34,6653	21,9706	2,8590	36,9898	7,7300	20,5822
29.12.2023	29,1205	32,1973	19,8068	4,3211	2,8988	34,6727	21,9885	2,8743	37,0415	7,7580	20,5612

5. 7. Simply Arithmetic Average of The Parent Bank's Current Foreign Exchange Bid Rates for The Last 30 Days Prior to The Balance Sheet Date

USD	EUR	AUD	DKK	SEK	CHF	CAD	NOK	GBP	SAR	100 JPY
28,1270	30,2164	18,2877	4,0525	2,6391	31,6983	20,6379	2,5981	34,8540	7,4861	19,0193

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

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

6. Information on The Foreign Currency Risk of the Group

	EUR	USD	Other FC	Total
Current Period				
Assets				
Cash (Cash in vault, effectives, money in transit, cheques purchased) and Balances with Central Bank of the Republic of Türkiye	164.911.827	215.982.914	55.989.850	436.884.591
Banks [7]	15.352.988	23.489.201	27.932.239	66.774.428
Financial Assets at Fair Value Through Profit and Loss	-	7.428.282	53.146.046	60.574.328
Money Markets Receivables	128.907	-	-	128.907
Financial Assets at Fair Value Through Other Comprehensive Income	23.238.209	311.779.338	779.370	335.796.917
Loans [1] [6]	332.954.281	323.579.833	27.405.874	683.939.988
Subsidiaries, Associates, Entities Under Common Control (Joint Ventures)	-	1.557.219	39.644	1.596.863
Financial Assets Measured at Amortized Cost	62.209.211	16.065.827	252.111	78.527.149
Derivative Financial Assets for Hedging Purposes	-	-	-	-
Tangible Fixed Assets	1.814.898	16.258	1.826.082	3.657.238
Intangible Assets	129.919	14.869	241.174	385.962
Other Assets [3]	3.526.156	7.924.140	1.499.112	12.949.408
Total Assets [4]	**604.266.396**	**907.837.881**	**169.111.502**	**1.681.215.779**
Liabilities				
Interbank Deposits	47.428.432	8.668.244	5.772.839	61.869.515
Foreign Currency Deposits	564.777.882	534.031.698	232.083.364	1.330.892.944
Money Market Borrowings	-	88.831.593	-	88.831.593
Funds Provided from Other Financial Institutions	91.750.902	107.520.147	3.829.718	203.100.767
Issued Marketable Securities [5]	46.620.531	61.111.533	-	107.732.064
Miscellaneous Payables	11.685.335	6.188.543	451.552	18.325.430
Derivative Financial Liabilities for Hedging Purposes	-	-	-	-
Other Liabilities	9.792.063	14.462.846	6.649.459	30.904.368
Total Liabilities	**772.055.145**	**820.814.604**	**248.786.932**	**1.841.656.681**
Net Balance Sheet Position	**(167.788.749)**	**87.023.277**	**(79.675.430)**	**(160.440.902)**
Net Off-Balance Sheet Position [2]	**171.375.286**	**(51.387.183)**	**96.796.549**	**216.784.652**
Financial Derivative Assets	208.963.520	299.286.840	105.117.310	613.367.670
Financial Derivative Liabilities	37.588.234	350.674.023	8.320.761	396.583.018
Non-Cash Loans	**192.408.922**	**285.857.771**	**51.997.499**	**530.264.192**
Prior Period				
Total Assets	351.764.911	672.879.650	100.562.158	1.125.206.719
Total Liabilities	480.222.914	554.576.450	134.837.100	1.169.636.464
Net Balance Sheet Position	**(128.458.003)**	**118.303.200**	**(34.274.942)**	**(44.429.745)**
Net Off-Balance Sheet Position [2]	**128.642.563**	**(117.581.650)**	**44.630.485**	**55.691.398**
Financial Derivative Assets	158.343.592	131.879.951	49.706.652	339.930.195
Financial Derivative Liabilities	29.701.029	249.461.601	5.076.167	284.238.797
Non-Cash Loans	**107.332.041**	**167.451.521**	**26.111.429**	**300.894.991**

[1] TL 85.650 equivalent of US Dollars and TL 28.777 equivalent of Euro balance of the loans given arise from foreign currency indexed loans (31 December 2022: TL 116.426 equivalent of US Dollars and TL 80.193 equivalent of Euro balance arise from foreign currency indexed loans).

[2] Indicates the net balance of receivables and payables on derivative financial instruments

[3] Prepaid expenses in other assets amounting to TL 312.084 are not included in the table (31 December 2022: Prepaid expenses in other assets amounting to TL 79.997 are not included in the table).

[4] Expected loss provisions for financial assets and other assets are reflected in related items.

[5] Includes subordinated debt instruments.

[6] It also includes receivables from leasing transactions.

[7] Includes the guarantees given for derivative and repo transactions with foreign banks.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

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Analysis of Sensitivity to Currency Risk

The effect of 10% depreciation of TL against the USD, Euro and other currencies on the equity and profit or loss statement (excluding tax effects) for the one year accounting periods ending on 31 December 2023 and 31 December 2022 is shown in the table below.

This analysis has been prepared with the assumption that all other variables, especially interest rates, remain constant.

	Current Period - 31 December 2023		Prior Period - 31 December 2022	
	Profit or Loss Statement	Equity (*)	Profit or Loss Statement	Equity (*)
USD	3.404.287	2.691.657	(374.171)	(831.703)
EUR	(374.912)	(1.036.225)	142.301	(191.527)
Other currencies	1.116.356	1.116.356	670.548	670.548
Total (Net) (**)	**4.145.731**	**2.771.788**	**438.678**	**(352.682)**

(*) Equity effect also includes the effect of the profit or loss to occur due to the 10% depreciation of the against the relevant foreign currencies.

(**) Associates, subsidiaries, and entities under common control are included in the profit or loss statement impact calculation, but not in equity impact calculation. Tangible and intangible assets are not included in the equity and profit or loss statement impact calculation.

The effect of 10% appreciation of TL against USD, Euro and other currencies on equity and profit or loss statement (excluding tax effect) for the year ending on 31 December 2023 and 31 December 2022 is shown in the table below.

	Current Period - 31 December 2023		Prior Period - 31 December 2022	
	Profit or Loss Statement	Equity (*)	Profit or Loss Statement	Equity (*)
USD	(3.404.287)	(2.691.657)	374.171	831.703
EUR	374.912	1.036.225	(142.301)	191.527
Other Currencies	(1.116.356)	(1.116.356)	(670.548)	(670.548)
Total (Net) (**)	**(4.145.731)**	**(2.771.788)**	**(438.678)**	**352.682**

(*) Equity effect also includes the effect of the profit or loss to occur due to the 10% appreciation of the against the relevant foreign currencies.

(**) Associates, subsidiaries and entities under common control are included in the profit or loss statement impact calculation, but not in equity impact calculation. Tangible and intangible assets are not included in the equity and profit or loss statement impact calculation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

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

IV. EXPLANATIONS ON THE CONSOLIDATED INTEREST RATE RISK

1. Information Related to Interest Rate Sensitivity of Assets, Liabilities and Off-Balance Sheet Items

(Based on days to repricing dates)

Current Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-Interest Bearing	Total
Assets							
Cash (Cash in Vault, Effectives, Money in Transit, Cheques Purchased) and Balances with Central Bank of the Republic of Türkiye	171.411.646	-	-	-	-	437.387.924	608.799.570
Banks [8]	24.234.777	858.733	947.204	-	-	44.204.335	70.245.049
Financial Assets at Fair Value Through Profit and Loss	152.430	17.959.570	23.032.512	12.977.323	4.286.324	13.307.753	71.715.912
Money Markets Receivables	154.140.783	-	-	-	-	-	154.140.783
Financial Assets at Fair Value Through Other Comprehensive Income	130.092.912	51.795.743	113.292.616	189.144.843	118.569.491	4.634.865	607.530.470
Loans Given [3] [7]	792.327.142	295.686.060	459.839.848	547.349.315	110.945.114	7.288.894	2.213.436.373
Financial Assets Measured at Amortised Cost	34.898.144	69.441.446	96.476.527	65.426.870	82.341.993	-	348.584.980
Other Assets [2]	6.001.788	4.451.961	1.555.238	309.375	38.030	167.620.513	179.976.905
Total Assets [1] [5]	**1.313.259.622**	**440.193.513**	**695.143.945**	**815.207.726**	**316.180.952**	**674.444.284**	**4.254.430.042**
Liabilities							
Interbank Deposits	51.042.271	33.990.985	234.278	-	-	11.285.647	96.553.181
Other Deposits	1.542.383.529	347.152.375	333.856.129	19.285.991	1.397.523	959.195.119	3.203.270.666
Money Markets Borrowings	33.873.058	7.535.254	8.781.615	44.110.982	-	-	94.300.909
Miscellaneous Payables	9	165	695	4.689	447	67.474.124	67.480.129
Issued Marketable Securities [6]	1.529.981	5.382.542	53.620.034	52.655.728	-	-	113.188.285
Funds Provided from Other Financial Institutions	73.379.500	85.864.849	32.771.143	16.409.091	2.096.482	-	210.521.065
Other Liabilities [4] [6]	1.355.878	629.293	1.624.909	2.585.046	1.316.124	461.604.557	469.115.807
Total Liabilities [1]	**1.703.564.226**	**480.555.463**	**430.888.803**	**135.051.527**	**4.810.576**	**1.499.559.447**	**4.254.430.042**
Balance Sheet Long Position	**-**	**-**	**264.255.142**	**680.156.199**	**311.370.376**	**-**	**1.255.781.717**
Balance Sheet Short Position	**(390.304.604)**	**(40.361.950)**	**-**	**-**	**-**	**(825.115.163)**	**(1.255.781.717)**
Off-Balance Sheet Long Position	2.686.937	6.388.495	43.450	655.969	-	-	9.774.851
Off-Balance Sheet Short Position	977.326	4.746.671	36.776	-	(1.015.345)	-	4.745.428
Total Position	**(386.640.341)**	**(29.226.784)**	**264.335.368**	**680.812.168**	**310.355.031**	**(825.115.163)**	**14.520.279**

[1] Balances without fixed maturity are shown in the "Non-Interest Bearing" columns.

[2] Deferred tax asset is shown under the "Non-Interest Bearing" column.

[3] Net balance of loans under follow-up is shown under the "Non-Interest Bearing" column in loans given.

[4] Total shareholders' equity is shown under the "Non-Interest Bearing" column.

[5] Allowance for expected losses for financial assets and other assets are reflected in the related items.

[6] Includes subordinated debt instruments.

[7] It also includes receivables from leasing transactions.

[8] Includes the guarantees given for derivative and repo transactions with foreign banks.

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

(Based on days to repricing dates)

Prior Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-Interest Bearing	Total
Assets							
Cash (Cash in Vault, Effectives, Money in Transit, Cheques Purchased) and Balances with Central Bank of the Republic of Türkiye	38.048.117	-	-	-	-	365.898.630	403.946.747
Banks [8]	7.406.743	1.386.519	189.938	-	-	19.658.732	28.641.932
Financial Assets at Fair Value Through Profit and Loss	95.350	73.869	95.397	29.811.195	18.934	5.980.371	36.075.116
Money Markets Receivables	5.380.282	-	-	-	-	902.708	6.282.990
Financial Assets at Fair Value Through Other Comprehensive Income	97.093.862	22.095.922	127.886.487	90.544.173	75.741.323	2.137.240	415.499.007
Loans Given [3] [7]	464.070.869	159.943.524	323.653.579	332.695.588	108.908.131	3.373.418	1.392.645.109
Financial Assets Measured at Amortized Cost	2.731.393	50.061.035	22.894.015	63.440.978	26.255.072	-	165.382.493
Other Assets [2]	4.809.498	2.350.830	2.072.668	386.820	71.640	94.957.263	104.648.719
Total Assets [1] [5]	**619.636.114**	**235.911.699**	**476.792.084**	**516.878.754**	**210.995.100**	**492.908.362**	**2.553.122.113**
Liabilities							
Interbank Deposits	51.668.178	10.298.806	9.160.162	39.629	-	9.315.628	80.482.403
Other Deposits	826.643.143	286.581.492	120.844.849	8.374.970	1.215.724	616.166.491	1.859.826.669
Money Markets Borrowings	57.723.585	20.373.383	6.970.742	7.550.978	-	-	92.618.688
Miscellaneous Payables	-	-	-	-	-	37.724.077	37.724.077
Issued Marketable Securities [6]	1.668.805	4.096.385	12.089.962	42.899.866	-	-	60.755.018
Funds Provided from Other Financial Institutions	26.663.592	47.326.727	26.093.701	11.595.664	3.732.349	-	115.412.033
Other Liabilities [4] [6]	6.855.318	716.109	1.869.030	871.365	562.350	295.429.053	306.303.225
Total Liabilities [1]	**971.222.621**	**369.392.902**	**177.028.446**	**71.332.472**	**5.510.423**	**958.635.249**	**2.553.122.113**
Balance Sheet Long Position	**-**	**-**	**299.763.638**	**445.546.282**	**205.484.677**	**-**	**950.794.597**
Balance Sheet Short Position	**(351.586.507)**	**(133.481.203)**	**-**	**-**	**-**	**(465.726.887)**	**(950.794.597)**
Off-Balance Sheet Long Position	3.604.188	2.684.526	262.625	-	-	-	6.551.339
Off-Balance Sheet Short Position	-	-	-	-	(1.015.345)	(13.650)	(1.028.995)
Total Position	**(347.982.319)**	**(130.796.677)**	**300.026.263**	**445.546.282**	**204.469.332**	**(465.740.537)**	**5.522.344**

[1] Balances without fixed maturity are shown in the "Non-Interest Bearing" columns.

[2] Deferred tax asset is shown under the "Non-Interest Bearing" column.

[3] Net balance of loans under follow-up is shown under the "Non-Interest Bearing" column in loans given.

[4] Total shareholders' equity is shown under the "Non-Interest Bearing" column.

[5] Allowance for expected losses for financial assets and other assets are reflected in the related items.

[6] Includes subordinated debt instruments.

[7] It also includes receivables from leasing transactions.

[8] Includes the guarantees given for derivative and repo transactions with foreign banks.

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2. Average Interest Rate Applied to the Monetary Financial Instruments (%) (Represents Values Belonging to the Parent Bank) (%)

	EUR	USD	JPY	TL
Current Period				
Assets				
Cash (Cash in Vault, Effectives, Money in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Türkiye	-	-	-	-
Banks	4,55	5,65	-	43,50
Financial Assets at Fair Value Through Profit or Loss	-	5,36	-	-
Money Market Receivables	-	-	-	42,95
Financial Assets at Fair Value Through Other Comprehensive Income	3,70	6,18	-	24,85
Loans Given [1]	7,71	9,06	-	27,89
Financial Assets Measured at Amortised Cost	4,55	8,39	-	17,81
Liabilities				
Interbank Deposits	4,87	5,65	-	43,61
Other Deposits	1,59	3,44	-	37,11
Money Market Borrowings	-	7,62	-	36,53
Miscellaneous Payables	-	-	-	-
Issued Marketable Securities [2]	5,08	6,89	-	36,38
Funds Provided from Other Financial Institutions	6,71	7,72	-	34,74

[1] Credit card loan balances are not included.

[2] Subordinated debt instruments are included

	EUR	USD	JPY	TL
Prior Period				
Assets				
Cash (Cash in Vault, Effectives, Money in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Türkiye	-	-	-	-
Banks	4,30	-	-	-
Financial Assets at Fair Value Through Profit or Loss	-	5,36	-	-
Money Market Receivables	-	5,41	-	26,23
Financial Assets at Fair Value Through Other Comprehensive Income	3,70	5,16	-	26,73
Loans Given [1]	5,83	7,71	-	13,59
Financial Assets Measured at Amortised Cost	4,66	7,58	-	15,90
Liabilities				
Interbank Deposits	1,40	4,17	-	10,43
Other Deposits	1,03	3,44	-	15,67
Money Market Borrowings	3,52	5,58	-	9,17
Miscellaneous Payables	-	-	-	-
Issued Marketable Securities [2]	5,08	5,05	-	16,99
Funds Provided from Other Financial Institutions	2,84	4,85	-	8,83

[1] Credit card loan balances are not included.

[2] Subordinated debt instruments are included.

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V. EXPLANATIONS ON THE POSITION RISK OF CONSOLIDATED EQUITY INSTRUMENTS

1. Equity Instruments Position Risk Derived from Banking Books

Comparison with the market value if the market value is significantly different from the fair value for balance sheet, fair and market values of equity share.

	Comparison		
Investments in Equity Instruments - Current Period	**Balance Sheet Value**	**Fair Value**	**Market Value**
1. Investment in Equity Instruments Group A	-	-	-
Traded on Stock Exchange	-	-	-
2. Investment in Equity Instruments Group B	-	-	-
Traded on Stock Exchange	-	-	-
3. Investment in Equity Instruments Group C	-	-	-
Traded on Stock Exchange	-	-	-
4. Investment in Equity Instruments Group Other	-	-	-
Other [1]	2.546.781	2.546.781	-

[1] The mentioned stock investments are not traded on the stock exchange and there is no stock market price since they are not publicly traded.

	Comparison		
Investments in Equity Instruments - Prior Period	**Balance Sheet Value**	**Fair Value**	**Market Value**
1. Investment in Equity Instruments Group A	-	-	-
Traded on Stock Exchange	-	-	-
2. Investment in Equity Instruments Group B	-	-	-
Traded on Stock Exchange	-	-	-
3. Investment in Equity Instruments Group C	-	-	-
Traded on Stock Exchange	-	-	-
4. Investment in Equity Instruments Group Other	-	-	-
Other [1]	987.208	987.208	-

[1] The mentioned stock investments are not traded on the stock exchange and there is no stock market price since they are not publicly traded.

The breakdown of capital requirements on the basis of related investments in equity instruments depending on the method of the calculation of capital requirement which is chosen by Bank among approaches that are allowed to be used within the Communiqué regarding Credit Risk Standard Method or the Calculation of Counterparty Credit Risk based upon Internal Rating Approaches

The investments in equity instruments, partaking in banking accounts according to the credit risk standard method, are amounted TL 2.546.781 and all of them are 100% risk weighted (31 December 2022: are amounted TL 987.208 and all of them are 100% risk weighted).

Total unrealized gains or losses, total revaluation value increases and their amounts included in principal and contribution capital

		Revaluation Surplus		Unrealized Gain and Loss		
Portfolio	**Realized Gain/Loss in Current Period**	**Total**	**Included in Contribution Capital**	**Total**	**Included in Supplementary Capital**	**Included in Contribution Capital**
1. Private Capital Investments	-	-	-	-	-	-
2. Publicly Traded Stocks	-	-	-	-	-	-
3. Other Stocks	-	1.936.383	1.936.383	-	-	-
Total	-	**1.936.383**	**1.936.383**	-	-	-

VI. EXPLANATIONS ON THE CONSOLIDATED LIQUIDITY RISK MANAGEMENT AND LIQUIDITY COVERAGE RATIO

Matters related to liquidity and financial emergency management are determined in the Liquidity and Financial Emergency Management-Liquidity Funding Plan Approved by the Board of Directors.

The Parent Bank conducts the remaining maturity analysis in order to observe the maturity structure of its balance sheet, liquidity gap and structural liquidity gap analysis to monitor the liquidity need by periods, and Liquidity Stress Test in order to evaluate the liquidity need of the Parent Bank in the worst possible situation. Core deposit analysis is carried out to determine the stable part of the deposit, which is the most important fund resource of the Parent Bank. In addition, the Parent Bank-sector maturity structures and legal liquidity ratios are monitored in order to compare the Parent Bank's liquidity risk level with the sector.

1. Liquidity Risk

Explanations related to the liquidity risk management including the Parent Bank's risk capacity, responsibilities and structure of liquidity risk management, reporting of liquidity risk in internal banking, the strategy of liquidity risk and how to provide the communication of policies and implementations with board of directors and business lines

The Parent Bank's risk capacity, risk appetite, responsibilities and tasks of liquidity risk management and sharing of issues related to liquidity risk management with the bank network are explained in Parent Bank's "Regulations of Risk Management, Stress Test Program and ICAAP Regulations" of the Parent Bank. In this context, liquidity risk strategies, policies and implementations are shared within the Parent Bank on a weekly, monthly, quarterly and annual basis with all relevant departments and the Parent Bank's senior management. The analysis and reports made within this scope are handled at the Asset-Liability Committee meetings and the Board of Directors is informed through the Audit Committee.

Liquidity management and the degree of centralization of fund strategies, the information about the procedure between Bank and the subsidiaries of Bank

Continuously the information exchange is actualized about the liquidity need and surpluses between the Parent Bank and its subsidiaries, the necessary guidance and procedures are moderated by Treasury Management and International Banking Group Presidency in order to manage liquidity need and surplus in effective way.

Information on the Bank's funding strategy, including policies on diversity of funding sources and duration

The Parent Bank's main funding resource is deposit and the strategy of preserving the granular deposit structure is sustained. Moreover, within the diversification of funding strategy, long-term and cost-effective non-deposit funding is also targeted. In the non-deposit funding; repurchase agreements, post finance, syndication loan facility, loans from international financial institutions, marketable securities issuances, subordinated debt instruments and bilateral loan agreements are at the forefront.

Explanation related to liquidity management as currencies forming at least 5 percentage of aggregate liabilities of the Parent Bank

The Parent Bank's total liabilities are consisted of mostly TL, USD and EUR currencies. Besides these currencies, for other currencies, daily and long-term cash flows are monitored, and future projections are made for effective liquidity management purposes.

Information related to the techniques about the reduction of current liquidity risk

The Parent Bank's source of funds is mainly formed of deposits. The Parent Bank's deposits do not fluctuate considerably in line with the broadly dispersed customer network and the granular structure of the deposits. Besides, in order to increase the diversification of funds and decrease the maturity gap between assets and liabilities, non-deposit funds such as bond/bill issuances, repo transactions and funds borrowed are executed.

Explanation regarding the usage of the stress test

In the presence of unexpected negative circumstances, periodical stress tests being done in order to test the endurance of the parent bank. These actions have been shared with key management of the Bank and all related units for the purpose of taking necessary precautions. Additionally, stress tests also taken into consideration on subjects like the Parent Bank's estimated financial position for the next period, the progress of legal ratios and the liquidity need in short and long term as part of budget practices.

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General information on liquidity urgent and unexpected situation plan

The internal and external sources which can be used in an emergency case to satisfy the liquidity need are periodically monitored and the borrowing limits of the Parent Bank from organized market and other banks are on the level where they meet the structural liquidity deficits on different maturity segments. The Parent Bank lines off its exposition to liquidity risk by limits that are approved by Board of Directors and within the frame of "Regulation on Risk Management, Stress Test Program and ICAAP Regulations". In addition, matters related to liquidity and financial emergency management have been identified.

2. Liquidity Coverage Ratio

Within the framework of "Regulation on Calculation of Liquidity Covered Rate of Banks" published in the Official Gazette dated 21 March 2014 and numbered 28948 by the BRSA, the Parent Bank calculates the liquidity coverage ratio and transmits it to BRSA on a monthly consolidated basis. Consolidated rates realized in the last three months are shown in the table below:

Current Period - 31 December 2023

Liquidity Coverage Ratio	FC		TL+FC	
	Date	Ratio	Date	Ratio
	October 2023	371,37	October 2023	187,8
	November 2023	443,16	November 2023	184,41
	December 2023	388,23	December 2023	186,98

Prior Period - 31 December 2022

Liquidity Coverage Ratio	FC		TL+FC	
	Date	Ratio	Date	Ratio
	October 2022	363,66	October 2022	179,92
	November 2022	410,45	November 2022	189,99
	December 2022	435,7	December 2022	194,62

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	Total Unweighted Amount(*)		Total Weighted Amount(*)	
Current Period	**TL+FC**	**FC**	**TL+FC**	**FC**
HIGH QUALITY LIQUID ASSETS				
High Quality Liquid Assets			1.134.101.388	557.566.260
CASH OUTFLOWS				
Retail and Small Business Customers, of which;	1.836.011.270	839.016.378	164.098.855	83.900.031
Stable deposits	390.045.429	32.140	19.502.271	1.607
Less stable deposits	1.445.965.841	838.984.238	144.596.584	83.898.424
Unsecured wholesale funding, of which;	1.179.112.518	488.447.509	551.247.775	231.431.355
Operational deposit	44.143.037	13.942.200	10.750.245	3.296.623
Non-operational deposits	980.425.089	415.727.319	417.142.908	170.563.767
Other unsecured funding	154.544.392	58.777.990	123.354.622	57.570.965
Secured funding			-	-
Other cash outflows, of which;	635.959.697	74.922.610	78.490.282	33.227.676
Derivatives cash outflow and liquidity needs related to market valuation changes on derivatives or other transactions	26.425.497	26.361.019	26.425.497	26.361.019
Obligations related to structured financial products	-	-	-	-
Commitments related to debts to financial markets and other off-balance sheet obligations	609.534.200	48.561.591	52.064.785	6.866.657
Other revocable off-balance sheet commitments and contractual obligations	67.104.112	67.104.112	3.355.206	3.355.206
Other irrevocable or conditionally revocable off-balance sheet obligations	253.276.703	155.101.052	13.795.627	7.755.053
TOTAL CASH OUTFLOWS			**810.987.745**	**359.669.321**
CASH INFLOWS				
Secured lending	-	-	-	-
Unsecured lending	258.108.583	126.985.874	190.822.740	108.137.776
Other cash inflows	10.801.097	110.038.442	10.749.814	109.987.159
TOTAL CASH INFLOW	**268.909.680**	**237.024.316**	**201.572.554**	**218.124.935**
			Upper Limit Applied Amounts	
TOTAL HQLA STOCK			**1.134.101.388**	**557.566.260**
TOTAL NET CASH OUTFLOWS			**609.415.191**	**141.544.386**
LIQUIDITY COVERAGE RATIO (%)			**186,10**	**393,92**

(*) The average of last three months' liquidity coverage ratio calculated by monthly simple averages.

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	Total Unweighted Amount(*)		Total Weighted Amount(*)	
Prior Period	**TL+FC**	**FC**	**TL+FC**	**FC**
HIGH QUALITY LIQUID ASSETS				
High Quality Liquid Assets			705.756.623	460.311.702
CASH OUTFLOWS				
Retail and Small Business Customers, of which;	1.007.872.426	548.849.632	90.416.451	54.883.503
Stable deposits	207.415.835	29.214	10.370.792	1.461
Less stable deposits	800.456.591	548.820.418	80.045.659	54.882.042
Unsecured wholesale funding, of which;	758.643.744	358.274.285	348.437.665	170.001.407
Operational deposit	33.907.001	6.853.366	8.425.176	1.661.768
Non-operational deposits	630.467.392	308.542.116	265.000.856	126.428.533
Other unsecured funding	94.269.351	42.878.803	75.011.633	41.911.106
Secured funding			-	-
Other cash outflows, of which;	228.595.424	38.687.464	32.179.698	24.553.084
Derivatives cash outflow and liquidity needs related to market valuation changes on derivatives or other transactions	17.014.572	21.207.751	17.014.572	21.207.751
Obligations related to structured financial products	-	-	-	-
Commitments related to debts to financial markets and other off- balance sheet obligations	211.580.852	17.479.713	15.165.126	3.345.333
Other revocable off-balance sheet commitments and contractual obligations	32.216.626	32.216.626	1.610.831	1.610.831
Other irrevocable or conditionally revocable off-balance sheet obligations	161.218.935	104.884.625	9.220.927	5.244.231
TOTAL CASH OUTFLOWS			**481.865.571**	**256.293.056**
CASH INFLOWS				
Secured lending	**-**	**-**	**-**	**-**
Unsecured lending	151.525.343	67.844.985	103.090.462	49.871.192
Other cash inflows	4.030.649	91.420.876	3.985.252	91.375.479
TOTAL CASH INFLOW	**155.555.992**	**159.265.861**	**107.075.714**	**141.246.671**
			Upper Limit Applied Amounts	
TOTAL HQLA STOCK			**705.756.623**	**460.311.702**
TOTAL NET CASH OUTFLOWS			**374.789.858**	**115.046.385**
LIQUIDITY COVERAGE RATIO (%)			**188,31**	**400,11**

(*) The average of last three months' liquidity coverage ratio calculated by monthly simple averages.

3. Explanations on Liquidity Coverage Ratio

Important points affecting the results of liquidity coverage ratio and the changes of the considered items in the course of time to calculate this ratio

Parent Bank deposits, which constitute a significant part of its resources and cash outflows in the liquidity coverage ratio, have a non-fluctuating structure, but may cause periodic changes in total deposits compared to public deposits and other deposits. While considering the previous periods, the amount of the total deposits has an increasing trend.

Although they have low conversion into cash rate, non-cash loans also have a remarkable extent in proportion to financial statement, they have an impact on the calculation of liquidity coverage ratio. Comparing to previous periods, non-cash loans are in increasing trend.

Bonds and bills in the securities portfolio are being used in repo transactions as collateral. Since the securities used in repo transactions lose the characteristic of being free, in accordance with that securities can be used as collateral, liquidity coverage ratio is affected.

The content of high-quality liquid assets

All of the high-quality liquid assets in the calculation of liquidity coverage ratio are first quality liquid assets. These are cash, the accounts in Central Bank, reserve requirements and securities portfolio (the important part of bonds and T-bills issued by Republic of Türkiye Ministry of Treasury and Finance and other bonds).

The content of funds and their share in the total liabilities and funding

A major part of the resources of funds in Group is comprised of deposits, the remaining is divided according to their share in the balance sheet as repo, funds borrowed, and issued securities.

Information about cash out-flows arising from derivative operations and margin operations likely to processing

Derivative operations in Parent Bank are carried out on the purpose of protection from the risks that may exist or occur in the balance sheet, liquidity management, or meeting customer demand. Customer operations are carried out under the "Framework Agreement on Purchase and Sale of Derivative Instruments" or ISDA (International Swaps and Derivatives Association) and CSA (Credit Support Annex), as well as transactions with banks are performed again under ISDA and CSA agreements signed. Operations performed under the said contracts in the determined periods are subject to daily market valuation and additional cash margining. Operations could create additional collateral inflow or outflow depending on market valuation.

The concentration limits regarding collateral and counterparty and product-based fund resources

For the counterparty and product-based concentration limits are determined under Regulation on Risk Management, Stress Test Program, and the Parent Bank's Internal Capital Adequacy Assessment Process ("ICAAP") with the approval of Senior Management. These limits are followed in particular frequency. Besides, it is being reported to the relevant units and senior management. There is no excess regarding the limits during operating period.

Liquidity risk and needed funding on the basis of the bank itself, the branches in foreign countries and the partnerships consolidated by considering operational and legal factors preventing liquidity transfer

The needed and surplus of liquidity of the branches in foreign countries of the parent bank and partnerships consolidated are followed and managed regularly. There is no constraint of operational and legal factors preventing liquidity transfer. In the analysis made, it is observed that the impact of the foreign branches and subsidiaries on the Parent Bank's liquidity structure remain limited comparing to the size of the balance sheet. The need and surplus of the liquidity is encountered properly between partnerships, as well as the branches abroad.

Explanations of cash in-flow and cash out-flow items that are considered to be related to liquidity profile of the Bank and to be placed on the calculation of liquidity coverage ratio but not on the second paragraph of the disclosure template

All items on the calculation of liquidity coverage ratio are included in calculation in aggregated form on the table. In this context, there is no point included in the calculation of liquidity coverage ratio and not included in the disclosure template.

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4. Presentation of Assets and Liabilities According to Their Remaining Maturities

	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Undistributed [1]	Total
Current Period								
Assets								
Cash (Cash in Vault, Effectives, Money in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Türkiye	269.452.948	339.346.622	-	-	-	-	-	608.799.570
Banks [5]	44.204.335	24.234.777	858.733	947.204	-	-	-	70.245.049
Financial Assets at Fair Value Through Profit and Loss	1.436.021	152.430	17.959.570	23.032.512	12.977.323	4.286.324	11.871.732	71.715.912
Money Market Receivables	-	154.140.783	-	-	-	-	-	154.140.783
Financial Assets at Fair Value Through Other Comprehensive Income	-	46.813.062	20.441.107	79.585.715	320.479.001	137.664.806	2.546.779	607.530.470
Loans Given [4]	-	93.883.951	266.963.090	955.284.523	676.784.138	213.231.777	7.288.894	2.213.436.373
Investments Held-to-Maturity	-	1.404.407	36.901.354	83.952.869	107.895.339	118.431.011	-	348.584.980
Other Assets	69.016.633	4.467.297	4.451.961	1.591.666	309.374	38.031	100.101.943	179.976.905
Total Assets [2]	**384.109.937**	**664.443.329**	**347.575.815**	**1.144.394.489**	**1.118.445.175**	**473.651.949**	**121.809.348**	**4.254.430.042**
Liabilities								
Interbank Deposits	11.285.645	51.042.269	33.990.986	234.281	-	-	-	96.553.181
Other Deposits	959.195.119	1.541.070.320	347.846.200	334.348.204	19.410.405	1.400.418	-	3.203.270.666
Funds Provided from Other Financial Institutions	-	11.796.696	7.379.784	70.386.811	110.200.713	10.757.061	-	210.521.065
Money Market Borrowings	-	33.873.058	7.535.254	8.781.615	44.110.982	-	-	94.300.909
Issued Marketable Securities [3]	-	1.529.981	5.382.542	53.620.034	52.655.728	-	-	113.188.285
Miscellaneous Payables	24.079.991	41.409.839	165	695	4.689	450	1.984.300	67.480.129
Other Liabilities [3]	91.251.417	6.213.010	6.554.880	1.624.909	2.585.046	7.252.956	353.633.589	469.115.807
Total Liabilities	**1.085.812.172**	**1.686.935.173**	**408.689.811**	**468.996.549**	**228.967.563**	**19.410.885**	**355.617.889**	**4.254.430.042**
Liquidity Gap	**(701.702.235)**	**(1.022.491.844)**	**(61.113.996)**	**675.397.940**	**889.477.612**	**454.241.064**	**(233.808.541)**	**-**
Net Off-Balance Sheet Position	**-**	**835.839**	**(7.213.346)**	**35.317**	**(65.007)**	**4.080.743**	**-**	**(2.326.454)**
Financial Derivative Assets	-	365.573.649	185.667.086	8.039.498	5.480.978	5.096.088	-	569.857.299
Financial Derivative Liabilities	-	364.737.810	192.880.432	8.004.181	5.545.985	1.015.345	-	572.183.753
Non-cash Loans	**231.799.204**	**40.637.480**	**66.171.079**	**265.449.449**	**181.154.736**	**82.031.887**	**-**	**867.243.835**
Prior Period								
Total Assets	254.499.995	325.663.406	179.729.788	671.023.761	700.153.975	351.328.777	70.722.411	2.553.122.113
Total Liabilities	688.333.099	967.191.973	337.649.780	201.700.368	101.812.535	19.343.118	237.091.240	2.553.122.113
Liquidity Gap	**(433.833.104)**	**(641.528.567)**	**(157.919.992)**	**469.323.393**	**598.341.440**	**331.985.659**	**(166.368.829)**	**-**
Net Off-Balance Sheet Position	**-**	**3.078.210**	**(76.776)**	**263.284**	**-**	**2.256.893**	**-**	**5.521.611**
Financial Derivative Assets	-	217.080.558	79.987.344	14.378.870	2.369.535	3.272.238	-	317.088.545
Financial Derivative Liabilities	-	214.002.348	80.064.120	14.115.586	2.369.535	1.015.345	-	311.566.934
Non-cash Loans	**129.374.760**	**17.327.045**	**48.622.420**	**155.246.177**	**94.685.727**	**16.473.798**	**-**	**461.729.927**

[1] 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.

[2] Expected Loss Provision for financial assets and other assets are recognized in the related account.

[3] Includes subordinated debt instruments.

[4] Includes receivables from rental transactions.

(5) Includes the guarantees given for derivative and repo transactions with foreign banks.

5. Representation of Financial Liabilities by Remaining Contractual Maturities

Current Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Total
Banks Deposit	62.215.306	34.379.511	234.281	-	-	96.829.098
Other Deposits	2.507.953.170	358.820.223	358.844.146	20.948.049	1.402.661	3.247.968.249
Funds Provided to Other Financial Institutions	12.004.479	8.255.343	77.233.708	119.370.450	11.540.579	228.404.559
Payables to Money Markets	33.925.142	7.610.695	9.133.530	51.803.867	-	102.473.234
Total	**2.616.098.097**	**409.065.772**	**445.445.665**	**192.122.366**	**12.943.240**	**3.675.675.140**

Prior Period						
Banks Deposit	60.920.736	10.383.237	9.782.322	6.898.361	3.064.964	91.049.620
Other Deposits	1.445.115.696	290.768.113	123.453.918	8.824.595	1.223.545	1.869.385.867
Funds Provided to Other Financial Institutions	2.112.084	9.855.090	52.540.900	37.518.110	8.446.343	110.472.527
Payables to Money Markets	57.798.179	20.501.945	7.034.894	8.237.972	-	93.572.990
Total	**1.565.946.695**	**331.508.385**	**192.812.034**	**61.479.038**	**12.734.852**	**2.164.481.004**

VII. EXPLANATIONS ON CONSOLIDATED LEVERAGE RATIO

1. Explanations on Issues that Cause Differences Between Leverage Ratios

The Group's consolidated leverage calculated by force of the regulation "Regulation on Measurement and Assessment of Leverage Ratios of Banks" is 6,60% (31 December 2022: 7,12%). The regulation sentenced the minimum leverage ratio as 3%.

Balance sheet assets	Current Period (*)	Prior Period (*)
On-balance sheet items (excluding derivative financial instruments and credit derivatives but including collateral)	4.036.046.993	2.442.705.557
(Assets deducted in determining Tier 1 capital)	(26.897.360)	(24.795.544)
Total on-balance sheet risks (sum of lines 1 and 2)	4.009.149.633	2.417.910.013
Derivative financial instruments and credit derivatives		
Replacement cost associated with all derivative financial instruments and credit derivatives	11.406.900	8.528.403
Add-on amounts for PFE associated with all derivative financial instruments and credit derivatives	13.687.512	7.724.823
Total risks of derivative financial instruments and credit derivatives	25.094.412	16.253.226
Securities or commodity financing transactions (SCFT)		
Risks from SCFT assets(Excluding the balance sheet)	101.743.019	54.738.885
Risks from brokerage activities related exposures	-	-
Total risks related with securities or commodity financing transactions	101.743.019	54.738.885
Other off-balance sheet transactions		
Gross notional amounts of off-balance sheet transactions	1.495.151.793	702.194.547
(Adjustments for conversion to credit equivalent amounts)	(56.563.248)	(27.990.411)
Total risks of off-balance sheet items	1.438.588.545	674.204.136
Capital and total risks		
Tier 1 capital	367.895.106	225.438.413
Total risks	5.574.575.609	3.163.106.260
Leverage ratio		
Leverage ratio %	6,60	7,12

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

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2. An Extract Comparison Table of Total Risks Placed in Consolidated Financial Statements Coordinated in Accordance With TAS

	Current Period (*)	Prior Period (*)
Total assets in consolidated financial statements prepared in accordance with Turkish Accounting Standards (**)	4.254.505.851	2.553.175.374
The difference between total assets prepared in accordance with Turkish Accounting Standards and total assets in consolidated financial statements prepared in accordance with the communiqué "Preparation of Consolidated Financial Statements"	75.809	53.261
The difference between the amounts of derivative financial instruments and credit derivatives in consolidated financial statements prepared in accordance with the communiqué "Preparation of Consolidated Financial Statements" and risk amounts of such instruments	1.185.091.295	731.715.641
The difference between the amounts of securities or commodity financing transactions in consolidated financial statements prepared in accordance with the communiqué "Preparation of Consolidated Financial Statements" and risk amounts	54.819.391	62.450.262
The difference between the amounts of off-balance items in consolidated financial statements prepared in accordance with the communiqué "Preparation of Consolidated Financial Statements" and risk amounts of such items	56.563.248	27.990.411
Other differences between the amounts in consolidated financial statements prepared in accordance with the communiqué "Preparation of Consolidated Financial Statements" and risk amount of such items	(145.902.254)	(108.660.745)
Total risk amount	**5.575.305.999**	**3.163.106.260**

(*) The amounts in the table show 3-month averages.

(**) The current year balance of the Consolidated Financial Statements prepared in accordance with paragraph 6 of Article 5 of the Communiqué on Preparation of Consolidated Financial Statements of Banks has been prepared by using the temporary financial statements dated 31 December 2023 of the nonfinancial subsidiaries.

VIII. EXPLANATIONS ON CONSOLIDATED RISK MANAGEMENT

Notes and explanations prepared in accordance with "the Communiqué on Disclosures about Risk Management to Be Announced to Public by Banks" published in Official Gazette no. 29511 on 23 October 2015 and became effective as of 31 March 2016 are presented in this section.

1. Explanations on Risk Management and Risk Weighted Amount

1.1. The Parent Bank's Risk Management Approach

How the business model determines the Parent Bank's risk profile; how it interacts with it (e.g., key risks related to the business model and how each of these risks is reflected on explanations); and how the Parent Bank's risk profile interacts with the risk appetite approved by the board of director

While risk appetite determines the Parent Bank's risk level, risk capacity determines its risk appetite and, therefore, risk profile. Local and international conjuncture is also considered to determine the risk level. Establishment of forward-looking strategies and policies is also considered in this regard. The Parent Bank's risk level is restricted to the limits consistent with its risk appetite.

Risk limits are determined in accordance with the level of risks that may be assumed by the Parent Bank, its activities, size and complexity of its products and services. The limits are revised and, if needed, updated regularly in line with the developments in market conditions, the Parent Bank's strategy and risk appetite.

Critical thresholds (signal and limit values) indicating that limits are approached due to internal or external developments have been identified. In the event that these values are approached or exceeded, relevant units take required actions.

Parameters regarding signal and limit structure as well as limit values of parameters are determined in coordination with the relevant units and implemented upon approval of the Audit Commission and Board of Directors.

Risk weighted asset-based signal and limit values are regularly monitored by the Parent Bank Risk Management Department, and actual values are reported periodically to the Parent Bank Senior Management.

Risk management structure: Responsibilities distributed at The Parent Bank (e.g., supervision and delegation of authority); segregation of duties by risk type, business unit, etc.; relations between structures included in risk management processes (e.g., board of directors, top management, separate risk committee, risk management unit, compliance and internal audit function)

The Parent Bank's Top Management and relevant units perform their risk management duties, authorities and responsibilities in line with the relevant legal legislation and internal Bank regulations.

Structure of the Parent Bank's risk management is compliance with the Regulation on Internal Systems and Internal Capital Adequacy Assessment Processes of Banks. Accordingly, internal system units consisting of the Inspection Board, the Internal Audit Department, the Compliance Department, and the Risk Management Department, report to the Audit Committee and the Board of Directors through the Head of Group responsible for internal systems, which operates separately from the executive units.

Risk measurement and monitoring activities are conducted as part of risk management and the results are considered in strategic decision-making process by relevant units and bodies. Risk management operations are conducted in accordance with the Regulation on the Internal Systems and Internal Capital Adequacy Assessment Processes of Banks, issued by the BRSA, within the scope of Regulation on Risk Management, Stress Test Program and the Parent Bank's Internal Capital Adequacy Assessment Process ("ICAAP") approved by the Parent Bank's Board of Directors.

Organizational structure of the Parent Bank's Risk Management Department consists of credit risk management, market risk management, operational risk management, balance sheet risks management and Credit Risk Control Unit (KRKB) and validation unit services. Duties of risk management:

- Ensuring identification, measurement, reporting, monitoring, and control of risks exposed through policies, practices and limits established to monitor, control and revise, when necessary, the risk-return structure of the Parent Bank's cash flows in the future, quality, and level of its associated activities
- Preparing ICAAP reports periodically.
- Conducting stress tests and scenario analyses
- Establishing and maintaining a system that will ensure determination of capital required to cover significant risks that are or may be exposed and the evaluation of the level of capital adequacy/requirement in line with strategic objectives
- Developing internal models of our Bank's Probability of Default (PD), Loss at Default (THK) Default Amount (TT) within the scope of TFRS 9 expected credit risk loss calculation, monitoring their performance, developing scenario-based macroeconomic models of parameters regarding future expectations
- Ensuring the accuracy, consistency and adequacy of the analytical models and processes used in decision-making processes and to evaluate their performance and to report the results at regular intervals

The analyzes and studies carried out at ICAAP, including the validation studies, are examined by the Inspection Board and an Analysis Report is prepared regarding the results

Channels used for disseminating and implementing risk culture within The Bank (e.g., codes of conduct, manuals including operational limits or procedures to be performed when risk thresholds are exceeded, procedures for identifying and sharing risk issues between business units and risk units)

The Parent Bank exercises maximum efforts to perceive both risks and returns accurately during its activities and maintain its perspective for disseminating risk culture across the Parent Bank. Accordingly, goals, vision and strategic approaches are shared in large group meetings held by the Parent Bank's Top Management with employees.

Signal and limit structure established based on risk weighted assets is one of the channels used to disseminate risk culture within the Parent Bank. Parameters for signal and limit structure and limit values of parameters are determined by risk management by consulting the relevant units and approved by the Board of Directors.

It is ensured that risk signal and limit structure is forwarded to relevant units in the Parent Bank and the structure is understood by the staff. Utilization levels for signal and risk parameters are reported submitted to the Parent Bank's Top Management.

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If limits are exceeded, the Parent Bank's Top Management is notified. In such a case, matters such as risk mitigation, risk transfer or risk-averse, increasing collaterals and similar issues can be considered as part of required actions. If limits are exceeded, forward-looking strategies and policies of the Parent Bank - including budget figures - can be reviewed or, where necessary, revised.

Another channel used to disseminate the risk culture is in the scope of ICAAP activities. It is essential to include assessment results for capital adequacy in the ICAAP Report covering all significant risks of The Parent Bank. The report is prepared in coordination with risk management and with participation from other relevant units. Similarly, the Parent Bank's budget goals for the upcoming years are also established with the participation of relevant units. The Parent Bank's Top Management and relevant units conduct their ICAAP duties, authorities and responsibilities in line with the Parent Bank regulations and relevant legal legislation.

Principal elements and scope of risk measurement system

The Parent Bank's risk measurement system functions in line with the best practices, legal regulations, fields of activity and product ranges in a consistent, reliable and integrated way. Regarding the inclusion of risk measurement results in decision-making processes, reports are elaborated with extensive explanations and assumptions to avoid any misinterpretation that may arise from errors and deficiencies.

Required activities are performed to engage in design, selection, implementation and pre-approval processes for risk measurement models; review accuracy, reliability and performance of models regularly through various methodologies and make required revisions; accordingly, and report results of analyses conducted with such models.

The Parent Bank's capital adequacy ratio is calculated in accordance with the Communiqué on Measurement and Assessment of Capital Adequacy of Banks, Communiqué on Credit Risk Mitigation Techniques and other relevant legal regulations.

Counter parties/operations related to the credit risk are separated on the basis of risk classes mentioned in Appendix-1 of the Communiqué on Measurement and Assessment of Capital Adequacy of Banks, and each of them is assigned by the weight of risk in line with the matters specified for relevant risk class. Then, they are subject to risk mitigation in accordance with the principles of Communiqué on Credit Risk Mitigation Techniques and weighted based on the risk weights.

After deduction of expected loss provisions for the loans for the stage 3 in accordance with Communiqué on Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves, non-cash loans and commitments are included in the calculation of credit-risk-weighted amount with loan conversion rates presented in article 5 of Communiqué on Measurement and Assessment of Capital Adequacy of Banks.

Trading accounts and the values deducted from the capital base in the shareholders' equity computation are excluded from calculation of credit risk-weighted assets.

Calculations regarding to the counter party credit risk are made for repurchase agreement and derivative transactions. These transactions are added to the calculations after applying the rates presented in the amendments of the Communiqué on Measurement and Assessment of Capital Adequacy of Banks and Communiqué on Credit Risk Mitigation Techniques.

Calculations regarding counter parties credit risks are made with the basic financial collateral method and extensive collateral method for banking accounts and trading accounts respectively.

The amount subject to the total market risk is calculated through the standard method. Furthermore, value at risk forecasts is made on a daily basis and backward testing is performed so as to measure performance of the model.

Liquidity Coverage Ratio and Liquidity Risk Analysis reports for the liquidity risk are prepared in accordance with the relevant regulations. Furthermore, stress test is performed to assess maturity mismatch between sources and uses, contractual maturities as well as behavioural maturities of assets and liabilities, the Parent Bank's liquidity requirement in a worst-case scenario and relevant damages that may be incurred based on scenario and sensitivity analysis activities.

Control of interest rate risk on banking accounts entails monitoring rate and maturity mismatch between sources and uses of fixed and variable interest rates, contractual maturities as well as behavioural maturities assets and liabilities and the effects of the usual and unusual changes in interest rates which is possibly uptrend and downtrend.

Explanations provided to the Board of Directors and Top Management on risk reporting processes, particularly scope and main contents of reporting

It is essential to inform the Top Management about developments and results of the analysis and activities conducted in order to achieve efficiency in risk management. Accordingly, a reporting system for informing Top Management is established and required measures are taken for healthy functioning of the system.

Informing process as part of reporting should be based on the most current data available on a periodical basis. Reports issued contain, at minimum, information on risk amount and development, legal capital requirement, legal ratios for liquidity and interest rate risks, stress test analysis results, effect of such results on capital adequacy level and ratios, realization level of risk limits and limitations, and assumptions of risk measurement method used.

As part of the reporting system, an information systems infrastructure is established for external reporting and required actions are taken to fulfill legal obligations fully in a timely manner in this regard.

Explanations on stress test (e.g., assets subject to stress test, scenarios applied, methodologies used and the use of stress test in risk management)

Stress test is intended to pre-assess the effect of negative developments in specified risk factors on amounts subject to risk and capital adequacy/requirement level.

Conducting the stress test periodically is essential, and test result must be included in internal reporting and considered in strategic decision-making process or capital management. Results of stress test analysis are considered while establishing risk management policies.

In stress test activities, shock is applied to risk factors determined (factors specific to debtor or transaction or macroeconomic variables such as exchange rate, price, interest and so on), and the effects of results on risk-weighted asset amount and capital adequacy ratio are identified. Accordingly, risk factors are identified first and then assumptions to be implemented are determined and possible losses in the future are estimated. Stress test activities include creating scenarios, which are unlikely, if not impossible, and which may affect the Parent Bank's risk level significantly.

The results of stress test are subject to internal Bank reporting and ICAAP Report. The results of stress test may be used in processes to determine the Parent Bank's risk appetite or risk limits and identify new and current business strategies as a planning instrument and their effect on capital utilization.

Analyses of credit risk based on internal and external risk factors, counter party credit risk, liquidity risk, interest rate risk, operational risk and market risk are conducted in the case of stress tests which are subject to internal reporting.

The Board of Directors is responsible for assessing the results of the Stress Test Program and taking actions based on the results. Accordingly, actions such as revision of risk appetite, strategy and risk limits or restriction of activities to specific sectors or portfolios can be taken.

The Parent Bank's risk management, aversion and mitigation strategies and processes based on business model and monitoring processes for continuous efficiency of safeguards and mitigants

Amounts subject to credit risk can be mitigated by using one or more risk mitigation techniques in line with the legal regulations.

Funded or unfunded credit safeguard instruments are considered while using the risk mitigation technique. Whether credit safeguard instruments meet minimum compulsory conditions specified in legal regulations is checked via the system.

The Parent Bank performs risk mitigation through simple financial method. Credibility of guarantors are monitored and assessed in the scope of credit revision maturity.

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All Bank employees are responsible for control and mitigation of operational risks based on their job definitions and business processes. All Bank units are obliged to take risk mitigation measures for mitigation of operational risks that may occur in their respective fields of activity through insurance and other risk transfer mechanisms.

The Parent Bank's market risk is mitigated through derivatives or other financial products by considering current conjuncture and risk appetite, risk capacity and risk level. Long term liabilities are obtained and the interest rate risk arising from liquidity and banking accounts is limited through the transactions performed.

Diversification of fund is deemed important for managing the liquidity risk that may occur. While the Parent Bank's main funding sources are deposits, the strategy of preserving the granular structure of deposits is sustained. Besides, in order to increase the diversification of funds and decrease the maturity gap between assets and liabilities, non-deposit funds such as bond/bill issuances, repo transactions and funds borrowed are executed as for the asset side of the Parent Bank, policies are pursued as part of measures to improve short term cash cycle and minimize maturity mismatch between assets and liabilities. As part of management of interest rate risk, measures are taken to reduce repricing maturity mismatch of interest sensitive assets and liabilities.

Overview of Risk Weighted Amounts

		Risk Weighted Amount		Minimum capital Requirement
		Current Period	Prior Period	Current Period
1	Credit Risk (excluding counterparty credit risk)	2.186.838.040	1.419.608.937	174.947.043
2	Standardized approach	2.186.838.040	1.419.608.937	174.947.043
3	Internal rating-based approach	-	-	-
4	Counterparty credit risk	36.936.387	27.959.366	2.954.911
5	Standardized approach for counterparty credit risk	36.936.387	27.959.366	2.954.911
6	Internal model method	-	-	-
7	Basic risk weight approach to internal model's 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	1.124.974	2.300.996	89.998
10	Investments made in collective investment companies-1250% weighted risk approach	-	-	-
11	Settlement risk	-	-	-
12	Securitization positions in banking accounts	-	-	-
13	IRB ratings-based approach	-	-	-
14	IRB Supervisory Formula approach	-	-	-
15	SA/simplified supervisory formula approach	-	-	-
16	Market risk	174.370.639	109.408.827	13.949.651
17	Standardized approach	174.370.639	109.408.827	13.949.651
18	Internal model approaches	-	-	-
19	Operational risk	142.750.275	61.756.259	11.420.022
20	Basic Indicator approach	142.750.275	61.756.259	11.420.022
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)**	**2.542.020.315**	**1.621.034.385**	**203.361.625**

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			Carrying values as reported in published financial statements				
Current Period	**Carrying values as reported in published financial statements (*)**	**Valued amount according to TAS within legal consolidation (**)**	**Subject to credit risk framework**	**Subject to counterparty credit risk framework**	**Subject to the securitization on framework**	**Subject to the market risk framework**	**Not subject to capital requirements or subject to deduction from capital**
Assets							
Cash and Balances at Central Bank	608.799.569	608.799.569	608.799.569	-	-	-	-
Banks	70.245.050	70.245.050	70.245.050	-	-	-	-
Receivables from Money Markets	154.140.783	154.140.783	141.151.003	12.989.780	-	-	-
Financial Assets Measured at Fair Value to Profit or Loss	71.715.912	71.715.912	56.927	-	-	71.658.985	-
Financial Assets Measured at Fair Value to Other Comprehensive İncome	607.530.470	607.530.470	552.746.454	110.434.227	-	54.784.016	-
Financial Assets Measured at Amortized Cost	348.584.980	348.584.980	348.584.980	9.658.457	-	-	-
Derivative Financial Assets	10.448.631	10.448.631	-	10.448.631	-	-	-
Loans (Net)	2.213.436.373	2.160.777.277	2.214.980.321	-	-	-	75.504
Investments in Associates (Net)	1.295.645	1.295.645	1.295.645	-	-	-	-
Investments in Subsidiaries (Net)	3.685.048	3.685.048	3.685.048	-	-	-	-
Jointly Controlled Partnerships (Joint Ventures) (Net)	1.557.219	1.557.219	1.557.219	-	-	-	-
Receivables Form Leasing Transactions	52.659.096	52.659.096	52.659.096	-	-	-	-
Tangible Assets (Net)	-	-	-	-	-	-	-
Intangible Assets (Net)	60.822.581	60.784.485	59.791.660	-	-	-	992.825
Investment Properties (Net)	4.764.023	4.757.497	-	-	-	-	4.757.497
Tax Asset	1.434.220	1.434.220	1.434.220	-	-	-	-
Non-Currents Assets or Disposal Groups "Held for Sale" And "From Discontinued Operations (Net)	33.534.610	33.534.611	33.534.611	-	-	-	-
Other Assets	6.970.827	6.970.827	6.970.827	-	-	-	-
Total Assets	2.880.814	55.508.722	55.508.722	-	-	-	-
	4.254.505.851	**4.254.430.042**	**4.153.001.352**	**143.531.095**	**-**	**126.443.001**	**5.825.826**
Liabilities							
Deposits							
Funds Borrowed	3.299.683.910	3.299.823.847	-	-	-	-	-
Money Markets	210.521.065	210.521.065	-	60.723.379	-	-	-
Securities Issued (Net)	94.300.909	94.300.909	-	94.300.909	-	-	-
Funds	66.567.754	66.567.754	-	-	-	-	-
Derivative Financial Liabilities	103.158	24.055	-	-	-	-	-
Factoring Liabilities	3.670.072	3.670.072	-	-	-	-	-
Other Liabilities	-	-	-	-	-	-	-
Factoring Liabilities	110.159.314	109.898.995	-	-	-	-	-
Provisions	4.787.118	4.787.118	-	-	-	-	-
Tax Liability	38.473.447	38.473.447	-	-	-	-	-
Non-Currents Liabilities or Disposal Groups "Held For Sale" And "From Discontinued Operations (Net)	12.304.472	12.304.472	-	-	-	-	-
Subordinated Debt Instruments	-	-	-	-	-	-	-
Equity	51.072.217	51.072.217	-	-	-	-	-
Cash and Balances at Central Bank	362.862.415	362.986.091	-	-	-	-	-
Total Liabilities	**4.254.505.851**	**4.254.430.042**	**-**	**155.024.288**	**-**	**-**	**-**

(*) Financial statements prepared in accordance with the sixth paragraph of the fifth article of the "Communiqué on the Preparation of Banks' Consolidated Financial Statements" have been used.

(**) Represents the consolidated financial statements of the Bank.

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2. Connections Between Financial Statements and the Risk Amounts

Differences Between Accounting Consolidation and Legal Consolidation and Matching of the Subject

			Carrying values as reported in published financial statements				
Prior Period	**Carrying values as reported in published financial statements (*)**	**Valued amount according to TAS within legal consolidation (**)**	**Subject to credit risk framework**	**Subject to counterparty credit risk framework**	**Subject to the securitization on framework**	**Subject to the market risk framework**	**Not subject to capital requirements or subject to deduction from capital**
Assets							
Cash and Balances at Central Bank	403.946.747	403.946.747	403.946.747	-	-	-	-
Banks	28.641.932	28.641.932	28.641.932	-	-	-	-
Receivables from Money Markets	6.282.990	6.282.990	1.167.858	5.115.132	-	-	-
Financial Assets Measured at Fair Value to Profit or Loss	36.075.116	36.075.116	696.219	-	-	35.378.897	-
Financial Assets Measured at Fair Value to Other Comprehensive İncome	415.499.007	415.499.007	330.237.299	98.062.871	-	85.261.708	-
Financial Assets Measured at Amortized Cost	165.382.493	165.382.493	165.382.493	22.603.804	-	-	-
Derivative Financial Assets	8.860.105	8.860.105	-	8.860.105	-	-	-
Loans (Net)	1.392.645.109	1.371.392.988	1.409.848.507	-	-	-	24.655
Investments in Associates (Net)	693.755	693.755	693.755	-	-	-	-
Investments in Subsidiaries (Net)	1.525.892	1.525.892	1.525.892	-	-	-	-
Jointly Controlled Partnerships (Joint Ventures) (Net)	1.100.239	1.100.239	1.100.239	-	-	-	-
Receivables Form Leasing Transactions	21.252.121	21.252.121	21.252.121	-	-	-	-
Tangible Assets (Net)	-	-	-	-	-	-	-
Intangible Assets (Net)	36.857.821	36.835.128	36.680.771	-	-	-	154.357
Investment Properties (Net)	2.770.249	2.766.382	-	-	-	-	2.766.382
Tax Asset	775.075	775.075	775.075	-	-	-	-
Non-Currents Assets or Disposal Groups "Held for Sale" And "From Discontinued Operations (Net)	5.930.724	5.930.724	5.930.724	-	-	-	-
Other Assets	7.182.481	7.182.481	7.182.481	-	-	-	-
Total Assets	17.753.518	38.978.938	38.978.938	-	-	-	-
	2.553.175.374	**2.553.122.113**	**2.454.041.051**	**134.641.912**	**-**	**120.640.605**	**2.945.394**
Liabilities							
Deposits							
Funds Borrowed	1.940.237.158	1.940.309.072	-	-	-	-	-
Money Markets	115.412.033	115.412.033	-	1.111.812	-	-	-
Securities Issued (Net)	92.618.688	92.618.688	-	92.618.687	-	-	-
Funds	31.805.956	31.805.956	-	-	-	-	-
Derivative Financial Liabilities	70.337	34.703	-	-	-	-	-
Factoring Liabilities	3.159.560	3.159.560	-	-	-	-	-
Other Liabilities	-	-	-	-	-	-	-
Factoring Liabilities	61.435.895	61.306.135	-	-	-	-	-
Provisions	1.850.079	1.850.079	-	-	-	-	-
Tax Liability	51.139.130	51.139.130	-	-	-	-	-
Non-Currents Liabilities or Disposal Groups "Held For Sale" And "From Discontinued Operations (Net)	9.858.291	9.858.291	-	-	-	-	-
Subordinated Debt Instruments	-	-	-	-	-	-	-
Equity	31.546.716	31.546.716	-	-	-	-	-
Cash and Balances at Central Bank	214.041.531	214.081.750	-	-	-	-	-
Total Liabilities	**2.553.175.374**	**2.553.122.113**	**-**	**93.730.499**	**-**	**-**	**-**

(*) Financial statements prepared in accordance with the sixth paragraph of the fifth article of the "Communiqué on the Preparation of Banks' Consolidated Financial Statements" have been used.

(**) Represents the consolidated financial statements of the Bank.

The main sources of the differences between the risk amounts and the amounts assessed in accordance with TAS in the financial statements

Current Period	Total	Subject to credit risk framework	Subject to counterparty credit risk framework	Subject to the market risk framework
Asset carrying value amount under scope of regulatory consolidation	**4.254.430.042**	**4.153.001.352**	**143.531.095**	**126.443.001**
Liabilities carrying value amount under regulatory scope of consolidation	-	-	155.024.288	-
Total net amount under regulatory scope of consolidation	**4.254.430.042**	**4.153.001.352**	**(11.493.193)**	**126.443.001**
Off-balance sheet amounts	2.185.415.720	504.027.480	696.350.442	-
Valuation Differences	-	-	-	-
Differences due to different netting rules, other than those already included in row 2	-	-	-	-
Differences due to consideration of provisions	-	-	-	-
Differences due to prudential filters	-	-	-	-
Amount of Risk	**6.439.845.762**	**4.657.028.832**	**684.857.249**	**126.443.001**

Prior Period	Total	Subject to credit risk framework	Subject to counterparty credit risk framework	Subject to the market risk framework
Asset carrying value amount under scope of regulatory consolidation	**2.553.122.113**	**2.454.041.051**	**134.641.912**	**120.640.605**
Liabilities carrying value amount under regulatory scope of consolidation	-	-	93.730.499	-
Total net amount under regulatory scope of consolidation	**2.553.122.113**	**2.454.041.051**	**40.911.413**	**120.640.605**
Off-balance sheet amounts	1.074.171.103	313.316.733	403.703.302	-
Valuation Differences	-	-	-	-
Differences due to different netting rules, other than those already included in row 2	-	-	-	-
Differences due to consideration of provisions	-	-	-	-
Differences due to prudential filters	-	-	-	-
Amount of Risk	**3.627.293.216**	**2.767.357.784**	**444.614.715**	**120.640.605**

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

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

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3. Credit Risk Explanations

3.1. Transformation of bank's business model into components in credit risk profile

The banks must allocate risk limits approved by board of directors of the banks and monitor limit utilization pursuant to Article 38 of the Regulation on the Internal Systems and Internal Capital Adequacy Assessment Processes of Banks issued by the BRSA and published in the Official Gazette no. 29057 dated 11 July 2014. Furthermore, pursuant to paragraph 5 of the same article, it is expected to establish a signal structure that will serve as an early warning mechanism in addition to the limit structure.

Additionally, principle 5 of the Guideline for Counter Party Credit Risk Management announced to the public by the BRSA with the Agency Decision no. 6827 dated 31 March 2016 States that banks must allocate a limit for counter party credit risk (CCR).

Pursuant to aforementioned regulations, to what extent the Parent Bank gets closer to allocated limits approved by the board of directors or to what extent these levels were exceeded must be monitored by the risk management unit which was structured independent from executive units. This practice that was included in monitoring function of the risk management unit is significant as it presents a legal obligation, and it helps optimization of resource utilization.

In accordance with the changing organizational structure of the Parent Bank, the signal and limit with risk of change in customer segmentation are on corporate, commercial and individual segment basis in accordance with the customer segment structure and are updated according to the changes in the segmentation structure. Signal and limit values for counter party credit risk transactions were determined separately for banking accounts and trading accounts based on portfolio type. Calculations were made based on ratio of risk weighted asset amounts calculated for relevant parameters to total credit and market risk weighted asset amounts and they are reported to the Parent Bank's Top Management periodically through relevant units.

In an attempt to prevent significant effects of unfavorable developments in the portfolio subject to market risk, it is essential to restrict risk level to the limits in line with the Bank's risk appetite. Market risk limits were determined as interest rate risk and currency risk limits. Current values for such limits are calculated daily with market data and reported to the Bank's Top Management through relevant units. Market risk signal and limit values are monitored dynamically in the light of market developments and, if necessary, updated based on the developments in the Bank's strategy and risk appetite.

3.2. Criteria and approach adopted for determining credit risk policy and credit risk limits

As part of credit risk management, the Parent Bank's risk management team conducts the functions of identification, measurement, monitoring and controlling of credit risk in line with the structure, size, complexity and growth rate of products and activities and reports the analysis, including stress test, and its results to the Bank's Top Management.

In an attempt to prevent significant effects of unfavourable developments in the portfolio subject to credit risk, credit risk level was restricted to the limits in line with the Parent Bank's risk appetite. The limits are revised and, if needed, updated regularly in line with the developments in market conditions, the Parent Bank's strategy and risk appetite.

There is a signal and limit structure showing that credit risk limits are approached as a result of developments within or outside the Parent Bank. The parameters related to this signal and limit structure and the limit values of the parameters are determined by the risk management by taking the opinions of the relevant units. The approval of the Audit Committee and the Board of Directors is obtained in order for the parameters and signal/limit threshold values to be implemented in the Parent Bank. It is ensured that the risk signal and limit structure in the Bank is communicated to the relevant units and that the relevant personnel there understand the structure, and the realized values are closely monitored by the risk management periodically. Actual values of signal and limit parameters are subject to reports made to the Bank's Senior Management.

3.3. Structure and organization of credit risk management and control function

The Parent Bank's internal system units consist of the Inspection Board, Internal Audit Department, Compliance Department and Risk Management Department. Credit risk management is one of the six services under the Risk Management Department.

Activities conducted at the credit risk management unit, which is subject to inspection and controlling activities periodically, aim to establish and maintain a credit risk management infrastructure that is structured enough to meet legal obligations and flexible enough to accommodate the best practices. Accordingly, capital amount that should be reserved for credit risk is calculated; risk mitigation techniques are implemented; stress tests are conducted; credit risk signal and limit structures are monitored; activities are conducted to calculate credit risk with advanced methods and developments that may affect the Bank's credit risk are monitored. Analyses conducted are reported to the Top Management and relevant units periodically.

3.4. Relationship between credit risk management, risk control, legal compliance and internal audit functions

Risk Management Department goes through inspection and control activities periodically. In case of any findings, they are reported and required activities are performed.

In addition, audit and control units are also involved in the ICAAP studies, which constitute an important part of risk management activities. Accordingly, the analyzes and studies carried out at ICAAP are examined by the Inspection Board and an Investigation Report is prepared regarding the results.

The controls on Risk Management Disclosures are carried out within the scope of Risk Management Department activities. Two separate control processes are carried out periodically in the related unit, Capital Adequacy Calculation process and other Risk Management processes control and are carried out within the scope of capital adequacy check points and guide and control points and guidance related to other risk management activities.

All activities, new transactions and products planned by the Parent Bank; compliance with relevant laws, regulations, internal policies and banking practices is controlled. In this context, the compliance of the legislative regulations regarding the Risk Management Disclosures with the intra-bank practices is also checked.

The control activities carried out in the Head Office Units are carried out in accordance with the control periods determined by taking into account the functions and the risks of the units, the duties of the units and their effects on The Parent Bank's balance sheet. The control processes of the Head Office Units are carried out through the control points determined according to the processes, duties and powers of the unit and the control techniques are detailed in the General Directorate Control Manual.

3.5. Scope and Main Content for Reporting to Top Management and Board Members on Credit Risk Management Function and Credit Risk Exposed

It is essential to inform the Parent Bank's Top Management about developments in credit risk management and results of the analysis and activities conducted in order to achieve efficiency in risk management. Accordingly, a reporting system for informing the Parent Bank's Top Management on credit risk management is established and required measures are taken for healthy functioning of the system.

Informing process as part of reporting should be based on the most current data available on a periodical basis.

Reports issued contain, at a minimum, information on risk amount and development, legal capital requirement, stress test analysis results, effect of such results on capital adequacy level, actualization level of risk limits and limitations and assumptions of risk measurement method used.

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3.6. Credit Quality of Assets

Current Period	Gross amount valued in accordance with TAS included in the financial statements prepared according to legal consolidation		Allowances/ Amortization and impairments	Net values
	Defaulted	Non-defaulted		
Loans	29.930.860	2.260.426.027	76.920.514	2.213.436.373
Debt Securities	-	109.976.466	565.867	109.410.599
Off-balance sheet exposures	6.011.402	1.529.028.663	9.204.333	1.525.835.732
Total	**35.942.262**	**3.899.431.156**	**86.690.714**	**3.848.682.704**

(*) It also includes receivables from lease transactions.

Prior Period	Gross amount valued in accordance with TAS included in the financial statements prepared according to legal consolidation		Allowances/ Amortization and impairments	Net values
	Defaulted	Non-defaulted		
Loans	19.247.953	1.427.751.865	54.354.709	1.392.645.109
Debt Securities	-	502.471.317	14.804.756	487.666.561
Off-balance sheet exposures	1.423.307	690.361.564	9.352.474	682.432.397
Total	**20.671.260**	**2.620.584.746**	**78.511.939**	**2.562.744.067**

(*) It also includes receivables from leasing transactions.

3.7. Changes on Defaulted Loans and Debt Securities

		Current Period	Prior Period
1	**Defaulted loans and debt securities at end of the previous reporting period**	**19.247.953**	**20.206.200**
2	Loans and debt securities that have defaulted since the last reporting period	18.204.861	6.927.606
3	Returned to non-defaulted status	(762.998)	(1.082.290)
4	Amounts written off	(587.000)	(885.220)
5	Other changes	(6.171.956)	(5.918.343)
6	**Defaulted loans and debt securities at end of the reporting period (1+2-3-4±5) (*) definitions (1+2-3-4±5) (*)**	**29.930.860**	**19.247.953**

(*) Provisions for non-cash loans are not included in the table.

3.8. Additional Explanations on Credit Quality of Assets

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

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

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

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

Definitions of methods used for determining provision amount

The Parent Bank sets expected loss provisions for loans and other receivables in accordance with the regulations stated by the Communiqué published on the Official Gazette numbered 29750 and dated 22 June 2016 on "Methods and Principles on Determining the Nature of Loans and Other Receivables and Allocation of Provisions".

Definitions of restructured receivable

Real/legal persons using credit may, from time to time, face usual risks of business life such as failure to include the excessive cost increases in sales prices, loss of market share and turnover, unexpected expenses, problems in collection of receivables due to some factors that are beyond reasonable control of its own businesses or other businesses worked with. They may therefore have temporary liquidity difficulties. It involves setting new loan repayment maturities in line with cash flows for businesses which have no significant problem in credit worthiness and sustain their income-generating activities but fail, or priorly imply failure, to make their loan repayment in a timely manner due to temporary liquidity problems.

Breakdown of receivables by geographic regions, sectors, and remaining maturity; receivable amounts subject to allocation of provision by geographic regions and sectors and their respective provisions; amounts removed from the assets

Current Period	Loans and Receivables [2]	Non-Preforming Loans	Expected Loss Provisions	Total
Domestic	2.141.681.848	24.737.939	71.924.870	2.094.494.917
European Union Countries	17.574.707	611.875	758.149	17.428.433
USA, Canada	109.634	4.534	5.026	109.142
OECD Countries [1]	5.857.068	196.330	416.098	5.637.300
Off-Shore Banking Regions	-	-	-	-
Other	42.543.674	4.380.182	3.816.371	43.107.485
Total	**2.207.766.931**	**29.930.860**	**76.920.514**	**2.160.777.277**

[1] OECD countries other than EU countries, USA, and Canada.

[2] Receivables from rental transactions are not included.

Prior Period	Loans and Receivables [2]	Non-Preforming Loans	Expected Loss Provisions	Total
Domestic	1.372.387.748	15.948.383	51.376.238	1.336.959.893
European Union Countries	8.944.291	377.401	398.013	8.923.679
USA, Canada	31.206	4.249	4.364	31.091
OECD Countries [1]	3.138.551	136.957	201.293	3.074.215
Off-Shore Banking Regions	-	-	-	-
Other	21.997.948	2.780.963	2.374.801	22.404.110
Total	**1.406.499.744**	**19.247.953**	**54.354.709**	**1.371.392.988**

[1] OECD countries other than EU countries, USA, and Canada.

[2] Receivables from rental transactions are not included.

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Current Period	Loans and Receivables [1]	Non-Preforming Loans	Expected Loss Provisions	Total
Agriculture	529.383.893	865.393	3.148.163	527.101.123
Farming and Stockbreeding	521.774.920	846.936	3.114.101	519.507.755
Forestry	3.904.742	12.317	24.115	3.892.944
Fishing	3.704.231	6.140	9.947	3.700.424
Manufacturing	569.154.394	4.509.107	33.606.125	540.057.376
Mining and Quarrying	39.351.021	36.979	222.335	39.165.665
Production	447.100.446	3.835.786	29.232.513	421.703.719
Electric, Gas and Water	82.702.927	636.342	4.151.277	79.187.992
Construction	196.289.151	9.427.004	14.292.495	191.423.660
Services	410.031.131	7.119.207	14.368.153	402.782.185
Wholesale and Retail Trade	160.814.524	3.085.175	4.177.388	159.722.311
Hotel Food and Beverage Services	39.494.321	892.788	1.625.854	38.761.255
Transportation and Telecommunication	44.152.633	172.401	272.142	44.052.892
Financial Institutions	27.213.828	7.278	106.444	27.114.662
Real Estate and Leasing Services	128.516.064	1.893.422	7.152.525	123.256.961
Self-Employment Services	469.787	140	11.582	458.345
Education Services	2.735.862	988.532	741.821	2.982.573
Health and Social Services	6.634.112	79.471	280.397	6.433.186
Other	502.908.362	8.010.149	11.505.578	499.412.933
Total	**2.207.766.931**	**29.930.860**	**76.920.514**	**2.160.777.277**

[1] Receivables from lease transactions are not included.

Prior Period	Loans and Receivables [1]	Non-Preforming Loans	Expected Loss Provisions	Total
Agriculture	266.952.007	953.502	2.178.354	265.727.155
Farming and Stockbreeding	263.418.219	938.201	2.153.571	262.202.849
Forestry	2.296.437	9.438	16.150	2.289.725
Fishing	1.237.351	5.863	8.633	1.234.581
Manufacturing	386.853.093	2.934.846	19.464.475	370.323.464
Mining and Quarrying	27.942.273	36.627	321.509	27.657.391
Production	282.825.874	2.642.643	17.067.390	268.401.127
Electric, Gas and Water	76.084.946	255.576	2.075.576	74.264.946
Construction	142.918.310	3.935.665	7.855.861	138.998.114
Services	303.014.976	5.084.000	17.113.040	290.985.936
Wholesale and Retail Trade	118.594.250	3.033.916	4.188.997	117.439.169
Hotel Food and Beverage Services	29.254.230	664.395	3.386.746	26.531.879
Transportation and Telecommunication	44.998.380	188.017	302.233	44.884.164
Financial Institutions	13.742.902	12.718	81.533	13.674.087
Real Estate and Leasing Services	89.677.067	1.112.594	8.478.487	82.311.174
Self-Employment Services	303.236	90	5.521	297.805
Education Services	2.443.587	17.890	194.688	2.266.789
Health and Social Services	4.001.324	54.380	474.835	3.580.869
Other	306.761.358	6.339.940	7.742.979	305.358.319
Total	**1.406.499.744**	**19.247.953**	**54.354.709**	**1.371.392.988**

[1] Receivables from lease transactions are not included.

Aging Analysis for Overdue Receivables

Day Past Due	Current Period	Prior Period
1-30 Days	16.390.778	3.246.771
31-60 Days	2.177.151	1.511.192
61-90 Days	1.375.685	834.986
90 +	19.701	82.722
Total	**19.963.315**	**5.675.671**

Loans under close monitoring amounting to TL 126.267.691 (31 December 2022: TL 85.779.103) are not overdue.

Breakdown of restructured receivables by allocation of provision

Out of the Group's total restructured loans amounting to TL 114.228.115, a portion of TL 112.075.051 consists of performing loans and remaining portion of TL 2.153.064 consists of non-performing loans. The total amount of first and second stage expected loss provisions allocated for non-performing loans is TL 37.647.714 and the third stage expected loss provision for non-performing loans is TL 1.015.366. (31 December 2022: Out of the Group's total restructured loans amounting to TL 79.148.706, a portion of TL 77.339.920 consists of performing loans and remaining portion of TL 1.808.786 consists of non-performing loans. Total first and second stage expected loss provision for structured loans is TL 27.166.865 and third stage expected loss provision amount allocated for non-performing loans is TL 1.132.408.)

3.9. Credit risk mitigation

3.9.1. Qualitative requirements to be disclosed to public regarding credit risk mitigation techniques

Basic characteristics of policies and processes on the extent of utilization of on-balance sheet and off-balance sheet netting

The practice of on-balance sheet and off-balance sheet netting is not used while mitigating credit risk within the Group.

3.10. Credit risk mitigation techniques - Overview

Current Period	Unsecured receivables: Amount assessed pursuant to TAS	Receivables secured by guarantee	Collateralized portions of collateralized receivables	Receivables protected by financial guarantees	Collateralized portions of receivables protected by financial guarantees	Receivables protected by credit derivatives	Collateralized portions of receivables protected by credit derivatives
Loans (*)	1.435.536.333	519.051.595	107.998.209	475.825.912	81.894.470	-	-
Debt Securities	770.081.467	-	-	-	-	-	-
Total	**2.205.617.800**	**519.051.595**	**107.998.209**	**475.825.912**	**81.894.470**	**-**	**-**
Of which defaulted	26.146.948	1.627.159	659.096	1.612.347	657.651	-	-

Prior Period	Unsecured receivables: Amount assessed pursuant to TAS	Receivables secured by guarantee	Collateralized portions of collateralized receivables	Receivables protected by financial guarantees	Collateralized portions of receivables protected by financial guarantees	Receivables protected by credit derivatives	Collateralized portions of receivables protected by credit derivatives
Loans (*)	1.035.241.594	260.882.660	40.724.897	242.015.923	32.956.669	-	-
Debt Securities	437.527.982	-	-	-	-	-	-
Total	**1.472.769.576**	**260.882.660**	**40.724.897**	**242.015.923**	**32.956.669**	**-**	**-**
Of which defaulted	17.294.355	926.013	217.871	912.025	217.568	-	-

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3.11. Credit risk in case of using standard approach

3.11.1. Qualitative explanations on ratings used by banks while calculating credit risk with standard approach

Names of Credit Rating Agencies (CRA) and Export Rating Agencies (ERA) used by The Parent Bank and the reasons in case of any change during the reporting period

The Parent Bank uses ratings of Fitch Ratings International Rating Agency and Islamic International Rating Agency (IIRA) while calculating the amount subject to credit risk through standard approach. The country risk classification published by the Economic Cooperation and Development Organization (OECD) is taken as basis for the unrated central government and central banks.

Risk classes using CRA and ERA ratings

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

Explanation on how credit rating of debtor is used for other assets of debtor in banking accounts

In order to determine the risk weight of the items subject to issuance or issuer rating among the items included in the banking accounts, the issue rating is first examined, and in the absence of an issue rating, the credit rating of the issuer is taken into account.

Matching rating grades on the basis of risk

Rating assigned by a credit rating agency that is not listed in the BRSA's matching table is not used in calculations.

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3.12. Standard Approach- Loan risk Exposure and the Effects of Loan Risk Reduction Technique

Current Period	Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density	
Risk classes	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	Risk Weighted Amount	Risk Weighted Amount Density
Exposures to sovereigns and their central banks	1.403.702.712	2.589.471	1.484.364.104	1.184.996	10.417.379	0,7%
Exposures to regional and local governments	6.838.382	237.185	6.318.472	174.019	3.203.656	49,3%
Exposures to administrative bodies and non-commercial entities	32.345.421	5.237.244	32.292.456	2.701.627	34.815.112	99,5%
Exposures to multilateral development banks	-	-	-	-	-	-
Exposures to international organizations	-	-	-	-	-	-
Exposures to banks and brokerage houses	229.230.958	31.662.630	230.234.288	18.605.745	62.453.674	25,1%
Exposures to corporates	747.838.609	643.076.348	723.063.503	347.525.708	1.038.634.955	97,0%
Retail exposures	632.369.825	553.297.296	578.879.152	44.298.535	464.609.250	74,6%
Exposures secured by residential property	154.538.279	7.145.757	152.369.899	3.411.007	54.507.857	35,0%
Exposures secured by commercial property	129.548.171	26.629.685	129.548.171	16.949.465	81.534.217	55,7%
Past-due items	5.875.058	-	5.258.982	-	3.626.238	69,0%
Exposures in high-risk categories	199.837.373	2.261.649	199.795.761	1.295.385	340.104.819	169,1%
Exposures in the form of bonds secured by mortgages	-	-	-	-	-	-
Short term exposures to banks, brokerage houses and corporates	-	-	-	-	-	-
Exposures in the form of collective investment undertakings	1.079.100	120.127	1.079.100	57.143	1.124.974	99,0%
Other exposures	143.763.401	-	143.763.401	-	119.240.544	82,9%
Equity share investments	3.969.057	-	3.969.057	-	3.969.057	100,0%
Total	**3.690.936.346**	**1.272.257.392**	**3.690.936.346**	**436.203.630**	**2.218.241.732**	**53,7%**

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Prior Period	Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density	
Risk classes	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	Risk Weighted Amount	Risk Weighted Amount Density
Exposures to sovereigns and their central banks	770.756.946	1.786.581	803.030.531	845.160	3.902.691	0,5%
Exposures to regional and local governments	632.524	208.595	594.032	134.406	324.987	44,6%
Exposures to administrative bodies and non-commercial entities	11.812.435	2.580.803	11.807.400	1.210.805	12.981.384	99,7%
Exposures to multilateral development banks	-	-	-	-	-	-
Exposures to international organizations	-	-	-	-	-	-
Exposures to banks and brokerage houses	109.387.414	20.479.838	110.027.808	12.044.715	37.509.646	30,7%
Exposures to corporates	583.908.618	358.065.665	571.387.149	196.749.187	743.926.609	96,8%
Retail exposures	340.927.304	180.946.090	321.413.208	22.216.820	257.349.533	74,9%
Exposures secured by residential property	135.466.119	3.622.977	134.849.926	1.641.130	47.767.451	35,0%
Exposures secured by commercial property	95.292.805	11.947.689	95.292.805	7.245.287	58.259.834	56,8%
Past-due items	3.017.826	-	2.800.263	-	1.645.136	58,7%
Exposures in high-risk categories	106.413.038	12.398.539	106.413.033	2.801.183	194.877.693	178,4%
Exposures in the form of bonds secured by mortgages	-	-	-	-	-	-
Short term exposures to banks, brokerage houses and corporates	-	-	-	-	-	-
Exposures in the form of collective investment undertakings	2.831.846	123.245	2.830.720	61.577	2.300.996	79,6%
Other exposures	97.913.037	-	97.913.037	-	81.269.638	83,0%
Equity share investments	2.764.260	-	2.764.260	-	2.764.260	100,0%
Total	**2.261.124.172**	**592.160.022**	**2.261.124.172**	**244.950.270**	**1.444.879.858**	**57,7%**

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3.13. Standard Approach: Receivables related with Risk Classes and Risk Weights

Current Period Risk Classes/Risk Weight	0%	10%	20%	25%	35% secured by property mortgage	50% secured by property mortgage	50% (*)	75%	100%	150%	250%	Other	Total risk amount (post-CCF and CRM)
Exposures to sovereigns and their central banks	1.473.969.215	-	604.417	-	-	-	1.357.945	-	9.617.523	-	-	-	1.485.549.100
Exposures to regional and local government	86.776	-	34	-	-	-	6.404.063	-	1.618	-	-	-	6.492.491
Exposures to administrative bodies and non-commercial entities	162.851	-	20.149	-	-	-	-	-	34.811.083	-	-	-	34.994.083
Exposures to multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-	-
Exposures to international organizations	-	-	-	-	-	-	-	-	-	-	-	-	-
Exposures to banks and brokerage houses	93.198.648	-	65.653.856	-	-	-	81.320.481	-	8.662.573	-	-	4.475	248.840.033
Exposures to corporates	25.027.194	-	1.723.059	-	-	-	11.097.230	-	1.032.741.728	-	-	-	1.070.589.211
Retail exposures	9.174.584	-	780.790	-	-	-	15.554	595.045.778	18.160.981	-	-	-	623.177.687
Exposures secured by residential property	41.397	-	6.476	-	155.733.033	-	-	-	-	-	-	-	155.780.906
Exposures secured by commercial property	-	-	-	-	-	129.926.839	-	-	16.570.797	-	-	-	146.497.636
Past-due items	1.428	-	-	-	-	-	3.262.633	-	1.994.921	-	-	-	5.258.982
Exposures in high-risk categories	18.778	-	705	-	-	-	705.292	-	71.286	125.544.542	-	74.750.543	201.091.146
Exposures in the form of bonds secured by mortgages	-	-	-	-	-	-	-	-	-	-	-	-	-
Short term exposures to banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-	-	-	-	-
Exposures in the form of collective investment undertakings	11.269	-	-	-	-	-	-	-	1.124.974	-	-	-	1.136.243
Equity share investments	-	-	-	-	-	-	-	-	3.969.057	-	-	-	3.969.057
Other exposures	24.522.841	-	20	-	-	-	-	-	119.240.540	-	-	-	143.763.401
Total	**1.626.214.981**	**-**	**68.789.506**	**-**	**155.733.033**	**129.926.839**	**104.163.198**	**595.045.778**	**1.246.967.081**	**125.544.542**	**-**	**74.755.018**	**4.127.139.976**

(*) Demonstrates all receivables that are consisting of 50% risk weighted and out of the line "Exposures secured by commercial property".

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Prior Period Risk Classes/Risk Weight	0%	10%	20%	25%	35% secured by property mortgage	50% secured by property mortgage	50% (*)	75%	100%	150%	250%	Other	Total risk amount (post-CCF and CRM)
Exposures to sovereigns and their central banks	799.456.575	-	143.674	-	-	-	802.971	-	3.472.471	-	-	-	803.875.691
Exposures to regional and local government	69.172	-	24.081	-	-	-	630.029	-	5.156	-	-	-	728.438
Exposures to administrative bodies and non-commercial entities	36.666	-	194	-	-	-	-	-	12.981.346	-	-	-	13.018.206
Exposures to multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-	-
Exposures to international organizations	-	-	-	-	-	-	-	-	-	-	-	-	-
Exposures to banks and brokerage houses	32.892.316	-	29.737.285	-	-	-	55.752.891	-	3.685.656	-	-	4.375	122.072.523
Exposures to corporates	9.802.862	-	15.415.580	-	-	-	4.148.803	-	738.769.091	-	-	-	768.136.336
Retail exposures	3.845.246	-	645.982	-	-	-	-	327.673.855	11.464.945	-	-	-	343.630.028
Exposures secured by residential property	11.189	-	3.352	-	136.476.515	-	-	-	-	-	-	-	136.491.056
Exposures secured by commercial property	-	-	-	-	-	88.556.516	-	-	13.981.576	-	-	-	102.538.092
Past-due items	283	-	8	-	-	-	2.309.675	-	490.297	-	-	-	2.800.263
Exposures in high-risk categories	69.382	-	2.394	-	-	-	13.417	-	483	47.025.373	-	62.103.166	109.214.215
Exposures in the form of bonds secured by mortgages	-	-	-	-	-	-	-	-	-	-	-	-	-
Short term exposures to banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-	-	-	-	-
Exposures in the form of collective investment undertakings	591.301	-	-	-	-	-	-	-	2.300.996	-	-	-	2.892.297
Equity share investments	-	-	-	-	-	-	-	-	2.764.260	-	-	-	2.764.260
Other exposures	16.641.300	-	2.624	-	-	-	-	-	81.269.113	-	-	-	97.913.037
Total	**863.416.292**	**-**	**45.975.174**	**-**	**136.476.515**	**88.556.516**	**63.657.786**	**327.673.855**	**871.185.389**	**47.025.373**	**-**	**62.107.541**	**2.506.074.442**

(*) Demonstrates all receivables that are consisting of 50% risk weighted and out of the line "Exposures secured by commercial property".

3.14. Credit risk under Internal Ratings-Based (IRB) Approach

Standard approach is used in the Group's credit risk calculations.

3.15. Counter Party Credit Risk Explanations

Risk management goals and policies for CCR

As part of the Parent Bank's counter party credit risk management, the functions of identification, measurement, monitoring and controlling of counter party credit risk are conducted in line with the structure, size, complexity and growth rate of products and activities, and the analysis, including stress test, and its results are reported to the Top Management.

As part of capital adequacy ratio calculations, activities for counter party credit risk are an integral part of planning, monitoring and controlling of total risk profile, and counter party credit risk management is integrated to periodic risk management process.

In the scope of counter party risk management, it is aimed to meet legal obligations and to establish and maintain counter party credit risk management infrastructure that is flexible and structured enough to accommodate the best practices. Accordingly, it is planned to conduct stress test activities, improve counter party credit risk signal and limit structure and conduct relevant monitoring function.

Operational limit allocation method specified in the scope of internal capital calculated for CCR and CCP risk

Critical thresholds (signal and limit values) indicating that limits are approached due to internal or external developments have been identified. In the event that these values are approached or exceeded, relevant units take required actions.

Parameters for signal and limit structure and limit values of parameters are determined by consulting the relevant units and implemented at The Parent Bank upon approval of the Audit Committee and Board of Directors.

Internal limits are determined by considering the Parent Bank's budget, strategy and expectations for upcoming years, developments in Türkiye and abroad and historical realization of risks.

Policies for establishing guarantee and other risk mitigation and CCR, including CCP risk

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

Our risk management structure involves activities to ensure that counter party credit risk measurement system functions and is maintained in line with the best practices, legal regulations, fields of activity and product ranges in a consistent, reliable and integrated way.

As part of counter party credit risk management, stress test scenarios were created by anticipating any unfavorable developments in macroeconomic conditions and the Parent Bank's balance sheet. Results of stress test analysis are considered while establishing risk management policies.

The amount subject to the counterparty credit risk is determined by the "Valuation Method According to Fair Value" as of July 1, 2022 within the scope of Article 2 of the "Regulation on the Amendment to the Regulation on the Measurement and Evaluation of Capital Adequacy of Banks" published in the Official Gazette No. 31740 dated February 4, 2022." is calculated with the "Standard Approach" and reported every month. In addition, the capital requirement is calculated for the credit valuation adjustment risk for all derivative transactions.

Additionally, compliance of transactions posing counter party credit risk with thresholds within signal and limit structure is monitored and research is conducted for counter party credit risk calculations with advanced methods.

Rules for countertrend risk

Boasting a strong lending and collateralization structure, the Parent Bank avoids collateralization in positive correlation with the debtor's credibility and activities in connection with risk mitigation techniques are performed by considering qualitative criteria specified in legal legislation for calculation of amount subject to credit risk.

Amount of additional collateral that the Parent Bank must submit in case of a decline in credit rating

As the Parent Bank has no transactions in connection with credit rating, there is not any additional collateral amount it must pay.

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3.16. Evaluation of Counterparty Credit Risk in Accordance with the Measurement Methods

	Current Period	Replacement Cost	Potential future exposure	EEPE (Effective Expected Positive Exposure) (*)	Alpha used for computing regulatory EAD	Exposure at default post CRM	RWA
1	Standardized approach - CCR (for derivatives)	5.870.198	6.824.485		1,4	17.772.556	5.125.843
2	Internal Model Method (for derivatives, Repo Transactions, Marketable Securities or Commodity lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit)			-	-	-	-
3	Simple Approach for credit risk mitigation (for derivatives, Repo Transactions, Marketable Securities or Commodity lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit)					178.596.709	25.146.577
4	Comprehensive Approach for credit risk mitigation (for derivatives, Repo Transactions, Marketable Securities or Commodity lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit)					155.932	6.207
5	Commodity lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit					-	-
6	**Total**						**30.278.627**

(*) Effective expected positive exposure

	Prior Period	Replacement cost	Potential Future exposure	EEPE (Effective Expected Positive Exposure) (*)	Alpha used for computing regulatory EAD	Exposure at default post CRM	RWA
1	Standardized approach - CCR (for derivatives)	5.756.111	4.505.752		1,4	14.366.607	4.801.391
2	Internal Model Method (for derivatives, Repo Transactions, Marketable Securities or Commodity lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit)			-	-	-	-
3	Simple Approach for credit risk mitigation (for derivatives, Repo Transactions, Marketable Securities or Commodity lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit)					109.813.034	16.592.062
4	Comprehensive Approach for credit risk mitigation (for derivatives, Repo Transactions, Marketable Securities or Commodity lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit)					4.880.380	1.576.382
5	Commodity lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit					-	-
6	**Total**						**22.969.835**

(*) Effective expected positive exposure

3.17. Capital Requirement for Loan Valuation Adjustments

	Current Period	Exposure at default post-CRM	RWA
	Total portfolios subject to the Advanced CVA capital charge	-	-
1	(i) Value at Risk (VaR) component (including the 3×multiplier)		-
2	(ii) Stressed VaR component (including the 3×multiplier)		-
3	All portfolios subject to the Standardized CVA capital charge	17.772.556	6.639.053
4	**Total subject to the CVA capital charge**	**17.772.556**	**6.639.053**

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	Prior Period	Exposure at default post-CRM	RWA
	Total portfolios subject to the Advanced CVA capital charge	-	-
1	(i) Value at Risk (VaR) component (including the 3×multiplier)		-
2	(ii) Stressed VaR component (including the 3×multiplier)		-
3	All portfolios subject to the Standardized CVA capital charge	14.366.607	4.977.919
4	**Total subject to the CVA capital charge**	**14.366.607**	**4.977.919**

3.18. Standardized approach - CCR exposures by regulatory portfolio and risk weights

Current Period Risk Weight/ Regulatory portfolio	0%	10%	20%	50%	75%	100%	150%	Other	Total credit exposure [1]
Receivables from central governments and central banks	12.506.565	-	-	-	-	-	-	-	12.506.565
Receivables from regional and local governments	1.374	-	-	2	-	-	-	-	1.376
Receivables from administration and non-commercial entity	13.309	-	-	-	-	2.061	-	-	15.370
Receivables from multilateral development banks	-	-	-	-	-	-	-	-	-
Receivables from international organizations	-	-	-	-	-	-	-	-	-
Receivables from institutions	96.060.979	-	42.359.957	38.339.274	-	1.084.845	-	4.475	177.849.530
Corporates	4.508.087	-	-	121.242	-	1.473.831	-	-	6.103.160
Retail portfolios	32.818	-	-	-	20.853	-	-	-	53.671
Other receivables [2]	-	-	-	-	-	-	-	-	-
Total	**113.123.132**	**-**	**42.359.957**	**38.460.518**	**20.853**	**2.560.737**	**-**	**4.475**	**196.529.672**

[1] Total credit exposure: the amount relevant for the capital requirements calculation, having applied CRM techniques.

[2] Other receiavables: the amount excludes exposures to "Central counterparty" which are reported in Counterparty credit.

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Prior Period Risk Weight/ Regulatory portfolio	0%	10%	20%	50%	75%	100%	150%	Other	Total credit exposure [1]
Receivables from central governments and central banks	37.104.743	-	-	-	-	-	-	-	37.104.743
Receivables from regional and local governments	1.460	-	-	2	-	-	-	-	1.462
Receivables from administration and non-commercial entity	7.902	-	-	-	-	12	-	-	7.914
Receivables from multilateral development banks	-	-	-	-	-	-	-	-	-
Receivables from international organizations	-	-	-	-	-	-	-	-	-
Receivables from institutions	26.779.827	-	15.535.965	30.535.744	-	173.463	-	4.375	73.029.374
Corporates	3.281.395	-	13.954.511	-	-	1.626.622	-	-	18.862.528
Retail portfolios	53.349	-	-	-	5.026	-	-	-	58.375
Other receivables [2]	-	-	-	-	-	-	-	-	-
Total	**67.228.676**	-	**29.490.476**	**30.535.746**	**5.026**	**1.800.097**	**-**	**4.375**	**129.064.396**

[1] Total credit exposure: the amount relevant for the capital requirements calculation, having applied CRM techniques.

[2] Other receivables: the amount excludes exposures to "Central counterparty" which are reported in Counterparty credit.

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3.19. Risk classes and counterparty credit risk explanations (IDB)

None.

Collaterals for CCR

	Collateral for derivative transactions				Collateral for other transactions	
	Collateral received		Collateral given		Collateral received	Collateral given
Current Period	**Segregated**	**Unsegregated**	**Segregated**	**Unsegregated**		
Cash-domestic currency	-	-	-	-	4.655.621	-
Cash-foreign currency	-	-	-	-	83.781.198	-
Domestic sovereign debts	-	-	-	-	12.988.683	-
Other sovereign debts	-	-	-	-	-	-
Government agency debts	-	-	-	-	-	-
Corporate debts	-	-	-	-	-	-
Equity securities	-	-	-	-	-	-
Other collateral	-	-	-	-	-	-
Total	**-**	**-**	**-**	-	**101.425.502**	**-**

	Collateral for derivative transactions				Collateral for other transactions	
	Collateral received		Collateral given		Collateral received	Collateral given
Prior Period	**Segregated**	**Unsegregated**	**Segregated**	**Unsegregated**		
Cash-domestic currency	-	-	-	-	594.600	-
Cash-foreign currency	-	-	-	-	45.754.976	-
Domestic sovereign debts	-	-	-	-	5.002.809	-
Other sovereign debts	-	-	-	-	-	-
Government agency debts	-	-	-	-	-	-
Corporate debts	-	-	-	-	-	-
Equity securities	-	-	-	-	-	-
Other collateral	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**51.352.385**	**-**

Credit Derivatives

None.

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

None.

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Risks Related with Other Parts of the Center

	Current Period	Exposure at default (postCRM)	RWA
1	**Exposure to Qualified Central Counterparties (QCCPs)**	**935.324**	**18.707**
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	-	-
3	(i) OTC Derivatives	4.475	90
4	(ii) Exchange-traded Derivatives	-	-
5	(iii) Securities financing transactions	-	-
6	(iv) Netting sets where cross-product netting has been approved	-	-
7	Segregated initial margin	-	
8	Non-segregated initial margin	-	-
9	Pre-funded default fund contributions	930.849	18.617
10	Unfunded default fund contributions	-	-
11	**Exposures to non-QCCPs (total)**	**-**	**-**
12	Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which)	-	-
13	(i) OTC Derivatives	-	-
14	(ii) Exchange-traded Derivatives	-	-
15	(iii) Securities financing transactions	-	-
16	(iv) Netting sets where cross-product netting has been approved	-	-
17	Segregated initial margin	-	-
18	Non-segregated initial margin	-	-
19	Pre-funded default fund contributions	-	-
20	Unfunded default fund contributions	-	-

	Prior Period	Exposure at default (post CRM)	RWA
1	**Exposure to Qualified Central Counterparties (QCCPs)**	**580.563**	**11.612**
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	-	-
3	(i) OTC Derivatives	4.375	88
4	(ii) Exchange-traded Derivatives	-	-
5	(iii) Securities financing transactions	-	-
6	(iv) Netting sets where cross-product netting has been approved	-	-
7	Segregated initial margin	-	
8	Non-segregated initial margin	-	-
9	Pre-funded default fund contributions	576.188	11.524
10	Unfunded default fund contributions	-	-
11	**Exposures to non-QCCPs (total)**	**-**	**-**
12	Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which)	-	-
13	(i) OTC Derivatives	-	-
14	(ii) Exchange-traded Derivatives	-	-
15	(iii) Securities financing transactions	-	-
16	(iv) Netting sets where cross-product netting has been approved	-	-
17	Segregated initial margin	-	-
18	Non-segregated initial margin	-	-
19	Pre-funded default fund contributions	-	-
20	Unfunded default fund contributions	-	-

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Explanations on Securitization Disclosure

None.

4. Explanations on Market Risk

4.1. The Parent Bank's process and strategies: A disclosure on the Bank's strategic goals for trading activities is made in a manner that includes processes for identification, measurement, monitoring and controlling of the Parent Bank's market risks, hedging processes and strategies/processes for monitoring continuity of hedging efficiency

In order to hedge market risk within the framework of financial risk management purposes, the Bank has determined market risk management activities and taken the necessary measures within the scope of the Regulation on the Measurement and Evaluation of Capital Adequacy of Banks and the Regulation on the Internal Systems of Banks and Internal Capital Adequacy Assessment Process.

The Parent Bank's market risk management policy and implementation procedures are determined within the scope of Risk Management, Stress Test Program and İSEDES Regulation approved by the Board of Directors.

The Parent Bank ensures that measurement, monitoring, limiting, stress test and scenario analysis activities are conducted in line with the structure and complexity of its positions for market risk management and their results are reported periodically. Activities sustained are conducted over a trading portfolio specified by the Bank's Treasury Management and other activities subject to market risk.

The amount subject to market risk is calculated and monitored with standard method and advanced measurement method at the Parent Bank. Furthermore, scenario analysis and stress tests are also conducted periodically.

4.2. Organization and structure of market risk management function: Definition of market risk management structure established for implementation of the Parent Bank's strategies and processes as mentioned in line i) and definition of communication mechanism and relationship between different parties involved in market risk management

Market risk management is a subunit of Risk Management Department, one of internal systems units established independently from executive units of the Parent Bank.

Market risk management activities are conducted in line with the Regulation on Risk Management, Stress Test Program and ICAAP approved with the Board Decision no. 15/18 dated 28 April 2015 and performed by aiming the best practices in this structure.

The Parent Bank's trading activities and transactions subject to market risk are monitored and measured regularly and required practices are performed for risk management. Required reports on market risk are submitted to relevant units and the Parent Bank's Top Management regularly.

4.3. Structure and scope of risk reporting and/or measurement systems

The amount subject to the Parent Bank's market risk is calculated on a monthly basis with the standard method and included in the Bank's capital adequacy ratio.

Apart from the standard method, Value at Risk (VaR) estimations are made for trading accounts on a daily basis and reported to relevant units. VaR calculated with Historical Simulation Method is used in daily reporting and limit measurement with a confidence level of 99%. VaR can be calculated with Parametric and Monte Carlo Methods in addition to Historical Simulation Method. Backward testing is performed so as to measure performance of used model and monitor market realization. Also, the Parent Bank performs stress tests and scenario analyses on a daily and monthly basis to observe the effect of excessive market fluctuations that are not covered in the models on the Parent Bank's financial position. Scenario analysis and stress test activities are reviewed and improved regularly in line with the market dynamics.

The market risk exposure is restricted with VaR-based limits (interest rate and currency risk limit) within the context of the Regulation on Risk Management, Stress Test Program and ICAAP. Market risk limits are determined by the Bank's Board of Directors.

		RWA	
	Standard approach	**Current Period**	**Prior Period**
	Outright products		
1	Interest rate risk (general and specific)	104.408.030	89.603.434
2	Equity risk (general and specific)	26.443.298	11.005.734
3	Foreign exchange risk	43.194.956	8.667.624
4	Commodity risk	324.355	132.035
	Options		
5	Simplified approach	-	-
6	Delta-plus method	-	-
7	Scenario approach	-	-
8	Securitization	-	-
9	**Total**	**174.370.639**	**109.408.827**

Standard method is being used by The Parent Bank to calculate the risk of the market.

5. Explanations on the Operational Risk

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

Within the scope of the performances for modeling with the Advanced Measurement Approach of operational risk, based on the data in Operational Risk Loss database, Operational Value at Risk (OpVAR) measurements are calculated using Monte Carlo Simulation within the scope of Loss Distribution Method.

Current Period	**31.12.2020**	**31.12.2021**	**31.12.2022**	**Total/Number of Positive GI years**	**Ratio (%)**	**Total**
Gross Income	33.944.773	40.623.802	153.831.865	76.133.480	15	**11.420.022**
Amount Subject to Operational Risk (Total*12,5)	-	-	-	-	-	**142.750.275**

Prior Period	**31.12.2019**	**31.12.2020**	**31.12.2021**	**Total/Number of Positive GI years**	**Ratio (%)**	**Total**
Gross Income	24.241.440	33.944.773	40.623.802	32.936.672	15	**4.940.501**
Amount Subject to Operational Risk (Total*12,5)	-	-	-	-	-	**61.756.259**

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6. Explanations on the Interest Rate Risk for Banking Book

Banking accounts interest rate risk management strategy policy and implementation procedures are determined within the context of "Regulation on Risk Management, Stress Test Program and the Parent Bank's Internal Capital Adequacy Assessment Process ("ICAAP")".

The Parent Bank performs scenario analysis with measurements that are suitable for structure and complexness of positions related to the market risk management, limiting, scenario analysis and stress test and reports the findings cyclically. The Parent Bank's perform analysis related to interest rate risks for the entire balance sheet. New products and services are also evaluated from the point of interest rate risk that is originated from banking accounts.

In the risk management, the following methods are followed at minimum level: The follow-up of rate and maturity mismatch between sources and uses of fixed and variable interest rates, the analysis and follow-up of the effects of the usual and unusual changes in interest rates which is possibly uptrend and downtrend on the interest margin and on the current value of assets and liabilities, the analysis and follow-up of contractual maturities as well as behavioural maturities assets and liabilities, monitoring closely of interest margins for provided Turkish Liras and foreign currency, the follow-up of the effects of interest rate changes on Bank's economic value and capital requirement, the follow-up of potential impacts of valuation methods, the calculation and the determination of the size of interest rate shock in Bank's internal applications, the follow-up of yield curve risk. Also, in order to limit the impact of interest rate changes on Bank's financial structure, the interest rate risk limit arising from banking accounts which is approved by the Board of Directors is followed monthly.

Type of Currency -Current Period	Shock Applied (+/- x basis point)	Gains/(Losses)	Gains/Equity-(Losses)/Equity
1.TL	500	(17.034.629)	(4,28%)
2.TL	(400)	17.728.131	4,45%
3. EUR	200	6.148.864	1,55%
4. EUR	(200)	(5.936.875)	(1,49%)
5. USD	200	(20.691.434)	(5,20%)
6. USD	(200)	26.366.928	6,63%
Total (for negative shocks)	**-**	**38.158.184**	**9,59%**
Total (for positive shocks)	**-**	**(31.577.199)**	**(7,94%)**

Type of Currency -Prior Period	Shock Applied (+/- x basis point)	Gains/(Losses)	Gains/Equity-(Losses)/Equity
1.TL	500	(30.350.499)	(12,40%)
2.TL	(400)	32.119.002	13,13%
3. EUR	200	4.919.788	2,01%
4. EUR	(200)	(5.162.601)	(2,11%)
5. USD	200	(9.685.343)	(3,96%)
6. USD	(200)	12.484.036	5,10%
Total (for negative shocks)	**-**	**39.440.437**	**16,12%**
Total (for positive shocks)	**-**	**(35.116.054)**	**(14,35%)**

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Notes and explanations prepared in accordance with "the Communiqué on Disclosures about Risk Management to Be Announced to Public by Banks" published in Official Gazette no. 29511 on 23 October 2015 and became effective as of 31 March 2016 are presented in this section. As of 31 December 2023, the following notes to be presented on a quarterly basis according to Communiqué have not been presented due to usage of standard approach for the calculation of capital adequacy by the Bank.

RWA flow statements of market risk exposures under an Internal Model Approach (IMA) RWA flow statements of Counterparty Credit Risk (CCR) exposures under the Internal Model Method (IMM) RWA (Risk Weighted Amounts) flow statements of credit risk exposures under IRB

IX. EXPLANATIONS ON HEDGING PROCEDURES

Along with the hedging accounting, it is aimed to protect the capital amounts allocated to foreign partnerships in the unconsolidated financial statements of the Bank from the effects of exchange rate risk arising from changes in foreign exchange rates. Within the scope of fair value hedge accounting, the fair value changes of the hedging instrument are recognized in the income statement together with the fair value changes of the hedged item.

The efficiency test is performed using the "Amount balancing method" ("Dollar off-set method") to compare the changes in fair value of the hedging instrument and the item subject to financial risk hedging. Efficiency tests are performed at the beginning of hedge accounting and as of reporting periods. According to this method, the change in the value of the hedged item between the date when the hedging relationship started, and the end of each reporting period is compared with the value change in the hedging instrument and the effectiveness ratio of the hedging relationship is calculated.

Hedge accounting is terminated when the hedging instrument expires, realizes, is sold or the effectiveness test is ineffective. If efficiency is restored, hedge accounting can be resumed.

The Parent Bank implements a net investment hedging strategy in order to avoid the exchange rate risk arising from the net investment value of its subsidiary Ziraat Bank International AG, Ziraat Bank BH d.d. and Ziraat Bank Montenegro AD. The deposit in Euro supplied by the bank from the customers has been defined as a "hedging instrument".

Hedging Instrument	Hedged Item	Risk Exposure	Fair Value Difference of Hedging Instrument	Fair Value Difference of Hedged Items	Ineffective Portion
FC Deposit (EUR)	EUR Capital Amounts Allocated to Foreign Partnerships	Foreign exchange rate risk	(8.016.752)	8.016.752	-

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

X. EXPLANATIONS ON CONSOLIDATED OPERATING SEGMENTS

Organizational and internal reporting structure of the Group is determined in line with TFRS 8 "Operating Segments".

The Group has operations in retail banking, corporate and commercial banking, specialized banking, investment banking and international banking areas.

Known as having the most extensive branch network in retail banking sector, the Parent Bank renders services, such as deposits, consumer loans, loans originated from public funds whose risk does not belong to the Parent Bank, pension payments, credit cards, automatic and regular payment, cheques and notes, money transfer order, foreign exchange transactions, ATM, internet banking, mobile banking, safe-deposit box and insurance brokerage services. Moreover, existing banking products are improved, and new banking products are launched in order to increase profitability and benefit from the services undertaken as being a state bank. By "Anahtar" IT system, which is working in a centralized manner, the Parent Bank has the technical infrastructure required by modern banking to meet its clients' needs.

In the context of corporate and commercial banking, the Group allocates working capital loans, mid-term and long-term investment loans, foreign trade financing loans, letter of credits and guarantees in Turkish Lira and foreign currencies; renders project financing, other corporate finance related services, foreign exchange transactions and banking services to large-scale corporate clients and middle-small scale enterprises.

As the Parent Bank is the main financial institution that meets the financing needs of agricultural sector in Türkiye, it extends agricultural working capital and investment loans from its own sources for crop and animal production, fishery products and agricultural mechanization directly to producers and The Central Union of Turkish Agricultural Credit Cooperatives. Besides, it gives support to entities and enterprises having operations in agricultural sector by acting as an intermediary for loans originated from public funds.

Treasury transactions and international banking activities are conducted by Treasury Management and International Banking Group and, spot and forward TL, foreign currency, precious metal, securities, derivative transactions are executed in local and international organized and over the counter money and capital markets. Also, the Parent Bank's liquidity and securities portfolio management, deposit and non-deposit funding management activities are being executed. Additionally, the distribution of treasury products to branches and other channels for marketing purposes and the intermediation to the customers' trade finance are other responsibilities. The Parent Bank acts as an intermediary for sale and purchase of securities, for public offerings as an agency of Ziraat Yatırım Menkul Değerler A.Ş. and for transaction of mutual funds founded by Ziraat Portföy Yönetimi A.Ş. and other portfolio management companies. It also provides custody service for these financial instruments and besides, long term financing from banks and international financial institutions, issuing bonds in local and international markets, managing relationship with correspondent banks so as to diversify its funding base are among the responsibilities of the department.

Besides, the Parent Bank has commission revenue from life, non-life and private pension insurance and other finance institutions by rendering agency services through its branches.

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

As of 31 December 2023, explanations on segment reporting as shown on the following page are in line with Communiqué on "Financial Statements to be Publicly Announced and the Accompanying Policies and Disclosures".

1. Table for Segment Reporting

Current Period	Retail Banking	Corporate/ Commercial Banking	Specialized Banking	Treasury/ Investment Banking	Other	Total
OPERATING INCOME/ EXPENSE						
Interest Income	43.432.030	155.947.711	70.688.762	199.985.155	7.204.017	477.257.675
Interest Expenses	150.834.212	137.880.073	-	42.631.507	5.220.946	336.566.738
Net Interest Income/Expense	**(107.402.182)**	**18.067.638**	**70.688.762**	**157.353.648**	**1.983.071**	**140.690.937**
Net Fees and Commission Income/Expense	**26.120.684**	**15.630.830**	**1.467.608**	**(13.817.045)**	**8.106.311**	**37.508.388**
Dividend Income	**-**	**-**	**-**	**63.947**	**-**	**63.947**
Trading Profit/Loss (Net)	**-**	**-**	**-**	**20.657.499**	**854.886**	**21.512.385**
Other Operating Income	**98.333**	**5.478.709**	**198.019**	**(17.249.470)**	**48.518.042**	**37.043.633**
Provision for Expected Loss (-)	**4.971.805**	**21.405.744**	**7.526.144**	**731**	**1.395.721**	**35.300.145**
Other Expenses	**18.474.783**	**1.069.805**	**948.217**	**-**	**74.260.369**	**94.753.174**
Net Operating Profit/Loss	**(104.629.753)**	**16.701.628**	**63.880.028**	**147.007.848**	**(16.193.780)**	**106.765.971**
Profit/Loss on Equity Method Applied Subsidiaries	**-**	**-**	**-**	**205.287**	**102.500**	**307.787**
Tax Provision	**-**	**-**	**-**	**-**	**(7.533.104)**	**(7.533.104)**
Net Profit/Loss	**(104.629.753)**	**16.701.628**	**63.880.028**	**147.213.135**	**(23.624.384)**	**99.540.654**
SEGMENT ASSETS						
Financial Assets at Fair Value Through Profit or Loss (Net)	-	-	-	71.715.912	-	71.715.912
Banks and Receivables from Money Markets	-	-	-	224.385.832	-	224.385.832
Financial Assets at Fair Value Through Other Comprehensive Income (Net)	-	-	-	607.530.470	-	607.530.470
Loans	322.664.244	1.216.712.548	482.939.430	191.120.151	-	2.213.436.373
Financial Assets Measured at Amortized Cost (Net)	-	-	-	348.584.980	-	348.584.980
Derivative Financial Assets	-	-	-	10.448.631	-	10.448.631
Associates, Subsidiaries and Entities under Common Control	-	-	-	6.537.912	-	6.537.912
Other Assets	659.273	10.430.176	81.634	515.754.137	244.864.712	771.789.932
Total Segment Assets	**323.323.517**	**1.227.142.724**	**483.021.064**	**1.976.078.025**	**244.864.712**	**4.254.430.042**
SEGMENT LIABILITIES						
Deposits	2.056.158.069	985.544.523	-	96.770.781	161.350.474	3.299.823.847
Derivative Financial Liabilities Held for Trading	-	-	-	3.670.072	-	3.670.072
Funds Borrowed	-	-	-	210.521.065	-	210.521.065
Money Markets Borrowing	74.468	4.959.170	-	89.267.271	-	94.300.909
Securities Issued (Net)	-	-	-	66.567.754	-	66.567.754
Provisions	8.402	8.700.757	-	2.160	29.762.128	38.473.447
Other Liabilities	-	-	-	-	178.086.857	178.086.857
Shareholders' Equity	-	-	-	-	362.986.091	362.986.091
Total Segment Liabilities	**2.056.240.939**	**999.204.450**	**-**	**466.799.103**	**732.185.550**	**4.254.430.042**

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

Prior Period	Retail Banking	Corporate/ Commercial banking	Specialized Banking	Treasury/ Investment Banking	Other	Total
OPERATING INCOME/ EXPENSE						
Interest Income	27.750.303	73.559.144	23.490.683	117.669.392	928.901	243.398.423
Interest Expenses	44.940.339	34.805.875	-	24.465.170	7.732.920	111.944.304
Net Interest Income/Expense	**(17.190.036)**	**38.753.269**	**23.490.683**	**93.204.222**	**(6.804.019)**	**131.454.119**
Net Fees and Commission Income/Expense	**8.755.127**	**6.966.359**	**548.543**	**(4.274.791)**	**2.677.994**	**14.673.232**
Dividend Income	**-**	**-**	**-**	**50.126**	**-**	**50.126**
Trading Profit/Loss (Net)	**-**	**-**	**-**	**3.174.730**	**334.417**	**3.509.147**
Other Operating Income	**67.005**	**2.669.247**	**119.277**	**(11.157.705)**	**18.515.858**	**10.213.682**
Provision for Expected Loss (-)	**5.189.484**	**21.543.283**	**5.723.181**	**539**	**30.513.003**	**62.969.490**
Other Expenses	**5.829.694**	**897.263**	**339.504**	**-**	**21.427.256**	**28.493.717**
Net Operating Profit/Loss	**(19.387.082)**	**25.948.329**	**18.095.818**	**80.996.043**	**(37.216.009)**	**68.437.099**
Profit/Loss on Equity Method Applied Subsidiaries	**-**	**-**	**-**	**163.155**	**152.590**	**315.745**
Tax Provision	**-**	**-**	**-**	**-**	**(22.139.383)**	**(22.139.383)**
Net Profit/Loss	**(19.387.082)**	**25.948.329**	**18.095.818**	**81.159.198**	**(59.202.802)**	**46.613.461**
SEGMENT ASSETS						
Financial Assets at Fair Value Through Profit or Loss (Net)	-	-	-	36.075.116	-	36.075.116
Banks and Receivables from Money Markets	-	-	-	34.924.922	-	34.924.922
Financial Assets at Fair Value Through Other Comprehensive Income (Net)	-	-	-	415.499.007	-	415.499.007
Loans	226.566.559	837.286.940	243.429.971	85.361.639	-	1.392.645.109
Financial Assets Measured at Amortized Cost (Net)	-	-	-	165.382.493	-	165.382.493
Derivative Financial Assets	-	-	-	8.860.105	-	8.860.105
Associates, Subsidiaries and Entities under Common Control	-	-	-	3.319.886	-	3.319.886
Other Assets	12.446	7.519.566	98.632	366.131.260	122.653.571	496.415.475
Total Segment Assets	**226.579.005**	**844.806.506**	**243.528.603**	**1.115.554.428**	**122.653.571**	**2.553.122.113**
SEGMENT LIABILITIES						
Deposits	1.191.826.877	572.260.417	-	83.145.559	93.076.219	1.940.309.072
Derivative Financial Liabilities Held for Trading	-	-	-	3.159.560	-	3.159.560
Funds Borrowed	-	-	-	115.412.033	-	115.412.033
Money Markets Borrowing	38.795	20.986.065	-	71.593.828	-	92.618.688
Securities Issued (Net)	-	-	-	31.805.956	-	31.805.956
Provisions	5.165	9.145.608	-	8.422	41.979.935	51.139.130
Other Liabilities	-	-	-	-	104.595.924	104.595.924
Shareholders' Equity	-	-	-	-	214.081.750	214.081.750
Total Segment Liabilities	**1.191.870.837**	**602.392.090**	**-**	**305.125.358**	**453.733.828**	**2.553.122.113**

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

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

1. Information Regarding the Fair Value of Financial Assets and Liabilities

Current Period	Book Value	Fair Value
Financial Assets	**3.418.326.513**	**3.273.750.899**
Due from Interbank Money Market	154.141.219	152.873.742
Banks	70.291.087	70.169.641
Financial Assets Measured at Fair Value Through Other Comprehensive Income	607.530.470	607.530.470
Financial Assets Measured at Amortised Cost	348.665.946	318.576.489
Loans	2.237.697.791	2.124.600.557
Financial Liabilities	**3.789.765.921**	**3.577.590.321**
Payables to Money Markets	94.300.909	94.472.524
Bank Deposits	96.553.181	92.128.110
Other Deposits	3.203.270.666	2.993.700.307
Funds Borrowed from Other Financial Institutions	210.521.065	209.511.263
Issued Marketable Securities	66.567.754	68.988.603
Subordinated Debt Instruments	51.072.217	51.309.385
Miscellaneous Payables	67.480.129	67.480.129

Prior Period	Book Value	Fair Value
Financial Assets	**2.041.610.004**	**1.999.929.279**
Due from Interbank Money Market	6.283.112	6.262.457
Banks	28.657.103	28.643.487
Financial Assets Measured at Fair Value Through Other Comprehensive Income	415.499.007	415.499.007
Financial Assets Measured at Amortised Cost	165.423.085	190.575.137
Loans	1.425.747.697	1.358.949.191
Financial Liabilities	**2.249.416.542**	**2.113.236.322**
Payables to Money Markets	92.618.688	90.502.684
Bank Deposits	80.482.403	77.599.288
Other Deposits	1.859.826.669	1.738.516.832
Funds Borrowed from Other Financial Institutions	115.412.033	105.159.022
Issued Marketable Securities	31.805.956	32.187.703
Subordinated Debt Instruments	31.546.716	31.546.716
Miscellaneous Payables	37.724.077	37.724.077

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

The fair value of held to maturity financial assets is calculated by considering market prices. In cases where these prices cannot be determined, the fair value is assessed on the basis of market prices quoted for securities that have the same attributes in terms of interest, maturity and other terms.

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2. Information on Fair Value Measurements Recognized in the Financial Statement

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

Current Period	Level 1	Level 2	Level 3	Total
Financial Assets at Fair Value Through Profit or (Loss)	**7.033.074**	**64.682.838**	**-**	**71.715.912**
Government Debt Securities	4.858.874	53.502.085	-	58.360.959
Marketable Securities	192.889	-	-	192.889
Other Marketable Securities	1.981.311	11.180.753	-	13.162.064
Financial Assets at Fair Value Through Other Comprehensive Income (Net)	**599.973.247**	**5.024.108**	**2.323.230**	**607.320.585**
Government Debt Securities	599.333.560	3.616.542	-	602.950.102
Marketable Securities	13.664	-	2.323.230	2.336.894
Other Marketable Securities	626.023	1.407.566	-	2.033.589
Derivative Financial Assets	**-**	**10.448.631**	**-**	**10.448.631**
Subsidiaries and Joint Ventures	**-**	**-**	**5.242.267**	**5.242.267**
Total Assets	**607.006.321**	**80.155.577**	**7.565.497**	**694.727.395**
Derivative Financial Liabilities	-	3.670.072	-	3.670.072
Total Liabilities	**-**	**3.670.072**	**-**	**3.670.072**

Prior Period	Level 1	Level 2	Level 3	Total
Financial Assets at Fair Value Through Profit or (Loss)	**1.003.567**	**35.071.549**	**-**	**36.075.116**
Government Debt Securities	40.116	30.004.937	-	30.045.053
Marketable Securities	98.791	-	-	98.791
Other Marketable Securities	864.660	5.066.612	-	5.931.272
Financial Assets at Fair Value Through Other Comphrehensive Income (Net)	**409.485.868**	**5.036.299**	**818.896**	**415.341.063**
Government Debt Securities	409.118.353	3.626.618	-	412.744.971
Marketable Securities	10.370	-	818.896	829.266
Other Marketable Securities	357.145	1.409.681	-	1.766.826
Derivative Financial Assets	**-**	**8.860.105**	**-**	**8.860.105**
Subsidiaries and Joint Ventures	**-**	**-**	**2.626.131**	**2.626.131**
Total Assets	**410.489.435**	**48.967.953**	**3.445.027**	**462.902.415**
Derivative Financial Liabilities	-	3.159.560	-	3.159.560
Total Liabilities	**-**	**3.159.560**	**-**	**3.159.560**

The movement of financial assets in Level 3 is presented below:

	Current Period	Prior Period
Balances at Beginning of Period	**3.445.027**	**1.577.278**
Purchases	39.500	50.000
Disposals Through Sale/Redemptions	-	(50)
Valuation Effect	4.080.970	1.817.799
Transfers	-	-
Balances at the End of Period	**7.565.497**	**3.445.027**

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

1. Transaction, Custody, Management and Consultancy Services of The Group on behalf of Third Parties

The Group acts as an intermediary for purchases and sales of government securities on behalf of real persons and corporate, conducts repo transactions, and provides custody services. The Group does not provide consultancy and management services.

2. Transactions with Other Financial Institutions Under Fiduciary Transaction Agreements and Financial Services Rendered to Other Financial Institutions Under the Scope Of Fiduciary Transactions and the Effects of Such Services to the Financial Position of the Parent Bank or the Group

The Parent Bank has no fiduciary transactions.

SECTION FIVE

EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS

I. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED ASSETS

1. Information related to cash equivalents and the account of the Central Bank of the Republic of Türkiye (the "CBRT")

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash in TL/Foreign Currency	8.052.511	23.193.238	4.845.325	15.300.585
Central Bank of the Republic of Türkiye	163.124.885	411.638.527	29.714.106	353.380.419
Other	748.492	2.069.528	160	737.497
Total	**171.925.888**	**436.901.293**	**34.559.591**	**369.418.501**

Explanation on reserve requirements

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

Banks are required to maintain reserves with Central Bank of the Republic of Türkiye for their TL and FC liabilities that are specified in the aforementioned Communique. 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, for foreign currency deposits and other liabilities, it is applied in the range of 5% - 30%, and for accounts with exchange rate/price protection support, it is applied in the range of 10% - 30%.

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted Demand Deposit	123.079.523	68.550.700	29.518.189	45.844.463
Unrestricted Time Deposit	-	43.680.750	-	102.841.750
Restricted Time Deposit	-	-	-	-
Other [1]	40.045.362	299.407.077	195.917	204.694.206
Total	**163.124.885**	**411.638.527**	**29.714.106**	**353.380.419**

[1] Includes required reserves and blocked electronic money funds of the Central Bank of the Republic of Turkey in the amount of TL 100.023. Required reserve amounts of TL 1.630.572 for foreign branches are also included. (December 31, 2022: Includes required reserves and blocked electronic money funds of the Central Bank of the Republic of Turkey amounting to TL 17.157. Required reserve amounts of TL 656.479 of foreign branches are also included).

2. Information on Financial Assets at Fair Value Through Profit and Loss Given or Blocked as Collateral or Subject to Repurchase Agreements

	Current Period	Prior Period
Assets Subject to Repurchase Agreements	8.632.164	2.234.228
Assets Blocked/Given as Collateral	49.721.746	27.890.664
Total	**58.353.910**	**30.124.892**

3. Positive Differences Statement Regarding Trading Derivative Financial Assets

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	115.017	53.092	155.217	1.318
Swap Transactions	4.872.177	5.197.401	3.103.594	5.508.263
Futures Transactions	-	-	276	-
Options	-	208.262	8.535	82.585
Other	2.143	539	111	206
Total	**4.989.337**	**5.459.294**	**3.267.733**	**5.592.372**

4. Information on Bank Account and Foreign Banks

4.1. Information on Bank Balances

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic Banks	415.723	3.122.124	6.260	5.419.112
Foreign Banks	3.070.166	63.683.074	505.684	22.726.047
Foreign Head Office and Branches	-	-	-	-
Total	**3.485.889**	**66.805.198**	**511.944**	**28.145.159**

4.2. Information on Foreign Bank Accounts

	Unrestricted Amount		Restricted Amount [2]	
	Current Period	Prior Period	Current Period	Prior Period
European Union Countries	24.328.769	8.362.946	44.409	1.666.344
USA, Canada	13.728.744	1.807.980	643.454	1.734.996
OECD Countries [1]	1.828.479	504.065	-	-
Off-shore Banking Regions	-	-	-	-
Other	26.179.385	8.403.579	-	751.821
Total	**66.065.377**	**19.078.570**	**687.863**	**4.153.161**

[1] OECD countries other than EU countries, USA and Canada.

[2] It mainly consists of collateral held in various banks for borrowings.

5. Explanation Regarding to the Comparison of Net Values of Financial Assets at Fair Value Through Other Comprehensive Income or Blocked as Collateral and Subject to Repurchase Agreements

	Current Period	Prior Period
Assets Subject to Repurchase Agreements	110.555.469	89.010.871
Assets Blocked/Given as Collateral	307.759.863	107.579.099
Total	**418.315.332**	**196.589.970**

6. Information on Financial Assets at Fair Value Through Other Comprehensive Income

	Current Period	Prior Period
Debt Securities	627.731.753	432.936.720
Quoted at Stock Exchange	626.403.477	432.117.241
Not Quoted in Stock Exchange	1.328.276	819.479
Share Certificates	2.649.444	1.090.010
Quoted at Stock Exchange	4.942	4.771
Not Quoted in Stock Exchange	2.644.502	1.085.239
Provision for Impairment (-)	22.850.727	18.527.723
Total	**607.530.470**	**415.499.007**

7. Explanations Related to Loans

7.1. Information on All Types of Loans and Advances Given to Shareholders and Employees of The Bank

	Current Period		Prior Period	
	Cash	Non-Cash	Cash	Non-Cash
Direct Loans Granted to Shareholders	-	-	-	-
Granted loans to Legal Entity partners	-	-	-	-
Granted loans to Individual partners	-	-	-	-
Indirect Loans Granted to Shareholders	-	-	-	-
Loans Granted to Employees [1]	3.267.860	-	1.690.088	-
Total	**3.267.860**	**-**	**1.690.088**	**-**

[1] Since the balance of overdraft accounts related to employees amounting TL 121.780, is showed under Table 7.3. as overdraft accounts (real person), it is not included to the table above (31 December 2022: Since the balance of overdraft accounts related to employees amounting TL 46.746, is showed under Table 7.3. as overdraft accounts (real person), it is not included to the table above).

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7.2. Information on the First and Second Group Loans and Other Receivables Including Restructured or Rescheduled Loans

Current Period		Loans Under Close Monitoring		
			Loans Under Restructuring	
Cash Loans	Standard Loans	Not Under the Scope of Restructuring	Loans with Revised Contract Terms	Refinancing
Non-Specialized Loans	1.585.943.132	35.844.742	4.440.321	98.437.427
Commercial Loans	906.116.675	22.113.843	4.179.320	94.636.248
Export Loans	197.168.455	1.326.977	27.093	3.724.641
Import Loans	41.262	-	-	-
Loans Given to Financial Sector	23.531.207	-	-	-
Consumer Loans	206.317.900	3.833.373	233.517	72.928
Credit Cards	217.199.037	6.935.242	-	3.601
Other	35.568.596	1.635.307	391	9
Specialized Lending [1]	475.396.346	7.152.116	14.757	538.090
Other Receivables	-	-	-	-
Total	**2.061.339.478**	**42.996.858**	**4.455.078**	**98.975.517**

[1] Agricultural loans to support farmers are shown in specialized loans.

Prior Period		Loans Under Close Monitoring		
			Loans Under Restructuring	
Cash Loans	Standard Loans	Not Under the Scope of Restructuring	Loans with Revised Contract Terms	Refinancing
Non-Specialized Loans	1.073.889.206	14.749.331	3.666.901	69.751.705
Commercial Loans	681.231.454	10.316.229	3.494.876	69.670.634
Export Loans	93.309.923	588.560	20.714	-
Import Loans	68.569	-	-	-
Loans Given to Financial Sector	14.573.478	-	-	-
Consumer Loans	190.505.270	2.551.413	150.803	78.455
Credit Cards	72.506.795	1.105.322	-	881
Other	21.693.717	187.807	508	1.735
Specialized Lending [1]	241.155.764	2.312.514	39.894	934.327
Other Receivables	-	-	-	-
Total	**1.315.044.970**	**17.061.936**	**3.706.807**	**70.686.031**

[1] Agricultural loans to support farmers are shown in specialized loans.

	Current Period		Prior Period	
Expected Credit Loss of Stage 1 and Stage 2	**Standard Loans**	**Loans Under Close Monitoring**	**Standard Loans**	**Loans Under Close Monitoring**
12 Months Expected Credit Losses	11.201.691	-	9.006.539	-
Significant Increase in Credit Risk	-	43.076.857	-	29.473.635

7.3. Loans According to Maturity Structure

		Loans under Close Monitoring	
Current Period	**Standard Loans**	**Loans Not Subject to Restructuring**	**Restructured or Rescheduled**
Short-term Loans	761.078.391	17.272.385	7.336.951
Medium and Long-term Loans	1.300.261.087	25.724.473	96.093.644

		Loans under Close Monitoring	
Prior Period	**Standard Loans**	**Loans Not Subject to Restructuring**	**Restructured or Rescheduled**
Short-term Loans	477.483.376	6.243.234	8.066.052
Medium and Long-term Loans	837.561.594	10.818.713	66.326.775

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7.4. Information on Consumer Loans, Individual Credit Cards and Personnel Loans and Personnel Credit Card

Current Period	Short-Term	Medium and Long-Term	Total
Consumer Loans-TL	7.167.153	188.235.893	195.403.046
Mortgage Loans	8.519	118.753.415	118.761.934
Automotive Loans	360.883	12.342.602	12.703.485
Consumer Loans	6.797.751	57.139.876	63.937.627
Other	-	-	-
Consumer Loans- Indexed to FC	235	507.911	508.146
Mortgage Loans	-	114.244	114.244
Automotive Loans	-	34	34
Consumer Loans	-	192.692	192.692
Other	235	200.941	201.176
Consumer Loans-FC	146.014	5.620.395	5.766.409
Mortgage Loans	761	1.229.408	1.230.169
Automotive Loans	3.602	69.382	72.984
Consumer Loans	15.960	1.482.999	1.498.959
Other	125.691	2.838.606	2.964.297
Retail Credit Cards-TL	109.102.184	1.854.777	110.956.961
With Installment	41.637.877	1.456.893	43.094.770
Without Installment	67.464.307	397.884	67.862.191
Retail Credit Cards-FC	133.258	684	133.942
With Installment	112.735	-	112.735
Without Installment	20.523	684	21.207
Personnel Loans-TL	454.228	1.490.350	1.944.578
Mortgage Loans	-	18.320	18.320
Automotive Loans	-	4.170	4.170
Consumer Loans	454.228	1.467.860	1.922.088
Other	-	-	-
Personnel Loans-Indexed to FC	-	13.396	13.396
Mortgage Loans	-	4.477	4.477
Automotive Loans	-	-	-
Consumer Loans	-	6.287	6.287
Other	-	2.632	2.632
Personnel Loans-FC	3.600	156.507	160.107
Mortgage Loans	-	75.418	75.418
Automotive Loans	-	1.283	1.283
Consumer Loans	3.146	37.488	40.634
Other	454	42.318	42.772
Personnel Credit Cards-TL	1.126.834	18.535	1.145.369
With Installment	435.581	18.535	454.116
Without Installment	691.253	-	691.253
Personnel Credit Cards-FC	4.410	-	4.410
With Installment	4.124	-	4.124
Without Installment	286	-	286
Overdraft Accounts-TL (Real Person)	6.661.843	-	6.661.843
Overdraft Accounts-FC (Real Person)	193	-	193
Total	**124.799.952**	**197.898.448**	**322.698.400**

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Prior Period	Short-Term	Medium and Long-Term	Total
Consumer Loans-TL	3.350.594	183.101.064	186.451.658
Mortgage Loans	23.381	121.127.266	121.150.647
Automotive Loans	104.936	8.536.700	8.641.636
Consumer Loans	3.222.277	53.437.098	56.659.375
Other	-	-	-
Consumer Loans- Indexed to FC	840	438.646	439.486
Mortgage Loans	297	96.824	97.121
Automotive Loans	-	2.837	2.837
Consumer Loans	543	130.397	130.940
Other	-	208.588	208.588
Consumer Loans-FC	93.370	2.625.042	2.718.412
Mortgage Loans	494	567.869	568.363
Automotive Loans	7	16.213	16.220
Consumer Loans	12.166	762.021	774.187
Other	80.703	1.278.939	1.359.642
Retail Credit Cards-TL	31.851.465	442.429	32.293.894
With Installment	11.951.603	390.459	12.342.062
Without Installment	19.899.862	51.970	19.951.832
Retail Credit Cards-FC	70.852	33	70.885
With Installment	66.556	-	66.556
Without Installment	4.296	33	4.329
Personnel Loans-TL	58.674	955.087	1.013.761
Mortgage Loans	-	15.239	15.239
Automotive Loans	-	3.161	3.161
Consumer Loans	58.674	936.687	995.361
Other	-	-	-
Personnel Loans-Indexed to FC	-	16.302	16.302
Mortgage Loans	-	4.889	4.889
Automotive Loans	-	-	-
Consumer Loans	-	1.819	1.819
Other	-	9.594	9.594
Personnel Loans-FC	1.007	74.547	75.554
Mortgage Loans	-	31.302	31.302
Automotive Loans	-	-	-
Consumer Loans	20	17.028	17.048
Other	987	26.217	27.204
Personnel Credit Cards-TL	572.122	9.760	581.882
With Installment	229.608	9.753	239.361
Without Installment	342.514	7	342.521
Personnel Credit Cards-FC	2.589	-	2.589
With Installment	-	-	-
Without Installment	2.589	-	2.589
Overdraft Accounts-TL (Real Person)	2.570.768	-	2.570.768
Overdraft Accounts-FC (Real Person)	-	-	-
Total	**38.572.281**	**187.662.910**	**226.235.191**

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7.5. Information on Commercial Installment Loans and Corporate Credit Cards

Current Period	Short Term	Medium and Long Term	Total
Installment Based Commercial Loans- TL	3.813.629	96.724.151	100.537.780
Mortgage Loans	-	887.747	887.747
Automotive Loans	775.299	2.810.160	3.585.459
Consumer Loans	3.038.330	93.026.244	96.064.574
Other	-	-	-
Installment Based Commercial Loans- Indexed to FC	-	1.232.992	1.232.992
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	1.232.992	1.232.992
Other	-	-	-
Installment Based Commercial Loans - FC	10.190.466	139.366.509	149.556.975
Mortgage Loans	12.283	1.911.454	1.923.737
Automotive Loans	6.909	190.207	197.116
Consumer Loans	8.988.949	131.782.922	140.771.871
Other	1.182.325	5.481.926	6.664.251
Corporate Credit Cards- TL	98.598.994	13.287.697	111.886.691
With Installment	44.453.021	13.227.533	57.680.554
Without Installment	54.145.973	60.164	54.206.137
Corporate Credit Cards-FC	10.507	-	10.507
With Installment	7.595	-	7.595
Without Installment	2.912	-	2.912
Overdraft Account- TL (Legal Entity)	9.957.138	-	9.957.138
Overdraft Account-FC (Legal Entity)	175.890	180.563	356.453
Total [1]	**122.746.624**	**250.791.912**	**373.538.536**

[1] Accrual and rediscount amounts related to loans are included in the table.

Prior Period	Short Term	Medium and Long Term	Total
Installment Based Commercial Loans- TL	5.401.487	71.805.708	77.207.195
Mortgage Loans	22.978	2.335.036	2.358.014
Automotive Loans	1.414.384	4.233.335	5.647.719
Consumer Loans	3.964.125	65.237.337	69.201.462
Other	-	-	-
Installment Based Commercial Loans- Indexed to FC	1.021	1.007.982	1.009.003
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	1.021	1.007.982	1.009.003
Installment Based Commercial Loans - FC	3.916.522	96.335.188	100.251.710
Mortgage Loans	61.613	998.634	1.060.247
Automotive Loans	1.181	629.634	630.815
Consumer Loans	3.353.863	92.814.022	96.167.885
Other	499.865	1.892.898	2.392.763
Corporate Credit Cards- TL	38.124.844	2.438.695	40.563.539
With Installment	18.029.419	2.431.975	20.461.394
Without Installment	20.095.425	6.720	20.102.145
Corporate Credit Cards-FC	100.209	-	100.209
With Installment	97.226	-	97.226
Without Installment	2.983	-	2.983
Overdraft Account- TL (Legal Entity)	3.955.706	-	3.955.706
Overdraft Account-FC (Legal Entity)	-	-	-
Total [1]	**51.499.789**	**171.587.573**	**223.087.362**

[1] Accrual and rediscount amounts related to loans are included in the table.

7.6. Loans According to Types of Borrowers

	Current Period	Prior Period
Public	78.333.459	69.354.408
Private	2.129.433.472	1.337.145.336
Total	**2.207.766.931**	**1.406.499.744**

7.7. Distribution of Domestic and Foreign Loans

	Current Period	Prior Period
Domestic Loans	2.143.776.681	1.373.035.916
Foreign Loans	63.990.250	33.463.828
Total	**2.207.766.931**	**1.406.499.744**

7.8. Loans Granted to Investments in Associates and Subsidiaries

	Current Period	Prior Period
Direct loans granted to subsidiaries and associates	3.560.312	1.595.222
Indirect loans granted to subsidiaries and associates	-	-
Total	**3.560.312**	**1.595.222**

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7.9. Credit-Impaired Losses (Stage III)

	Current Period	Prior Period
Loans and other receivables with limited collectability	8.524.723	2.392.994
Loans and other receivables with doubtful collectability	2.196.710	758.411
Uncollectible loans and other receivables	11.920.533	12.723.130
Total	**22.641.966**	**15.874.535**

7.10. Information on Non-Performing Loans (Net)

7.10.1. Information on Non-Performing Loans Restructured or Rescheduled and Other Receivables

	Group III	Group IV	Group V
	Loans with Limited Collectibility	Loans with Doubtful Collectibility	Uncollectible Loans
Current Period			
Gross amounts before the provisions	255.160	1.016.908	880.997
Restructured Loans	255.160	1.016.908	880.997
Prior Period			
Gross amounts before the provisions	202.952	168.225	1.437.609
Restructured Loans	202.952	168.225	1.437.609

7.10.2. Information on The Movement of Total Non-performing Loans

	Group III	Group IV	Group V
	Loans with limited collectibility	Loans with doubtful collectibility	Uncollectible loans
Prior Period Ending Balance	**3.653.353**	**1.390.128**	**14.204.472**
Additions (+)	14.797.867	1.423.478	1.983.516
Transfers from Other Categories of Loans under Follow-Up (+)	-	5.442.678	2.856.033
Transfers to Other Categories of Loans under Follow-Up (-)	5.442.678	2.856.033	-
Collections (-)[1]	1.689.381	1.293.390	3.952.183
Write-offs (-)[2]	286	1.302	585.412
Sold (-)	-	-	-
Corporate and Commercial Loans	-	-	-
Consumer Loans	-	-	-
Credit Cards	-	-	-
Other	-	-	-
Current Period End Balance	**11.318.875**	**4.105.559**	**14.506.426**
Provision (-)	8.524.723	2.196.710	11.920.533
Net Balance on Balance Sheet	**2.794.152**	**1.908.849**	**2.585.893**

[1] Includes transfers to first and second group loans amounting to TL 762.998.

[2] As of 31 December 2023, there is a written-off loan amounting to TL 587.000 (31 December 2022: TL 866.204). When the calculation is made by taking into account the loans written off, the effect of the Group on the NPL and NPL ratio is 3 basis points.

7.10.3. Information on Non-performing Loans Granted as Foreign Currency Loans

	Group III	Group IV	Group V
	Loans with limited collectibility	Loans with doubtful collectibility	Uncollectible loans
Current Period			
Period Ending Balance	**8.063.637**	**2.396.909**	**4.512.562**
Provision (-)	4.735.117	1.358.582	4.053.016
Net Balance on Balance Sheet	**3.328.520**	**1.038.327**	**459.546**
Prior Period:			
Period Ending Balance	**2.680.553**	**330.011**	**3.784.489**
Provision (-)	1.731.079	218.945	3.721.795
Net Balance on Balance Sheet	**949.474**	**111.066**	**62.694**

7.10.4. Breakdown of Non-performing Loans According to Their Gross and Net Values

	Group III	Group IV	Group V
	Loans with Limited Collectability	Loans with Doubtful Collectability	Uncollectible Loans
Current Period (Net)	**2.794.152**	**1.908.849**	**2.585.893**
Loans to Real Persons and Legal Entities (Gross)	11.318.875	4.105.559	14.321.011
Provisions (-)	8.524.723	2.196.710	11.735.118
Loans to Real Persons and Legal Entities (Net)	2.794.152	1.908.849	2.585.893
Banks (Gross)	-	-	-
Provisions (-)	-	-	-
Banks (Net)	-	-	-
Other Loans (Gross)	-	-	185.415
Provisions (-)	-	-	185.415
Other Loans (Net)	-	-	-
Prior Period (Net)	**1.260.359**	**631.717**	**1.481.342**
Loans to Real Persons and Legal Entities (Gross)	3.653.353	1.390.128	14.044.172
Provisions (-)	2.392.994	758.411	12.562.830
Loans to Real Persons and Legal Entities (Net)	1.260.359	631.717	1.481.342
Banks (Gross)	-	-	-
Provisions (-)	-	-	-
Banks (Net)	-	-	-
Other Loans (Gross)	-	-	160.300
Provisions (-)	-	-	160.300
Other Loans (Net)	-	-	-

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7.10.5. Information on Interest Accruals, Rediscount and Valuation Effect and Their Provisions Calculated for Non-Performing Loans Banks which Provide Expected Credit Loss According to TFRS 9

	Group III	Group IV	Group V
	Loans with Limited Collectibility	Loans with Doubtful Collectibility	Uncollectible Loans
Current Period (Net)	**82.280**	**64.362**	**114.823**
Interest Accruals and Valuation Differences	651.213	133.832	775.473
Provisions (-)	568.933	69.470	660.650
Prior Period (Net)	**35.364**	**25.458**	**78.302**
Interest Accruals and Valuation Differences	116.325	68.001	879.607
Provisions (-)	80.961	42.543	801.305

7.11. Information on Expected Credit Loss

Current Period	Stage 1	Stage 2	Stage 3	Total
Balance at Beginning of the Period	**9.006.539**	**29.473.635**	**15.874.535**	**54.354.709**
Additions during the Period*	3.680.444	16.523.784	8.358.220	28.562.448
Disposals (-)	(1.736.479)	(792.452)	(2.902.324)	(5.431.255)
Sales (-)	-	-	-	-
Write-offs (-)	-	-	(565.388)	(565.388)
Transfer to Stage 1	986.397	(799.577)	(186.820)	-
Transfer to Stage 2	(721.584)	911.983	(190.399)	-
Transfer to Stage 3	(13.626)	(2.240.516)	2.254.142	-
Balance at End of Period	**11.201.691**	**43.076.857**	**22.641.966**	**76.920.514**

* Also includes exchange rate differences

Prior Period	Stage 1	Stage 2	Stage 3	Total
Balances at Beginning of the Period	**2.660.108**	**14.991.813**	**15.272.896**	**32.924.817**
Additions during the Period*	6.369.274	14.559.715	3.690.531	24.619.520
Disposals (-)	(133.321)	(731.398)	(1.439.689)	(2.304.408)
Sales (-)	-	-	-	-
Write-offs (-)	-	-	(885.220)	(885.220)
Transfer to Stage 1	388.725	(164.756)	(223.969)	-
Transfer to Stage 2	(240.936)	873.613	(632.677)	-
Transfer to Stage 3	(37.311)	(55.352)	92.663	-
Balance at End of Period	**9.006.539**	**29.473.635**	**15.874.535**	**54.354.709**

* Also includes exchange rate differences

7.12. 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 Parent Bank's. During this process, tangible guarantees constituting guarantees of receivables of the Parent Bank and assets of the debtor(s) are realized while receivables of the Parent Bank are also tried to be collected and liquidated by means of administrative procedures. Transactions are performed within the context of legislation agreement, which ensures the collection of receivables through administrative channels. When the debtor offers exceed authorizations transferred to the Branch/Regional Management or includes matters outside the scope of current legislation agreements and the Branch/Regional Management submit favorable opinion to the Head Office regarding this issue, receivables should be restructured on a company/debtor basis in accordance with the decisions made by the related authorities.

7.13. Explanations on Write-Off Policy

The Group 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.

8. Other Financial Assets Measured at Amortized Cost

8.1. Information on Financial Assets Subject to Repurchase Agreements and those Given as Collateral/Blocked

Financial Assets Measured at Amortized Cost subject to repo transactions

	Current Period		Prior Period	
	TL	FC	TL	FC
Government Bonds	-	9.155.480	16.898.737	5.705.067
Treasury Bills	-	-	-	-
Other Government Debts	-	-	-	-
Bank Bonds and Bank Guaranteed Bonds	-	-	-	-
Asset Backed Securities	-	-	-	-
Other	-	-	-	-
Total	**-**	**9.155.480**	**16.898.737**	**5.705.067**

Financial Assets Measured at Amortized Cost given as collateral or blocked

	Current Period		Prior Period	
	TL	FC	TL	FC
Bills	-	-	1.107.792	-
Bonds and Similar Investment Securities	143.859.019	62.284.619	57.126.063	36.259.758
Other	-	-	-	-
Total	**143.859.019**	**62.284.619**	**58.233.855**	**36.259.758**

8.2. Information on Government Debt Securities at Amortized Cost

	Current Period	Prior Period
Government Bonds	342.629.160	158.551.073
Treasury Bills	-	1.107.792
Other Public Sector Debt Securities	1.914.559	1.585.288
Total	**344.543.719**	**161.244.153**

8.3. Information on Financial Assets Measured at Amortized Cost

	Current Period	Prior Period
Debt Securities	348.667.948	165.424.164
Quoted at Stock Exchange	321.811.537	155.404.418
Unquoted at Stock Exchange	26.856.411	10.019.746
Provision for Impairment (-)	2.002	1.079
Total	**348.665.946**	**165.423.085**

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8.4. The Movements of Financial Assets Measured at Amortized Costs

	Current Period	Prior Period
Beginning Balance	**165.423.085**	**46.339.025**
Foreign Currency Differences on Monetary Assets	25.097.891	11.437.431
Purchases During the Year [1]	169.413.220	109.423.608
Disposals through Sales and Redemptions	(11.266.248)	(1.775.900)
Provision for Impairment (-)	2.002	1.079
Period End Balance	**348.665.946**	**165.423.085**

[1] Accruals are shown in "Purchases During the Year".

9. Information on Associates Accounts (Net)

9.1. Information on the Parent Bank's Unconsolidated Associates

	Title	Address (City/Country)	The Bank's Share Percentage, if Different, Voting Percentage (%)	The Bank'Risk Group Share Percentage (%)
1	Bileşim Finansal Teknolojiler ve Ödeme Sistemleri A.Ş.	Istanbul/Türkiye	33,34	33,34

	Total Assets [1]	Shareholders' Equity [1]	Total Non-Current Assets [1] [2]	Interest Income [1]	Income from Marketable Securities [1]	Current Period Profit/Loss [1]	Prior Period Profit/Loss [1]	Fair Value
1	512.193	331.393	168.795	48.445	-	(8.399)	(12.650)	-

[1] Current period financial information has been provided from unaudited financial statements as of 31 December 2023. Prior period profit/loss information has been provided from independently audited financial statements as of 31 December 2022.

[2] Total noncurrent assets include tangible and intangible assets.

9.2. Information on Consolidated Associates

	Title	Address (City/Country)	The Parent Bank's Percentage-if different Voting Percentage (%)	The Parent Bank's Group Share Percentage (%)
1	Arap Türk Bankası A.Ş.	Istanbul/Türkiye	15,43	15,43
2	Birleşim Varlık Yönetim A.Ş. [2]	Istanbul/Türkiye	16,00	16,00

	Total Assets [1]	Shareholders' Equity [1]	Total Non-Current Assets [1]	Interest Income [1]	Income from Marketable Securities [1]	Current Period Profit/Loss [1]	Prior Period Profit/Loss [1]	Fair Value
1	14.260.568	2.137.578	957.328	492.326	356.075	153.995	213.492	-
2	929.956	763.942	27.481	308.503	-	109.296	257.480	-

[1] Current period financial information of the associates has been provided from unaudited financial statements as of 31 December 2023. Prior period profit/loss information of the associates has been provided from independently audited financial statements as of 31 December 2022.

[2] Necessary permissions have been obtained from the BRSA regarding the purchase by the Bank of 12.000.000 Group B Shares, 16% owned by the Savings Deposit Insurance Fund (TMSF), in the capital of Birleşim Varlık Yönetim AŞ, with all its rights and obligations in return for TL 119.285 share purchase transactions were completed on 1 March 2023.

9.3. Information on Financial Associates

	Current Period	Prior Period
Balance at the Beginning of the Period	**282.763**	**205.959**
Movement During the Period	**169.296**	**76.804**
Purchases	119.285	-
Free Shares Obtained Profit From Current Years Share	-	-
Dividends From Current Year Income	41.247	32.942
Sales	-	-
Revaluation Increase	8.764	43.862
Impairment Provision (-)	-	-
Balance at the End of the Period	**452.059**	**282.763**
Capital Commitments	-	-
Share Percentage at the End of the Period (%)	-	-

9.4. Sectoral Information on Financial Associates and the Related Carrying Amounts

	Current Period	Prior Period
Banks	329.828	282.763
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	-	-
Finance Companies	-	-
Other Financial Associates	122.231	-

9.5. Subsidiaries Quoted to the Stock Exchange

None (31 December 2022: None).

10. Information on Subsidiaries (Net)

10.1. Information on the Parent Bank's Unconsolidated Subsidiaries

	Description	Address (City/Country)	The Parent Bank's Share Percentage-if different Voting Percentage (%)	The Parent Bank's Group Share Percentage (%)
1	Ziraat Teknoloji A.Ş.	Istanbul/Türkiye	100,00	100,00

	Total Assets	Shareholders' Equity	Total Non-Current Assets	Interest Income	Income from Marketable Securities	Current Period Profit/Loss	Prior Period Profit/Loss	Fair Value
1	511.987	172.565	44.622	8.198	126	114.316	20.686	278.705

(*) Current period financial information of the subsidiary has been provided from unaudited financial statements as of 31 December 2023. Prior period profit/loss information of the subsidiary has been provided from independently audited financial statements as of 31 December 2022.

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10.2. Information on Consolidated Subsidiaries

	Description	Address (City/Country)	The Bank's Share Percentage-if different Voting Percentage (%)	The Bank's Risk Group Share Percentage (%)
1	Ziraat Yatırım Menkul Değerler A.Ş.	Istanbul/Türkiye	99,60	99,60
2	Ziraat Portföy Yönetimi A.Ş.	Istanbul/Türkiye	74,90	99,80
3	Ziraat Katılım Bankası A.Ş.	Istanbul/Türkiye	100,00	100,00
4	Ziraat Gayrimenkul Yatırım Ortaklığı A.Ş.	Istanbul/Türkiye	81,06	81,06
5	Ziraat Girişim Sermayesi Yatırım Ortaklığı A.Ş.	Istanbul/Türkiye	100,00	100,00
6	Ziraat Dinamik Banka A.Ş. (*)	Istanbul/Türkiye	100,00	100,00
7	Ziraat Finansal Teknolojiler Elektronik Para ve Ödeme Hizmetleri A.Ş. (**)	Istanbul/Türkiye	100,00	100,00
8	Ziraat Bank International A.G.	Frankfurt/Germany	100,00	100,00
9	Ziraat Bank BH d.d.	Sarajevo/Bosnia Herzegovina	100,00	100,00
10	Ziraat Bank (Moscow) JSC	Moscow/Russia	99,91	100,00
11	Kazakhstan Ziraat Int. Bank	Almaty/Kazakhstan	99,92	99,92
12	Ziraat Bank Azerbaycan ASC	Baku/Azerbaijan	99,98	100,00
13	Ziraat Bank Montenegro AD	Podgorica/Montenegro	100,00	100,00
14	JSC Ziraat Bank Georgia	Tbilisi/Georgia	100,00	100,00
15	Ziraat Bank Uzbekistan JSC	Tashkent/Uzbekistan	100,00	100,00

(*) The Bank's Subsidiary, Ziraat Dinamik Banka A.Ş., was established with the permission of the BRSA dated 23 March 2023 and numbered 10542 and was registered on April 18, 2023, and has not started operations yet as of the end of the period.

(**) Ziraat Finansal Teknolojiler Elektronik Para ve Ödeme Hizmetleri A.Ş. which is among the subsidiaries, started to be followed as a financial partnership. Operating permission was received from the CBRT on January 30, 2024.

	Total Assets	Shareholders' Equity	Total Non-Current Assets	Interest Income	Income from Marketable Securities	Current Period Profit/ Loss	Prior Period Profit/Loss	Fair Value	Shareholder's equity amount needed
1	5.551.877	3.102.833	32.833	1.386.213	-	2.151.551	737.773	4.839.147	-
2	782.167	588.400	28.668	87	-	416.918	185.324	556.999	-
3	383.658.370	19.831.547	2.858.333	43.986.005	7.576.685	4.004.497	3.840.272	15.958.668	-
4	40.209.019	36.274.198	37.666.096	68.735	-	16.545.611	10.945.313	20.255.507	-
5	4.757.425	4.753.732	461	183.897	-	2.331.997	1.388.271	3.834.211	-
6	2.500.000	2.500.000	-	-	-	-	-	2.500.000	-
7	222.318	221.525	19.372	25.490	-	20.508	-	200.000	-
8	34.049.514	10.328.025	1.456.831	1.195.377	9.213	333.880	534	4.671.628	-
9	24.462.354	3.339.227	165.749	520.307	-	225.371	31.973	1.365.113	-
10	3.469.658	1.737.640	57.135	286.315	1.597	265.930	133.455	1.031.853	-
11	14.838.353	4.720.137	380.677	853.267	5.257	777.627	(387.925)	3.535.560	-
12	10.856.734	1.948.767	399.209	476.642	29.148	192.543	55.395	1.134.100	-
13	3.307.757	559.299	28.559	75.698	17.457	15.237	155	404.975	-
14	2.225.408	792.732	61.316	122.440	4.636	64.747	36.931	342.333	-
15	6.934.523	1.092.731	146.910	263.910	6.834	92.922	108.789	719.558	-

(1) The amounts shown in the interest income column of Ziraat Katılım Bankası A.Ş. include profit share income.

(2) Current period financial statement information, Ziraat Katılım Bankası A.Ş. and Ziraat Gayrimenkul Yatırım Ortaklığı A.Ş.'s independently audited financial statements dated 31 December 2023, and from the non-independently audited financial statements of other subsidiaries, and in the profit/loss figures for the previous period, Ziraat Katılım Bankası A.Ş. and Ziraat Gayrimenkul Yatırım Ortaklığı A.Ş.'s independently audited financial statements dated 31 December 2022, and the unaudited financial statements of other subsidiaries.

(Represents the values of the Parent Bank)

	Current Period	Prior Period
Balance at the Beginning of the Period	**41.946.035**	**20.558.487**
Movements During the Period	**19.403.617**	**21.387.548**
Purchases	10.615.681	3.249.300
Free Shares Obtained Profit From Current Years Share	163.757	86.121
Dividends from current year income	-	-
Sales	-	-
Revaluation Increase [1]	12.652.181	22.601.876
Impairment Provision (-)	4.028.002	4.549.749
Balance at the End of the Period [2]	**61.349.652**	**41.946.035**
Capital Commitments	-	-
Share percentage at the end of the period (%)	-	-

[1] Includes changes arising from conversion of subsidiaries, whose capitals are paid in Euro amounts, into TL at period end currency rate.

[2] Non-financial subsidiaries amounting to TL 278.705 are not included in the table. (31 December.2022: Non-financial subsidiaries amounting to TL 134.959 are not included in the table.)

10.3. Sectoral Information on Financial Subsidiaries and the Related Carrying Amounts

(Represents the values of the Parent Bank)

	Current Period	Prior Period
Banks	31.663.788	15.826.908
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	-	-
Financing Companies	-	-
Other Financial Subsidiaries	29.685.864	26.119.127

10.4. Subsidiaries Quoted to a Stock Exchange

(Represents the values of the Parent Bank)

	Current Period	Prior Period
Quoted at Domestic Stock Exchanges	20.255.507	21.486.762
Quoted at International Stock Exchanges	-	-

11. Information on Entities Under Common Control (Joint Ventures)

Entities under Common Control (Joint Ventures) [1]	Parent Bank's Share (%)	Group's Share (%)	Current Assets	Non-Current Assets	Long Term Liabilities	Income	Expense
Turkmen Turkish Joint Stock Commercial Bank	50,00	50,00	19.052.925	102.985	7.319	1.050.340	515.735

[1] Information on entity under joint control is provided from the unaudited financial statements as of 31 December 2023.

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12. Information on Lease Receivables

Information on receivables from leasing transactions is presented in the table below.

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 Year	224.845	214.022	189.351	179.909
1-5 Years	59.991.932	41.215.163	16.508.624	14.022.160
More than 5 Years	13.243.798	11.229.911	8.160.207	7.050.052
Total	**73.460.575**	**52.659.096**	**24.858.182**	**21.252.121**

13. Explanation on Derivative Financial Assets for Hedging Purposes

The Group does not have any derivative financial assets for hedging purposes.

14. Explanation on Investment Property

The Group's investment properties are TL 1.434.220 (31 December 2022: TL 775.075).

15. Explanation on Fixed Assets Held for Sale and Discontinued Operations

The Group does not have any discontinued operations. The assets held for sale are composed of immovables acquired due to consumer, commercial and agricultural loans, and immovables for which has no necessity of use exists by the Parent Bank. Those immovables considered for sales are announced at the web site of the Parent Bank.

The total of the partnership interests of the Group due to its receivables is TL 38.948 (31 December 2022: TL 415.578). To be TL 15.712 (31 December 2022: TL 12.446) due to individual receivables of the Group, TL 6.288.579 due to its trade receivables (31 December 2022: TL 5.255.159) and TL 81.634 (31 December 2022: TL 98.632) due to its agricultural receivables. The total of the real estates acquired for the purpose of sale is TL 6.385.925 (31 December 2022: TL 5.366.237) and the total of other real estates held for sale is TL 447.908 (31 December 2022: TL 1.325.408). In addition, the total of the movables acquired due to its receivables is TL 98.046 (31 December 2022: TL 75.258). The net book value of the Group's assets held for sale acquired through fiduciary rights is TL 2.548.008 (31 December 2022: TL 2.522.486).

16. Explanations on Tangible Assets

	Immovables	Immovables with Right of Use	Movables	Movables with Right of Use	Leasing Development Costs	Other Tangibles	Total
Prior Period End							
Cost	34.382.703	1.805.025	3.271.658	481.155	484.526	-	40.425.067
Accumulated Depreciation (-)	889.765	276.941	1.881.872	210.496	330.169	-	3.589.243
Impairment (-)	78	-	618	-	-	-	696
Net Book Value	**33.492.860**	**1.528.084**	**1.389.168**	**270.659**	**154.357**	**-**	**36.835.128**
Current Period End							
Net Book Value at the Beginning of the Period	33.492.860	1.528.084	1.389.168	270.659	154.357	-	36.835.128
Change During the Period (Net)	17.778.559	2.358.373	1.973.434	475.170	812.573	-	23.398.109
- Cost	3.596.889	2.639.017	3.024.599	641.262	974.464	-	10.876.231
- Revaluation Differences	14.400.042	-	23.942	-	91	-	14.424.075
- Depreciation - Net (-)	218.372	279.902	1.075.107	165.280	161.982	-	1.900.643
- Impairment (-)	-	742	-	812	-	-	1.554
Net Currency Translation from Foreign Subsidiaries	377.189	68.524	64.033	15.607	25.895	-	551.248
Cost at Period End	52.756.823	4.512.566	6.384.232	1.138.024	1.484.976	-	66.276.621
Accumulated Depreciation at Period End (-)	1.108.137	556.843	2.956.979	375.776	492.151	-	5.489.886
Impairment (-)	78	742	618	812	-	-	2.250
Closing Net Book Value	**51.648.608**	**3.954.981**	**3.426.635**	**761.436**	**992.825**	**-**	**60.784.485**

17. The Impairment Provision Set or Cancelled in The Current Period According to The Asset Groups Not Individually Significant but Materially Affecting the Overall Financial Statements, and The Reason and Conditions for This

None.

18. Pledges, mortgages and other restrictions on the tangible assets, expenses arising from the construction for tangible assets, commitments given for the purchases of tangible assets

None.

19. Explanations on Intangible Assets

	Current Period			Prior Period		
	Book Value	Accumulated Depreciation	Net Value	Book Value	Accumulated Depreciation	Net Value
Establishment Costs	11.073	11.073	-	15.575	12.419	3.156
Goodwill	-	-	-	-	-	-
Intangible Rights	6.536.973	1.779.476	4.757.497	3.928.538	1.165.312	2.763.226
Total	**6.548.046**	**1.790.549**	**4.757.497**	**3.944.113**	**1.177.731**	**2.766.382**

Disclosures for book value, description and remaining useful life for a specific intangible fixed asset that is material to the financial statements:

None.

Disclosure for intangible fixed assets acquired through government grants and accounted for at fair value at initial recognition:

None.

The method of subsequent measurement for intangible fixed assets that are acquired through government incentives and recorded at fair value at the initial recognition:

None.

The book value of intangible fixed assets that are pledged or restricted for use:

None.

Amount of purchase commitments for intangible fixed assets:

None.

Information on revalued intangible assets according to their types:

None.

Amount of total research and development expenses recorded in income statement within the period if any:

None.

Positive or negative consolidation goodwill on entity basis:

Not applicable for the consolidated financial statements.

Information on Goodwill:

None.

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20. Explanation on Deferred Tax Asset

The Group calculates and reflects deferred tax in accordance with the provisions of "Income Taxes Standards" ("TAS 12") for taxable temporary differences that arise between the book value of an asset or liability and its tax basis determined in accordance with the tax legislation. In the calculation of deferred tax, enacted tax rates valid as of the balance sheet date are used in accordance with the current tax legislation.

Deferred tax assets consisting of deductible temporary differences are calculated on the condition that it is highly probable to benefit from these differences by earning taxable profit in the future. Calculated deferred tax receivables and deferred tax liabilities are netted off in the consolidated subsidiaries' separate financial statements.

Information on calculated deferred tax including deductible temporary differences, financial losses, tax deductibles and tax exemptions is shown below;

	Current Period	Prior Period
Deferred Tax Assets	39.559.665	27.353.071
Deferred Tax Liabilities	(6.108.514)	(21.726.782)
Net Deferred Tax Assets/(Liabilities)	33.451.151	5.626.289
Net Deferred Tax Income/(Expense)	16.905.023	11.459.690

	Current Period	Prior Period
Deferred Tax Asset	**39.559.664**	**27.353.071**
Expected Loss Provisions	16.955.607	11.039.041
Reserve for Employee Benefits	2.210.500	1.850.397
Marketable Securities Portfolio	9.192.048	6.246.366
Differences Between Registered Value of Assets and Tax Value (*)	5.764.434	-
Other	5.437.075	8.217.267
Deferred Tax Liabilities	**6.108.513**	**21.726.782**
Financial Assets Valuation Differences	4.770.184	19.674.768
Real Estate Valuation Difference	1.129.365	1.853.995
Other	208.964	198.019
Net Deferred Tax Asset/(Liability)	**33.451.151**	**5.626.289**

(*) Deferred tax assets resulting from inflation adjustment in the provisions of Tax Procedural Law Provisional Article 33 are included.

As of 31 December 2023, deferred tax income amounting to TL 16.905.023 was classified on profit or loss table and deferred tax expense amounting TL 10.834.183 was classified under shareholders' equity. (As of 31 December 2022, deferred tax income amounting to TL 11.459.690 was classified on profit or loss table and deferred tax expense amounting TL 8.605.454 was classified under shareholders' equity).

21. Information on expected loss provisions for financial assets

	Current Period	Prior Period
Cash and Balances at Central Bank	27.611	31.345
Banks and Receivables from Money Markets	46.474	15.293
Financial Assets Measured at Amortized Cost	80.966	40.592
Other assets	270.826	115.138
Total	**425.877**	**202.368**

22. Information on Other Assets

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

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II. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED LIABILITIES

1. Information on Deposits/Funds Collected

1.1. Information on Maturity Structure of Deposits

Current Period	Demand	7 Day Call Accounts	Up to 1 Month	1-3 Months	3-6 Months	6 Months-1 Year	1 Year and Over	Cumulative Deposits	Total
Saving Deposits	175.609.256	-	28.427.379	321.850.914	266.165.080	93.219.497	85.420.590	127.978	970.820.694
Foreign Currency Deposits	482.977.685	-	171.140.479	259.762.076	48.156.541	40.618.989	88.313.900	17.851	1.090.987.521
Residents in Türkiye	352.748.963	-	165.474.988	225.071.571	30.718.870	16.100.399	25.810.393	13.659	815.938.843
Residents on Abroad	130.228.722	-	5.665.491	34.690.505	17.437.671	24.518.590	62.503.507	4.192	275.048.678
Public Sector Deposits	36.669.339	-	130.419.435	48.298.041	4.444.001	233.006	143.897	-	220.207.719
Commercial Inst. Deposits	100.914.099	-	181.333.459	236.061.118	62.493.497	45.411.903	36.831.359	-	663.045.435
Other Institutions Deposits	11.701.470	-	7.881.947	43.235.018	15.424.095	2.286.691	1.360.134	-	81.889.355
Precious Metals Deposit	151.323.270	-	3.027.113	18.214.111	2.181.984	628.895	944.569	-	176.319.942
Interbank Deposits	11.285.647	-	41.479.672	32.117.694	11.449.977	150.065	70.126	-	96.553.181
The CBRT	3.835.380	-	-	-	-	-	-	-	3.835.380
Domestic Banks	724.497	-	35.444.212	2.453.348	-	-	-	-	38.622.057
Foreign Banks	6.044.046	-	6.035.460	29.664.346	11.347.811	150.065	70.126	-	53.311.854
Participation Banks	681.724	-	-	-	102.166	-	-	-	783.890
Other	-	-	-	-	-	-	-	-	-
Total (*)	**970.480.766**	**-**	**563.709.484**	**959.538.972**	**410.315.175**	**182.549.046**	**213.084.575**	**145.829**	**3.299.823.847**

(*) As of 31 December 2023, the deposit balance includes the amount of 53.576.786 TL Treasury Currency Protected Deposit, TL 333.844.041 CBRT Currency Protected Deposit and TL 83.585.490 YUVAM Account Deposits.

Prior Period	Demand	7 Day Call Accounts	Up to 1 Month	1-3 Months	3-6 Months	6 Months-1 Year	1 Year and Over	Cumulative Deposits	Total
Saving Deposits	131.457.914	-	18.631.036	243.164.800	20.336.549	9.534.581	25.114.190	148.528	448.387.598
Foreign Currency Deposits	283.838.398	-	143.513.425	184.535.658	39.357.690	23.688.435	71.524.578	14.799	746.472.983
Residents in Türkiye	218.226.729	-	139.052.941	157.661.536	29.048.020	11.548.296	28.962.992	12.343	584.512.857
Residents on Abroad	65.611.669	-	4.460.484	26.874.122	10.309.670	12.140.139	42.561.586	2.456	161.960.126
Public Sector Deposits	20.175.077	-	114.451.418	11.097.850	4.648.975	803.714	7.615	-	151.184.649
Commercial Inst. Deposits	91.796.331	-	115.450.374	136.160.439	7.300.447	22.053.845	2.894.572	-	375.656.008
Other Institutions Deposits	6.988.093	-	5.785.624	20.258.226	4.211.618	910.923	457.932	-	38.612.416
Precious Metals Deposit	81.910.678	-	1.890.618	13.515.775	999.453	561.040	635.451	-	99.513.015
Interbank Deposits	9.315.628	-	43.085.939	9.091.642	93.317	18.396.704	499.173	-	80.482.403
The CBRT	2.714.175	-	-	-	-	-	-	-	2.714.175
Domestic Banks	451.294	-	39.787.632	654.420	-	-	402.578	-	41.295.924
Foreign Banks	5.912.844	-	3.297.632	8.437.222	93.317	18.396.704	96.595	-	36.234.314
Participation Banks	237.315	-	675	-	-	-	-	-	237.990
Other	-	-	-	-	-	-	-	-	-
Total (*)	**625.482.119**	**-**	**442.808.434**	**617.824.390**	**76.948.049**	**75.949.242**	**101.133.511**	**163.327**	**1.940.309.072**

(*) As of 31 December 2022, the deposit balance includes the amount of 93.491.005 TL Treasury Currency Protected Deposit, TL 105.994.827 CBRT Currency Protected Deposit and TL 17.910.987 YUVAM Account Deposits.

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1.2. Information on Saving Deposits Under the Guarantee of the Saving Deposit Insurance Fund and Amounts Exceeding the Limit of the Deposit Insurance Fund

	Under the Guarantee of Deposit Insurance		Exceeding Deposit Insurance Limit	
Saving Deposits	**Current Period**	**Prior Period**	**Current Period**	**Prior Period**
Saving Deposits [1]	400.109.821	224.598.819	570.467.136	222.369.675
Foreign Currency Saving Deposits [1]	306.661.188	163.782.459	457.116.037	364.876.583
Other Deposits in the form of Saving Deposits	-	-	-	-
Foreign Branches' Deposits under the Guarantees of Foreign Authority Insurance [2]	8.857.133	5.057.008	4.796.767	2.838.629
Off-Shore Banking Regions' and under Foreign Authorities' Insurance	-	-	-	-

[1] Related deposit balances do not include foreign branches.

[2] In Bulgaria and Greece, since both real person and legal entity's saving deposits are under the guarantee of insurance and since such balances included in insurance limit are calculated by the system, the legal entity saving deposits amounting to TL 5.010.092 and TL 61.595 respectively, cannot be decomposed by type and are therefore included in the table above (31 December 2022: TL 2.643.374 and TL 35.817).

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, other than those belonging to official institutions, credit institutions and financial institutions in the presence of credit institutions; all deposit and participation funds are covered by insurance. In line with this change, commercial deposits amounting to TL 49.015.138 (31 December 2022: TL 28.211.466) within the scope of insurance are not included in the table. The portion of the said deposits exceeding the insurance limit is TL 845.925.049 (31 December 2022: TL 789.528.367).

Based on the Council of Minister's decree dated 29 December 2003 and numbered 2003/6668, TL 382 (31 December 2022: TL 434) of demand deposits is not included in the above calculation, since the Parent Bank paid the saving deposits amount attributable to T. İmar Bankası T.A.Ş.

1.3. Information on Saving Deposits/Real Persons' Private Current and Accession Accounts Not Related to Commercial Transactions in a Turkish Branch of the Parent Bank Whose Head Office is Abroad, And Reasons if it is Covered in Where the Head Office is Located

The Parent Bank's head office is located in Türkiye.

1.4. Saving Deposits of Real Persons which are not under the Guarantee of Saving Deposit Insurance Fund

	Current Period	**Prior Period**
Foreign branches' saving deposits and other accounts	17.493	12.805
Deposits and other accounts belonging to dominant partners as well as their fathers, mothers, spouses and children under their custody	-	-
Deposits and other accounts belonging to the chairman and members of the board of directors, general managers and deputy general managers as well as their fathers, mothers, spouses and children under their custody	43.616	53.076
Deposits and other accounts covered by assets generated through the offenses mentioned in Article 282 of the Turkish Penal Code No. 5237 and dated 26 September 2004	-	-
Deposits in the banks to be engaged exclusively in offshore banking in Türkiye	-	-

2. Negative Differences Statement Regarding Trading Derivative Financial Assets

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	80.030	49.505	12.129	1.290
Swap Transactions	704.395	2.629.363	218.585	2.837.720
Futures Transactions	-	-	-	-
Options	-	206.689	-	89.836
Other	-	90	-	-
Total	**784.425**	**2.885.647**	**230.714**	**2.928.846**

3. Information on Banks and Other Financial Institutions

3.1. General Information on Banks and Other Financial Institutions

	Current Period		Prior Period	
	TL	FC	TL	FC
Borrowings from CBRT	1.206.486	-	10.208.007	-
Domestic Banks and Institutions	6.213.812	10.121.311	377.292	15.359.646
Foreign Banks, Institutions and Funds	-	192.979.456	-	89.467.088
Total	**7.420.298**	**203.100.767**	**10.585.299**	**104.826.734**

3.2. Information on Maturity Structure of Borrowings

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	6.084.912	22.394.428	10.582.888	7.706.354
Medium and Long-Term	1.335.386	180.706.339	2.411	97.120.380
Total	**7.420.298**	**203.100.767**	**10.585.299**	**104.826.734**

3.3. Further Information is Disclosed for the Areas of Liability Concentrations. Main Liability Concentration Areas are Fund Suppliers, Sector Groups or other Risk Concentration Criteria

77,56% of the Group's total liabilities consist of deposits. Deposits have a diversified base and have steady structures. The Group's liabilities are not subject to a significant concentration risk.

4. Information on Money Market Borrowings

	Current Period		Prior Period	
	TL	FC	TL	FC
From Domestic Transactions	**5.469.316**	**10.528.455**	**21.081.863**	**7.498.996**
Financial Institutions and Organizations	5.115.675	10.528.455	20.917.677	7.498.996
Other Institutions and Organizations	279.173	-	125.400	-
Real Person	74.468	-	38.786	-
From Overseas Operations	**-**	**78.303.138**	**-**	**64.037.829**
Financial Institutions and Organizations	-	78.303.138	-	40.090.932
Other Institutions and Organizations	-	-	-	23.946.897
Real Person	-	-	-	-
Total	**5.469.316**	**88.831.593**	**21.081.863**	**71.536.825**

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5. Information on Securities Issued

	Current Period		Prior Period	
	TL	FC	TL	FC
Bank Bills	995.040	7.518.533	-	644.547
Asset-Backed Securities	4.461.181	14.918.648	4.394.241	-
Treasury Bonds	-	38.674.352	649.106	26.118.062
Total	**5.456.221**	**61.111.533**	**5.043.347**	**26.762.609**

6. If Other Foreign Liabilities exceed 10% of The Total Balance Sheet, Names and Amounts of Sub Accounts That Make Up At Least 20% of These

Other foreign liabilities do not exceed 10% of the balance sheet total.

7. Information on Lease Liabilities

Information on lease liabilities represented in the table below.

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 Year	89.584	41.352	94.282	52.127
Between 1-4 Years	1.856.513	1.482.025	1.088.621	912.150
More than 4 Years	6.515.257	3.263.741	1.676.114	885.802
Total	**8.461.354**	**4.787.118**	**2.859.017**	**1.850.079**

8. Information on the Hedging Derivative Financial Liabilities

There are no hedging derivative financial liabilities of Group.

9. Information on Provisions

9.1. Provisions Related with Principal Foreign Currency Decrease of Foreign Indexed Loans and Finance Leasing Receivables

There are no foreign exchange loss provisions on foreign currency indexed loans and financial lease receivables (31 December 2022: None).

9.2. Liabilities on Employee Benefits Provision

9.2.1. Termination Benefit and Unused Vacation Rights

The Bank accounts for its vacation and retirement pay obligations in accordance with the TAS 19 "Employee Benefits". The vacation and retirement pay obligations recognized in the balance sheet represent the present value of the defined benefit obligation. As of 31 December 2023, unpaid vacation liability amounted to TL 923.379 and employment termination amounted to TL 5.312.642 are presented under the "Employee Benefits Provision" in the financial statements (31 December 2022 unpaid vacation liability amounted to TL 792.254 and employment termination amounted to TL 6.140.669 are presented under the "Employee Benefits Provision" in the financial statements).

9.2.2. Pension Rights

The technical balance sheet reports which are prepared in accordance with the principles Act numbered 5754 declared in the Official Gazette dated 8 May 2008 numbered 26870, by using a technical interest rate of 9,80%, concluded that no technical deficit arises in the mentioned fund as of 31 December 2023 and 31 December 2022.

The liability related to Parent Bank's benefits to be transferred to SSI as of the balance sheet date is expected payment to be made to SSI during the transfer. Actuarial parameters and results used in calculation of this amount reflects the Act's, numbered 5754 declared in the Official Gazette dated 8 May 2008 numbered 26870, principles related to pension and health benefits to be transferred to SSI (9,80% real discount rate, etc.).

GRI 201-3, 402-1

In calculating the liability amount for transferable benefits, largely fixed and certain assumptions are used within the framework of the New Law. However, the final amount for the liability that the Bank will bear when the transfer takes place may vary depending on factors such as the number of participants and withdrawal rates, especially the discount rate, inflation and wage increases.

	Current Period	Prior Period
Opening - Beginning of Period Asset	**9.609.837**	**6.297.140**
Real return on fund assets	7.737.805	2.338.558
Employer contributions	2.969.551	1.182.641
Employee contributions	2.145.456	863.294
Compensations paid	(2.051.413)	(1.071.796)
Total Assets at the End of the Period	**20.411.236**	**9.609.837**

According to related Actuary Report, the Fund's surplus is TL 42.138.296 as of 31 December 2023 (31 December 2022: TL 17.709.984).

	Current Period	Prior Period
Non-Medical Assets	20.411.236	9.609.837
Actual and Technical Overrun	42.138.296	17.709.984

The principal actuarial assumptions used are as follows:

	Current Period	Prior Period
Discount rate		
- Pension benefits transferable to SSI	9,80%	9,80%
- Post employment medical benefits transferable to SSI	9,80%	9,80%

The CSO 1980 Female/Male mortality table is used to represent the expected mortality rates before and after retirement.

The distribution of fund assets is as follows:

	Current Period	Prior Period
Bank placements	3.753.005	1.204.050
Property and equipment	4.800.000	940.000
Marketable securities	11.260.039	7.272.413
Other	598.192	193.374
Total	**20.411.236**	**9.609.837**

9.3. Information on Other Provisions

A total of TL 17.800.000 TL 29.304.000 of which was reserved in previous periods, 96.000 TL of which was reserved in the current year, and TL 11.600.000 of which was canceled in the current period, outside the requirements of the BRSA Accounting and Financial Reporting Legislation, was determined by the Group management. There is free provision (December 31, 2022: A total of TL 29.304.000 free provision has been set aside by the Group management, TL 3.730.000 of which is in the previous periods and TL 25.574.000 of which is in the current period, outside the requirements of the BRSA Accounting and Financial Reporting Legislation).

Expected loss provisions for non-cash loans are TL 9.204.333 (31 December 2022: Expected loss provisions for non-cash loans are TL 9.352.474). The Group has made a provision amounting to TL 278.521 for the cases that have not been finalized yet (31 December 2022: The Group has made a provision amounting to TL 198.554 for the cases that are not yet finalized). In addition, there is other provision amounting to TL 4.954.408 (31 December 2022: Other provision amounting to TL 5.350.679).

GRI 207-1, 207-4

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10. Explanations on Tax Liability

10.1. Explanations on Current Tax Liability

10.1.1. Information on Tax Provision

As of 31 December 2023, the remaining corporate tax liability after deducting temporary taxes paid for the period is TL 6.920.888 (As of 31 December 2022, the remaining corporate tax liability after deducting temporary taxes paid for the period is TL 7.295.144).

10.1.2. Information on Current Taxes Payable

	Current Period	Prior Period
Corporate Tax Payable	6.920.888	7.295.144
Taxation on Income From Securities	1.726.608	573.637
Property Tax	11.251	6.516
Banking Insurance Transactions Tax (BITT)	2.522.384	837.019
Foreign Exchange Transactions Tax	53.073	46.164
Value Added Tax Payable	228.094	162.889
Other	461.518	500.584
Total	**11.923.816**	**9.421.953**

10.1.3. Information on Premium Payables

	Current Period	Prior Period
Social Security Premiums Employee	1.073	140
Social Security Premiums - Employer	1.428	205
Bank Social Aid Pension Fund Premium - Employee	118.457	45.528
Bank Social Aid Pension Fund Premium - Employer	173.733	66.725
Pension Fund Membership Fees and Provisions - Employee	117	-
Pension Fund Membership Fees and Provisions - Employer	25	36
Unemployment Insurance - Employee	23.141	7.300
Unemployment Insurance - Employer	46.275	14.606
Other	-	-
Total	**364.249**	**134.540**

10.2. Information on Deferred Tax Liabilities if any

The Group has TL 16.407 deferred tax liability (31 December 2022: TL 301.798).

11. Information on liabilities related to non-current assets "held for sale" and "held from discontinued operations"

The Group does not have any liabilities related to non-current assets "held for sale" and "held from discontinued operations" (31 December 2022: None).

12. Information on Subordinated Loans

	Current Period		Prior Period	
	TL	FC	TL	FC
Debt instruments to be included in additional capital calculation	-	51.072.217	-	31.546.716
Subordinated loans	-	4.451.686	-	2.597.654
Subordinated debt instruments	-	46.620.531	-	28.949.062
Debt instruments to be included in contribution capital calculation	-	-	-	-
Subordinated loans	-	-	-	-
Subordinated debt instruments	-	-	-	-
Total	**-**	**51.072.217**	**-**	**31.546.716**

(*) Subordinated loans are explained in detail in the Note "Information on debt instruments included in the calculation of equity" in Section Four.

13. Information on Shareholders' Equity

13.1. Presentation of Paid-In Capital

	Current Period	Prior Period
Common stock	84.600.000	34.900.000
Preferred stock	-	-

13.2. Amount of Paid-In Capital, Explanation as to Whether the Registered Share Capital System is Applied, if so the Amount of Registered Share Capital Ceiling

The Parent Bank does not have a registered capital system.

13.3. Capital Increases and Sources in the Current Period and Other Information Based on Increased Capital Share

The decision to increase the capital to TL 84.600.000 was approved at the Extraordinary General Assembly meeting of the Parent Bank held on 29 March 2023, and the capital increase and the related amendment made in relevant article of the Articles of Association were registered on 30 March 2023. It was announced in the Trade Registry Gazette No. 10801 and dated 30 March 2023. The accounting for the mentioned capital increase was carried out on 30 March 2023, based on the permission obtained from the BRSA.

Increase Date	Increase Amount	Cash	Profit Reserves Subject to Increase	Capital Reserves Subject to Increase
30 March 2023	49.700.000	49.700.000	-	-

13.4. Information on Share Capital Increases from Capital Reserves During the Current Period

There is no share capital amount included in capital.

13.5. Information on Capital Commitments, the Purpose and the Sources Until the End of the Fiscal Year and the Subsequent Interim Period

The Parent Bank has no capital commitments.

13.6. The effects of anticipations based on the financial figures for prior periods regarding the Parent Bank's income, profitability and liquidity, and possible effects of these future assumptions on the Bank's equity due to uncertainties at these indicators.

In the current period, The Parent Bank follows its operations in line with the previous periods. The Parent Bank's balance sheet has been managed with precaution by being affected by the interest, rate of exchange and credit risks at the minimum level. This helps to reduce the effects of fluctuations in the market to The Parent Bank's performance and contributes to the profitability structure to be sustainable.

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13.7. Summary Information on Privileges Given to Shares Representing the Capital

The Parent Bank has no preferred shares.

13.8. Information on Marketable Securities Value Increase Fund

	Current Period		Prior Period	
	TL	FC	TL	FC
From Associates, Subsidiaries, and Entities under Common Control (Joint Ventures)	222.468	(425.425)	(77.873)	547.657
Financial Assets at Fair Value Through Other Comprehensive Income	21.902.661	(12.810.408)	49.094.334	(19.922.708)
Foreign Exchange Difference	10.274.164	3.282	6.019.473	1.957
Total	**32.399.293**	**(13.232.551)**	**55.035.934**	**(19.373.094)**

III. EXPLANATIONS AND NOTES TO CONSOLIDATED OFF-BALANCE SHEET ACCOUNTS

1. Explanations on Off-Balance Sheet Commitments

1.1. Nature and Amount of Irrevocable Loan Commitments

	Current Period	Prior Period
Asset Purchase Commitments	104.390.149	39.841.499
Subsidiaries and Associates Capital Contribution Commitments	-	150.000
Loan Granting Commitments	99.025.457	51.597.586
Commitments for Cheque Payments	20.924.466	10.866.132
Commitments for Credit Card Expenditure Limits	393.172.202	101.503.177
Promotion Campaigns Commitments Relating to Credit Card and Bank Services	260.816	162.830
Tax and Fund Liabilities from Export Commitments	296.293	95.161
Other Irrevocable Commitments	49.726.847	25.838.559
Total	**667.796.230**	**230.054.944**

1.2. A Nature and Amount of Possible Losses and Commitments Arising from the Off-Balance Sheet Items Including the Below Mentioned

The Group has provided provision amounting to TL 9.204.333 for expected credit losses arising from the off-balance sheet items in the current period (31 December 2022: TL 9.352.474).

1.2.1. Non-Cash Loans Including Guarantees, Acceptances, Financial Guarantees and Other Letter of Credits

	Current Period	Prior Period
Letters of Guarantee	692.372.857	360.474.626
Letters of Credit	112.269.044	73.113.486
Bank Acceptances	8.393.046	12.278.409
Endorsements	53.313.445	14.341.683
Other Guarantees	886.889	1.504.723
Other Collateral	8.554	17.000
Total	**867.243.835**	**461.729.927**

1.2.2. Certain Guarantees, Temporary Guarantees, Surety Ships and Similar Transactions

	Current Period	Prior Period
Letters of Certain Guarantees	417.115.185	215.675.531
Letters of Advance Guarantees	132.882.159	60.497.328
Letters of Temporary Guarantees	22.209.779	13.265.410
Letters of Guarantees Given to Customs Offices	5.066.196	4.742.989
Other Letters of Guarantees	115.099.538	66.293.368
Total	**692.372.857**	**360.474.626**

1.3. Explanations on Non-Cash Loans

1.3.1. Total Non-Cash Loans

	Current Period	Prior Period
Non-Cash Loans for Providing Cash Loans	**95.627.490**	**54.657.597**
With Original Maturity of One Year or Less	37.876.385	25.080.064
With Original Maturity of More than One Year	57.751.105	29.577.533
Other Non-Cash Loans	**771.616.345**	**407.072.330**
Total	**867.243.835**	**461.729.927**

1.3.2. Information on Sectoral Risk Concentrations of Non-Cash Loans

	Current Period			
	TL	(%)	FC	(%)
Agricultural	7.274.786	2,16	228.565	0,04
Farming and Raising Livestock	5.846.941	1,74	124.887	0,02
Forestry	1.002.134	0,30	49.999	0,01
Fishing	425.711	0,13	53.679	0,01
Manufacturing	119.490.606	35,46	229.299.407	43,24
Mining and Quarrying	2.128.300	0,63	5.437.173	1,03
Production	100.263.494	29,75	194.699.585	36,72
Electric, Gas and Water	17.098.812	5,07	29.162.649	5,50
Construction	76.908.378	22,82	164.788.802	31,08
Services	131.259.856	38,95	125.294.108	23,63
Wholesale and Retail Trade	58.491.763	17,36	34.772.684	6,56
Hotel, Food and Beverage Services	8.270.687	2,45	4.112.663	0,78
Transportation and Telecommunication	14.453.595	4,29	38.315.599	7,23
Financial Institutions	38.415.347	11,40	35.051.461	6,61
Real Estate and Leasing Services	9.508.878	2,82	11.565.535	2,18
Self-employment Services	264.776	0,08	193.907	0,04
Education Services	835.270	0,25	832.783	0,16
Health and Social Services	1.019.540	0,30	449.476	0,08
Other	2.046.017	0,61	10.653.310	2,01
Total	**336.979.643**	**100,00**	**530.264.192**	**100,00**

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	Prior Period			
	TL	(%)	FC	(%)
Agricultural	2.697.687	1,68	284.769	0,09
Farming and Raising Livestock	1.693.834	1,05	151.215	0,05
Forestry	714.743	0,44	-	-
Fishing	289.110	0,18	133.554	0,04
Manufacturing	55.477.211	34,49	128.673.014	42,76
Mining and Quarrying	1.359.463	0,85	2.158.015	0,72
Production	45.901.635	28,54	115.099.519	38,25
Electric, Gas and Water	8.216.113	5,11	11.415.480	3,79
Construction	38.893.167	24,18	93.818.824	31,18
Services	62.134.622	38,63	74.288.688	24,69
Wholesale and Retail Trade	31.976.138	19,88	21.411.476	7,12
Hotel, Food and Beverage Services	3.040.370	1,89	1.756.688	0,58
Transportation and Telecommunication	8.201.306	5,10	25.338.316	8,42
Financial Institutions	13.051.398	8,11	17.828.374	5,93
Real Estate and Leasing Services	4.996.576	3,11	6.955.531	2,31
Self-employment Services	116.786	0,07	164.133	0,05
Education Services	283.803	0,18	337.321	0,11
Health and Social Services	468.245	0,29	496.849	0,17
Other	1.632.249	1,02	3.829.696	1,28
Total	**160.834.936**	**100,00**	**300.894.991**	**100,00**

1.3.3. Information on the Non-Cash Loans Classified Under Group I and Group II

Current Period	Group I		Group II	
	TL	FC	TL	FC
Non-Cash Loans	**332.758.131**	**501.697.979**	**3.960.889**	**22.837.225**
Letters of Guarantee	278.011.485	385.389.559	3.820.029	19.202.942
Bank Acceptances	1.305.171	6.990.773	-	97.102
Letters of Credit	633.708	108.078.661	1.325	3.537.181
Endorsements	52.788.627	362.683	139.535	-
Underwriting Commitments	-	-	-	-
Factoring Guarantees	-	-	-	-
Other Commitments and Contingencies	19.140	876.303	-	-

Prior Period	Group I		Group II	
	TL	FC	TL	FC
Non-Cash Loans	**158.522.644**	**291.454.170**	**2.182.929**	**8.170.153**
Letters of Guarantee	142.296.328	207.100.851	1.883.901	7.877.504
Bank Acceptances	1.808.014	10.470.395	-	-
Letters of Credit	1.446.428	71.318.074	1.325	282.656
Endorsements	12.861.019	1.400.685	51.000	9.993
Underwriting Commitments	-	-	-	-
Factoring Guarantees	-	-	-	-
Other Commitments and Contingencies	110.855	1.164.165	246.703	-

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2. Explanations on Derivative Transactions

	Current Period	Prior Period
Types of Trading Transactions		
Foreign Currency Related Derivative Transactions: (I)	1.142.041.052	628.655.479
Forward Transactions	40.854.755	2.325.255
Swap Transactions	1.089.916.599	610.949.242
Futures Transactions	-	1.260.778
Option Transactions	11.269.698	14.120.204
Interest Related Derivative Transactions (II)	135.028.220	105.383.188
Forward Interest Rate Agreements	-	-
Interest Rate Swaps	135.028.220	105.383.188
Interest Rate Options	-	-
Interest Rate Futures	-	-
Other Trading Derivative Transactions: (III)	-	-
A. Total Trading Derivative Transactions (I+II+III)	**1.277.069.272**	**734.038.667**
Types of Hedging Derivative Transactions		
Fair Value Hedges	-	-
Cash Flow Hedges	-	-
Foreign Currency Investment Hedges	-	-
B. Total Hedging Purposes Derivative Transactions	-	-
Total Derivative Transactions (A+B)	**1.277.069.272**	**734.038.667**

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The Group has no derivative transactions for hedging purposes. Estimated to occur in advance and accounted for based on this estimation; however, there are no income and expenses that are not associated with the profit or loss statement in the current period due to the transactions and contracts that are not realized.

Current Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Total
Derivatives held for trading						
Foreign exchange derivatives	718.807	(7.096.319)	35.319	(65.007)	4.080.746	(2.326.454)
- Inflow	345.236.626	206.004.112	8.039.499	5.480.978	5.096.084	569.857.299
- Outflow	(344.517.819)	(213.100.431)	(8.004.180)	(5.545.985)	(1.015.338)	(572.183.753)
Interest rate derivatives	-	-	-	-	-	-
- Inflow	-	5.000	10.000	48.281.496	19.217.614	67.514.110
- Outflow	-	(5.000)	(10.000)	(48.281.496)	(19.217.614)	(67.514.110)
Derivatives held for hedging						
Foreign exchange derivatives	-	-	-	-	-	-
- Inflow	-	-	-	-	-	-
- Outflow	-	-	-	-	-	-
Interest rate derivatives	-	-	-	-	-	-
- Inflow	-	-	-	-	-	-
- Outflow	-	-	-	-	-	-
Total Inflow	**345.236.626**	**206.009.112**	**8.049.499**	**53.762.474**	**24.313.698**	**637.371.409**
Total Outflow	**(344.517.819)**	**(213.105.431)**	**(8.014.180)**	**(53.827.481)**	**(20.232.952)**	**(639.697.863)**

Prior Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Total
Derivatives held for trading						
Foreign exchange derivatives	3.154.506	(153.077)	263.284	-	2.256.898	5.521.611
- Inflow	219.063.216	78.004.685	14.378.870	2.369.540	3.272.234	317.088.545
- Outflow	(215.908.710)	(78.157.762)	(14.115.586)	(2.369.540)	(1.015.336)	(311.566.934)
Interest rate derivatives	-	-	-	-	-	-
- Inflow	-	65.000	-	32.286.942	20.339.652	52.691.594
- Outflow	-	(65.000)	-	(32.286.942)	(20.339.652)	(52.691.594)
Derivatives held for hedging						
Foreign exchange derivatives	-	-	-	-	-	-
- Inflow	-	-	-	-	-	-
- Outflow	-	-	-	-	-	-
Interest rate derivatives	-	-	-	-	-	-
- Inflow	-	-	-	-	-	-
- Outflow	-	-	-	-	-	-
Total Inflow	**219.063.216**	**78.069.685**	**14.378.870**	**34.656.482**	**23.611.886**	**369.780.139**
Total Outflow	**(215.908.710)**	**(78.222.762)**	**(14.115.586)**	**(34.656.482)**	**(21.354.988)**	**(364.258.528)**

3. Explanations on Contingent Assets and Liabilities

Provision is allocated for transactions with complete and accurate data that may influence the financial structure of the Group and otherwise, provision is provided based on the estimations.

The Group's liability resulting from the cheques given to its customers amounts TL 20.924.466 (31 December 2022: TL 10.866.132).

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

4. Explanations on Services in the Name of Others

The Group acts as an intermediary for purchases and sales of government securities on behalf of individuals and entities, conducts repo transactions, and provides custody services. The Bank does not provide consultancy and management services.

IV. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED PROFIT OR LOSS STATEMENT

1. Interest Income

1.1. Information on Interest Income from Loans

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest on Loans [1]	**241.871.569**	**51.953.344**	**113.142.338**	**24.241.084**
Short Term Loans	107.181.754	10.416.689	44.238.508	3.483.034
Medium- and Long-Term Loans	132.466.459	41.089.063	67.183.548	20.494.266
Interest on Loans Under Follow-up	2.223.356	447.592	1.720.282	263.784
Premiums Received from the Resource Utilization Support Fund	-	-	-	-

[1] Includes fees and commissions income on cash loans.

1.2. Information on Interest Income on Banks

	Current Period		Prior Period	
	TL	FC	TL	FC
Central Bank of the Republic of Türkiye	198.116	-	12.367	-
Domestic Banks	459.528	2.448.271	238.387	2.181.083
Foreign Banks	428.551	1.576.327	117.564	359.583
Headquarters and Branches Abroad	-	-	-	-
Total	**1.086.195**	**4.024.598**	**368.318**	**2.540.666**

1.3. Information on Interest Income on Marketable Securities

	Current Period		Prior Period	
	TL	FC	TL	FC
Financial Assets at Fair Value Through Profit or Loss	985.144	77.445	651.669	47.282
Financial Assets at Fair Value Through Other Comprehensive Income	80.989.626	17.481.448	61.090.406	10.426.113
Financial Assets Measured at Amortized Cost	56.254.940	3.987.016	25.742.245	2.340.977
Total	**138.229.710**	**21.545.909**	**87.484.320**	**12.814.372**

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1.4. Information on Interest Income Received From Associates and Subsidiaries

	Current Period	Prior Period
Interest Income from Associates and Subsidiaries	381.216	215.463

2. Interest Expense

2.1. Information on Interest Expense on Borrowings

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks [1]	1.168.409	9.986.689	613.590	2.944.596
Central Bank of the Republic of Türkiye	5.761	-	122.055	-
Domestic Banks	1.040.504	811.391	410.357	494.298
Foreign Banks	122.144	9.175.298	81.178	2.450.298
Foreign Headquarters and Branches Abroad	-	-	-	-
Other Institutions	-	449.322	-	176.645
Total	**1.168.409**	**10.436.011**	**613.590**	**3.121.241**

[1] Includes fee and commissions expenses on cash loans.

2.2. Information on Interest Expense Given to Associates and Subsidiaries

	Current Period	Prior Period
Interest Expenses Given to Subsidiaries and Associates	58.387	34.641

2.3. Information on Interest Given on Securities Issued

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest Expenses on Securities Issued	1.684.114	5.010.891	1.021.031	2.688.467

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2.4. Maturity Structure of The Interest Expense on Deposits

Current Period		Time Deposit						
Account Name	Demand Deposit	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	More Than 1 year	Cumulative Deposit	Total
TL								
Bank Deposit	-	10.056.887	518.374	2.166	-	-	-	10.577.427
Saving Deposit	-	4.907.700	54.760.188	62.746.232	7.422.968	7.920.268	12.584	137.769.940
Public Sector Deposit	120	21.137.165	6.300.829	361.965	24.538	1.378	-	27.825.995
Commercial Deposit	270	24.858.528	39.182.377	16.875.999	14.959.504	2.236.456	-	98.113.134
Other Deposit	-	1.729.035	8.264.785	1.512.973	91.778	64.471	-	11.663.042
Deposit with 7 Days Notification	-	-	-	-	-	-	-	-
Total	**390**	**62.689.315**	**109.026.553**	**81.499.335**	**22.498.788**	**10.222.573**	**12.584**	**285.949.538**
FC								
Foreign Currency Deposit	1.994	5.903.902	4.414.622	671.185	1.077.052	1.187.379	2	13.256.136
Bank Deposit	-	216.221	1.024.981	342.268	166.942	2.195	-	1.752.607
Deposit with 7 Days Notification	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	24.756	54.319	7.019	2.542	3.505	-	92.141
Total	**1.994**	**6.144.879**	**5.493.922**	**1.020.472**	**1.246.536**	**1.193.079**	**2**	**15.100.884**
Grand Total	**2.384**	**68.834.194**	**114.520.475**	**82.519.807**	**23.745.324**	**11.415.652**	**12.586**	**301.050.422**

Prior Period		Time Deposit						
Account Name	Demand Deposit	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	More Than 1 year	Cumulative Deposit	Total
TL								
Bank Deposit	-	4.418.268	102.170	-	-	-	-	4.520.438
Saving Deposit	-	1.762.525	26.878.200	3.706.378	926.854	3.771.195	16.027	37.061.179
Public Sector Deposit	90	7.836.213	1.509.844	437.529	86.553	1.333	-	9.871.562
Commercial Deposit	126	6.440.055	8.139.816	2.467.164	4.430.137	202.407	-	21.679.705
Other Deposit	-	543.790	2.175.005	297.576	54.102	49.012	-	3.119.485
Deposit with 7 Days Notification	-	-	-	-	-	-	-	-
Total	**216**	**21.000.851**	**38.805.035**	**6.908.647**	**5.497.646**	**4.023.947**	**16.027**	**76.252.369**
FC								
Foreign Currency Deposit	88.559	3.057.053	3.409.740	527.792	256.883	535.591	2	7.875.620
Bank Deposit	147	74.556	80.048	331	170.007	58.397	-	383.486
Deposit with 7 Days Notification	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	17.340	45.467	4.156	2.287	2.452	-	71.702
Total	**88.706**	**3.148.949**	**3.535.255**	**532.279**	**429.177**	**596.440**	**2**	**8.330.808**
Grand Total	**88.922**	**24.149.800**	**42.340.290**	**7.440.926**	**5.926.823**	**4.620.387**	**16.029**	**84.583.177**

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3. Explanations on Dividend Income

	Current Period	Prior Period
Financial Assets at Fair Value Through Profit or Loss	-	2.217
Financial Assets at Fair Value Through Other Comprehensive Income	750	41.040
Other [1]	63.197	6.869
Total	**63.947**	**50.126**

[1] Shows the Group's dividend income from subsidiaries, associates and entities under common control.

4. Information on Trading Profit/Loss (Net)

	Current Period	Prior Period
Profit	**644.933.694**	**413.084.994**
Trading Gains on Securities	4.331.621	3.513.527
Profits on Derivative Financial Instruments	15.311.986	10.024.647
Foreign Exchange Profits	625.290.087	399.546.820
Loss (-)	**623.421.309**	**409.575.847**
Trading Losses on Securities	299.734	192.794
Losses on Derivative Financial Instruments	33.903.730	18.405.343
Foreign Exchange Losses	589.217.845	390.977.710

5. Information on Other Operating Income

Significant proportion of other operating income consists of reversals from prior period provisions amounting to TL 29.289.259 and income from sales of assets amounting to TL 1.652.985 (31 December 2022: significant portion of other operating income consists of reversal from prior period provisions amounting to TL 5.827.295, and income from sales of assets amounting to TL 606.142).

6. Expected Credit Loss and Other Provision Expense

	Current Period	Prior Period
Expected Credit Loss Provision	34.727.428	33.000.917
12 Month Expected Credit Loss (Stage 1)	4.885.875	10.878.350
Significant Increase in Credit Risk (Stage 2)	16.366.403	16.021.559
Non-Performing Loans (Stage 3)	13.475.150	6.101.008
Marketable Securities Impairment Provision	731	573
Financial Assets at Fair Value Through Profit or Loss	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	731	573
Subsidiaries, Associates and Entities Under Common Control Impairment Provision	-	-
Associates	-	-
Subsidiaries	-	-
Entities Under Common Control	-	-
Other	571.986	29.968.000
Total	**35.300.145**	**62.969.490**

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7. Information Related to Other Operating Expenses

	Current Period	Prior Period
Reserve for Employee Termination Benefits	877.706	694.199
Bank Social Aid Fund Deficit Provision	-	-
Impairment Expenses of Tangible Assets	-	100
Depreciation Expenses of Tangible Assets	2.336.841	995.699
Impairment Expenses of Intangible Assets	-	-
Goodwill Impairment Expense	-	-
Amortization Expenses of Intangible Assets	532.828	377.668
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	29.372.485	8.664.523
Leasing Expenses Related to TFRS 16 Exceptions	213.989	115.034
Maintenance Expenses	3.983.364	549.424
Advertisement Expenses	1.313.794	553.658
Other Expenses	23.861.338	7.446.407
Loss on Sales of Assets	5.607	7.244
Other [1]	35.858.709	7.136.587
Total	**68.984.176**	**17.876.020**

[1] TL 5.358.623 is from Savings Deposit Insurance Fund rediscount expenses, TL 6.485.180 is from taxes, duties and fees, and TL 21.019.219 is from donations made to AFAD due to the earthquake disaster in Kahramanmaraş and surrounding provinces in February. (31 December 2022 TL 2.779.242 consists of Savings Deposit Insurance Fund rediscount expenses, TL 2.609.586 consists of taxes, duties and fees).

8. Profit/(Loss) from Minority Interest

	Current Period	Prior Period
Profit/(Loss) from Minority Interest	196.347	151.340

9. Fees for Services Received from Independent Auditor/Independent Audit Firm

The fee information for the reporting period regarding the services received from the independent auditor or independent audit firm in accordance with the decision of the POA dated March 26, 2021 is given in the table below:

	Current Period	Prior Period
Independent Audit Fee	46.058	24.073
Tax Consultancy Fee	2.691	1.310
Other Assurance Services Fee	1.331	1.402
Other Non-Audit Services Fee	1.585	1.517
Total	**51.665**	**28.302**

[1] The fee information is given over the amounts excluding VAT in the table.

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10. Information on Profit/Loss Before Tax from Continuing and Discontinuing Operations

The Group has no discontinued operations. The Group's compositions of the profit/loss before tax from the continuing operations are following:

	Current Period	Prior Period
Net Interest Income	140.690.937	131.454.119
Net Fees and Commissions Income	37.508.388	14.673.232
Other Operating Income	37.043.633	10.213.682
Dividend Income	63.947	50.126
Trading Profit/Loss (Net)	21.512.385	3.509.147
Personnel Expenses (-)	25.768.998	10.617.697
Expected Credit Loss (-)	34.727.428	33.000.917
Other Provision Expenses (-)	572.717	29.968.573
Other Operating Expenses (-)	68.984.176	17.876.020
Profit/Loss from Investments in Subsidiaries Consolidated based on Equity Method	307.787	315.745
Current Period Profit/Loss from Continued Operations	**107.073.758**	**68.752.844**

11. Information on Tax Provision of Continued and Discontinued Operations

As of 31 December 2023, TL 7.533.104 of the Group's total tax provision expense consists of TL 24.438.127 of current tax expense and TL 16.905.023 of deferred tax income (As of 31 December 2022, TL 22.139.383 of the Group's total tax provision expense consists of amounting to TL 33.599.073 current tax expense while remaining balances amounting to TL 11.459.690 consists of deferred tax income).

12. Explanation on Current Period Net Profit and Loss of Continued and Discontinued Operations

The Group's net profit after tax amounts to TL 99.540.654 (31 December 2022: The Group's net profit after tax amounts to TL 46.613.461)

13. Explanation on Net Profit/Loss

13.1. Nature, Amount and Frequency of Income and Expenses Arising from Ordinary Banking Activities, if Required for the Understanding the Performance of the Parent Bank in the Current Period

The Parent Bank mainly utilizes its resources from domestic deposits on loans, securities and interbank operations. Besides, income is obtained by commissions taken from non-cash loans, other banking operations with insurance agencies.

13.2. 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

14. If Other Items in the Profit or Loss Statement Exceed 10% of the Profit or Loss Statement Total, Sub-Accounts Constituting At Least 20% of These Items are Shown Below

The "Other" statement under the "Fees and Commission Income" in the Profit or Loss Statement mainly consists of commissions received from credit card and fees and commissions received from banking transactions.

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

1. Explanations on the Issuance of Shares:

The paid in capital of T.C. Ziraat Bank is TL 84.600.000. (31 December 2022: TL 34.900.000)

2. Explanations on Profit Distribution:

According to the Parent Bank's Ordinary General Assembly Meeting dated 2 August 2023;

In accordance with the first paragraph of Article 33 of the Parent Bank's Articles of Association regarding the determination, allocation and distribution of net period profit; Allocating 5% (TL 2.054.619) of legal reserves from the net period profit of TL 41.092.377.

Within the scope of Article 5/1-e of the Corporate Tax Law No. 5520, TL 15.957 which is the part associated with the period profit, within 50% of the real estate sales gain exemption base calculated in accordance with the TPL, and TL 78, which is 75% of the subsidiary share sale gain exemption base. TL is transferred to a special fund account under equity in accordance with the relevant law article to be monitored until the end of the 5th year following the year of sale, and the remaining TL 39.021.724 is transferred to extraordinary reserves,

From TL 45.090 resulting from real estate valuation differences and monitored in previous years' profits within the framework of the relevant TAS, 50% of the real estate sales income exemption base calculated according to the Tax Law within the scope of Article 5/1-e of the Corporate Tax Law No. 5520, with equity accounts. TL 23.726, which is the associated portion, to be taken into the special fund account opened under the shareholders' equity in accordance with the relevant law to be followed up until the end of the 5th year following the year of the sale, 5% (TL 1.068) of legal reserves over the remaining TL 21.363, and the remaining TL 20.295. It has been decided to transfer to extraordinary reserves.

The Parent Bank plans to distribute the profit it earned in 2023 in line with its articles of association. However, as of the preparation date of the financial reports, no decision has been taken regarding profit distribution.

3. Profit Reserves:

As of the balance sheet date, profit reserves amounted to TL 120.658.996, legal reserves amounted to TL 8.506.917, extraordinary reserves amounted to TL 106.965.731 and other profit reserves amounted to TL 5.186.348. (As of 31 December 2022, the profit reserves were TL 74.732.663, legal reserves were TL 6.081.820, extraordinary reserves were TL 66.311.181 and other profit reserves were TL 2.339.662).

VI. EXPLANATIONS ON CASH FLOW STATEMENTS

1. Explanations on the "Other" items and "The Effect of the Change in Foreign Currency on Cash and Cash Equivalent" item in the Cash Flow Statement

Regarding operating profit before the change in banking activity assets and liabilities, TL 6.806.145 of the income amount, TL 383.418.658 mainly consists of the interests received from loans and securities, and TL 286.365.467 mostly consists of the interests given to deposits and money market transactions. Other earnings mainly include net fee and commission income and other operating profit.

The effect of change in foreign exchange rates on cash and cash equivalents includes the foreign exchange differences resulted from the translations of cash and cash equivalents in foreign currencies into TL at the exchange rates prevailing at the beginning and end of the year, TL 14.447.812 as of 31 December 2022. (TL 4.750.901 as of 31 December 2022)

Cash in TL, cash in foreign currency, Central Bank of the Republic of Türkiye, money in transit, bank cheques purchased and cash on money market operations are defined as "cash"; interbank money transactions placements having maturities less than three months, and time deposits in banks are defined as "cash equivalents".

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Period opening and end cash and cash equivalents balance

Period Opening	Current Period	Prior Period
Cash in TL and in Foreign Currency	20.883.567	12.798.004
Central Bank of the Republic of Türkiye and Other Banks	202.138.758	96.073.783
Money Market Operations	6.283.112	1.249.768
Total Cash and Cash Equivalents	**229.305.437**	**110.121.555**

Period End	Current Period	Prior Period
Cash in TL and in Foreign Currency	34.063.770	20.883.567
Central Bank of the Republic of Türkiye and Other Banks	303.640.606	202.138.758
Money Market Operations	154.141.219	6.283.112
Total Cash and Cash Equivalents	**491.845.595**	**229.305.437**

VII. EXPLANATIONS AND NOTES RELATED TO RISK GROUP THAT THE PARENT BANK BELONGS TO

1. Information on the Volume of Transactions Relating to the Bank's Risk Group, Outstanding Loan and Deposit Transactions and Profit and Loss of the Period

1.1 Information on Loans of the Parent Bank's Risk Group

Risk Group of the Parent Bank	Subsidiaries, Associates and Entities Under Common Control (Joint Ventures)		Direct or Indirect Shareholders of the Parent Bank		Other Real and Legal Persons in the Risk Group	
Current Period	**Cash**	**Non-cash**	**Cash**	**Non-cash**	**Cash**	**Non-cash**
Loans						
Beginning Balance	1.595.222	27.560	-	-	-	-
Ending Balance	3.560.312	94.803	-	-	-	-
Interest and Commissions Income	381.216	545	-	-	-	-

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Risk Group of the Parent Bank	Subsidiaries, Associates and Entities Under Common Control (Joint Ventures)		Direct or Indirect Shareholders of the Parent Bank		Other Real and Legal Persons in the Risk Group	
Prior Period	**Cash**	**Non-cash**	**Cash**	**Non-cash**	**Cash**	**Non-cash**
Loans						
Beginning Balance	1.522.167	10.407	-	-	-	-
Ending Balance	1.595.222	27.560	-	-	-	-
Interest and Commissions Income	215.463	252	-	-	-	-

1.2. Information on Deposits of the Parent Bank's Risk

Risk Group of the Parent Bank	Subsidiaries, Associates and Entities Under Common Control (Joint Ventures)		Direct or Indirect Shareholders of the Parent Bank		Other Real and Legal Persons in the Risk Group	
Deposits	**Current Period**	**Prior Period**	**Current Period**	**Prior Period**	**Current Period**	**Prior Period**
Beginning Balance	290.714	261.948	-	-	-	-
Ending Balance	802.612	290.714	-	-	-	-
Interest Expense on Deposits	58.387	34.641	-	-	-	-

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1.3. Information on Forward and Option Agreements and Other Similar Agreements made with the Group's Risk Group

None (31 December 2022: None).

1.4. Information Regarding Benefits Provided to the Group's Key Management

Fees paid to the Group's key management amount to TL 205.039 (31 December 2022: TL 105.487).

VIII. EXPLANATIONS AND NOTES RELATED TO POST-BALANCE SHEET MATTERS

None.

IX. EXPLANATIONS AND NOTES RELATED TO DOMESTIC, FOREIGN, OFF-SHORE BRANCHES OR AFFILIATES AND FOREIGN REPRESENTATIVES OF THE PARENT BANK

1. Information on the Parent Bank's Domestic and Foreign Branches and Foreign Representatives of the Parent Bank

	Number	Number of Employees			
Domestic Branch [1]	1.744	25.810			
			Country of Incorporation		
Foreign Representative Office	-	-	-		
				Total Assets	Statutory Share Capital
Foreign Branch [2]	1	5	1- England	39.692.975	1.986.659
	5	5	2- Bulgaria	9.967.373	462.118
	2	3	3- Iraq	6.874.631	1.412.676
	3	2	4- Greece	3.372.104	1.061.399
	1	3	5- Saudi Arabia	1.994.058	435.231
	4	1	6- Kosovo	5.178.455	804.090
	8	35	7- T.R. of Northern Cyprus	22.581.105	692.385
	1	3	8- Bahrain	144.007.682	145.077
Off-Shore Banking Region Branches	-	-	-	-	-

[1] Includes the employees of the domestic branches, including the employees of head office and regional management.

[2] Local personnel working in overseas units and personnel temporarily assigned to subsidiaries and affiliates are excluded.

2. Information on The Parent Bank About Opening, Closing, Changing its Organization Considerably for Domestic and Foreign Branches and Foreign Representatives of the Bank:

In 2023, a total of 12 new branches were opened in the country, including 7 branches and 5 mobile branches, and 1 branch was closed.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

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

SECTION SIX

OTHER EXPLANATIONS

I. INFORMATION ON THE PARENT BANK'S RATING THAT HAS BEEN DETERMINED BY INTERNATIONAL RATING AGENCIES

Information on the assessment done by the international rating agencies Moody's Investors Service, Fitch Ratings and JCR Eurasia are as follows:

Moody's Investors Service: January 2024

Outlook	Positive
Long term Foreign Currency Deposit	B3
Short term Foreign Currency Deposit	Not-Prime
Long term Domestic Currency Deposit	B3
Short term Domestic Currency Deposit	Not-Prime
Long term Issuer Rating Domestic Currency	B3
Baseline Credit Assessment	caa1
Adjusted Baseline Credit Assessment	caa1

Fitch Ratings: September 2023

Foreign Currency Long Term IDR	B-
Outlook	Stable
Foreign Currency Short Term IDR	B
Local Currency Long Term IDR	B
Outlook	Stable
Local Currency Short Term IDR	B
National Long-Term Rating	AA(tur)
Outlook	Stable
Government Support Rating	ns
Viability Rating	b-

JCR Eurasia: January 2024

Long Term International FC	BB
Outlook	Negative
Long Term International LC	BB
Outlook	Negative
Long Term National LC	AAA (Trk)
Outlook	Stable
Short Term National LC	J1+ (Trk)
Outlook	Stable

II. OTHER EXPLANATIONS ON THE GROUP'S OPERATIONS

None.

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

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

SECTION SEVEN

EXPLANATIONS ON THE INDEPENDENT AUDIT REPORT

I. EXPLANATIONS ON INDEPENDENT AUDITOR'S REPORT

The consolidated financial statements prepared as of 31 December 2023 and for the fiscal period ending on the same date have been prepared by PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. is subject to audit by the independent auditors' report dated 16 February 2024 is presented preceding the consolidated financial statements.

II. EXPLANATIONS AND NOTES PREPARED BY THE INDEPENDENT AUDITOR

None.

APPENDICES

GRI CONTENT INDEX
SASB INDEX

GRI CONTENT INDEX

GRI CONTENT INDEX ESSENTIALS SERVICE 2024

For the Content Index - Essentials Service, GRI Services reviewed that the GRI content index has been presented in a way consistent with the requirements for reporting in accordance with the GRI Standards, and that the information in the index is clearly presented and accessible to the stakeholders. The service was performed on the Turkish version of the Report.

STATEMENT OF USE	Ziraat Bank has reported in accordance with the GRI Standards for the period 1 January-31 December 2023.
GRI 1 USED	GRI 1: Foundation 2021
APPLICABLE GRI SECTOR STANDARD(S)	N/A.

GRI STANDARD	DISCLOSURE	LOCATION/AND OR DIRECT ANSWER	OMISSION
General disclosures			
GRI 2: General Disclosures 2021	2-1 Organizational details	About the Integrated Annual Report, Page: 11 Corporate Profile, Page: 18-19	
	2-2 Entities included in the organization's sustainability reporting	About the Integrated Annual Report, Page: 11	
	2-3 Reporting period, frequency and contact point	About the Integrated Annual Report, Page: 11 1 January-31 December 2023 Reporting is done annually. Contact Person: Gülşah Kayılı Sustainability Officer Tel: +90 216 590 7648/0 E-mail: gkayili@ziraatbank.com.tr	
	2-4 Restatements of information	There is no restated information.	
	2-5 External assurance	No external assurance was received for the report.	
	2-6 Activities, value chain and other business relationships	Corporate Profile, Page: 18-19 In 2023, Page: 76-97	
	2-7 Employees	Human Resources, Page: 122-127	
	2-8 Workers who are not employees	At Ziraat Bank, human resources consist of full-time employees.	
	2-9 Governance structure and composition	Corporate Governance, Page: 140-141 Ziraat Bank Board of Directors, Page: 142-147 Ziraat Bank Senior Management, Page: 148-151 https://www.ziraatbank.com.tr/en/our-bank/about-us/our-organizational-structure/general-directorate	
	2-10 Nomination and selection of the highest governance body	Regarding the minimum qualities to be sought in appointments to Board Member, Ziraat Bank acts in accordance with the provisions of Banking legislation, Turkish Commerce Code and the regulations of Capital Markets Board.	

GRI STANDARD	DISCLOSURE	LOCATION/AND OR DIRECT ANSWER	OMISSION
	2-11 Chair of the highest governance body	Ziraat Bank Board of Directors, Page: 142-147 The Chairman of the Board of Directors has no executive duty	
	2-12 Role of the highest governance body in overseeing the management of impacts	Sustainability at Ziraat Bank, Page: 40-45 https://www.ziraatbank.com.tr/en/investor-relations/corporate-governance/sustainability-policy	
	2-13 Delegation of responsibility for managing impacts	Sustainability at Ziraat Bank, Page: 40-45 https://www.ziraatbank.com.tr/en/investor-relations/corporate-governance/sustainability-policy	
	2-14 Role of the highest governance body in sustainability reporting	Sustainability at Ziraat Bank, Page: 40-45 https://www.ziraatbank.com.tr/en/investor-relations/corporate-governance/sustainability-policy	
	2-15 Conflicts of interest	Human Resources/Employee Satisfaction, Page: 126 Customer Satisfaction, Page: 132	
	2-16 Communication of critical concerns	Human Resources/Employee Satisfaction, Page: 126 Customer Satisfaction, Page: 132	
	2-17 Collective knowledge of the highest governance body	Ziraat Bank Board of Directors, Page: 142-147 https://www.ziraatbank.com.tr/en/our-bank/about-us/our-organizational-structure/general-directorate	
	2-18 Evaluation of the performance of the highest governance body	Ziraat Bank Board of Directors, Page: 142-147 https://www.ziraatbank.com.tr/en/our-bank/about-us/our-organizational-structure/general-directorate	
	2-19 Remuneration policies	Human Resources, Page: 122	
	2-20 Process to determine remuneration	Human Resources, Page: 122	
	2-21 Annual total compensation ratio		Confidentiality constraints: Not disclosed in accordance with the Bank's confidentiality policy.
	2-22 Statement on sustainable development strategy	Sustainability Approach, Page: 42	
	2-23 Policy commitments	Policies Applied at Ziraat Bank, Page: 39	
	2-24 Embedding policy commitments	Policies Applied at Ziraat Bank, Page: 39	

GRI CONTENT INDEX

GRI STANDARD	DISCLOSURE	LOCATION/AND OR DIRECT ANSWER	OMISSION
	2-25 Processes to remediate negative impacts	Impact Framework of Strategies, Page: 57 Management of Environmental and Social Impacts, Page: 58-59	
	2-26 Mechanisms for seeking advice and raising concerns	Customer Satisfaction, Page: 132	
	2-27 Compliance with laws and regulations	Risk Management, Internal Audit, Internal Control, Compliance, Page: 158-165	
	2-28 Membership associations	Initiatives that Ziraat Bank Is a Member or Supports, Page: 48	
	2-29 Approach to stakeholder engagement	Stakeholders of Ziraat Bank, Page: 46-47	
	2-30 Collective bargaining agreements	Human Resources, Page: 122	
Material topics			
GRI 3: MATERIAL TOPICS 2021	3-1 Process to determine material topics	Strategies, Page: 32-34 Our Strategies, Sector Risks and Ziraat Bank's Responses, Page: 35-39	
	3-2 List of material topics	Strategies, Page: 32-34 · Stable Growth · The Business Model of Future · Advanced Technological Infrastructure · Efficient and Lean Processes · Developing Organization and Satisfied Employees · Platform Banking · A Global Bank · Responsible Banking	
STABLE GROWTH			
Economic performance			
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Evaluation of the Chairman of the Board, Page: 12-13 Message from the CEO, Page: 14-17 Value Creation at Ziraat Bank, Page: 30-31 Strategies, Page: 32-34	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Key Indicators, Page: 26-27 Ziraat Bank's Financial Standing, Profitability and Solvency, Page: 167 Ratios, Page: 168 Summary Financial Information for the 5-Year Period, Page: 168	
	201-2 Financial implications and other risks and opportunities due to climate change	Our Strategies, Sector Risks and Ziraat Bank's Responses, Page: 35-39	
	201-3 Defined benefit plan obligations and other retirement plans	Financial Statements, Page: 206-207, 296-297, 309, 355, 454-455, 467	

GRI STANDARD	DISCLOSURE	LOCATION/AND OR DIRECT ANSWER	OMISSION
	201-4 Financial assistance received from government	Ziraat Bank does not have any financial assistance received from the government as of the report date.	
Market presence			
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Evaluation of the Chairman of the Board, Page: 12-13 Message from the CEO, Page: 14-17 Value Creation at Ziraat Bank, Page: 30-31 Strategies, Page: 32-34	
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	The standard entry level wages of all employees at Ziraat Bank are above the local minimum wage.	
	202-2 Proportion of senior management hired from the local community	All of Ziraat Bank's senior management are citizens of the Republic of Turkey.	
Indirect economic impacts			
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Evaluation of the Chairman of the Board, Page: 12-13 Message from the CEO, Page: 14-17 Value Creation at Ziraat Bank, Page: 30-31 Strategies, Page: 32-34	
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	The Sustainable Development Goals and Ziraat Bank, Page: 50-56 Impact Framework of Strategies, Page: 57 Management of Environmental and Social Impacts, Page: 58-59	
	203-2 Significant indirect economic impacts	The Sustainable Development Goals and Ziraat Bank, Page: 50-56 Impact Framework of Strategies, Page: 57 Management of Environmental and Social Impacts, Page: 58-59	

GRI CONTENT INDEX

GRI STANDARD	DISCLOSURE	LOCATION/AND OR DIRECT ANSWER	OMISSION
RESPONSIBLE BANKING			
Anti-corruption			
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Evaluation of the Chairman of the Board, Page: 12-13 Message from the CEO, Page: 14-17 Value Creation at Ziraat Bank, Page: 30-31 Strategies, Page: 32-34 Risk Management, Internal Audit, Internal Control, Compliance, Page: 158-165	
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Risk Management, Internal Audit, Internal Control, Compliance, Page: 158-165 https://www.ziraatbank.com.tr/en/Investor-Relations-ZB/Corporate-Governance/Documents/AMLPolicy.pdf	
	205-2 Communication and training about anti-corruption policies and procedures	Risk Management, Internal Audit, Internal Control, Compliance, Page: 158-165 https://www.ziraatbank.com.tr/en/Investor-Relations-ZB/Corporate-Governance/Documents/AMLPolicy.pdf	
	205-3 Confirmed incidents of corruption and actions taken	There were no confirmed incidents of corruption during the reporting period.	
Anti-competitive behavior			
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Evaluation of the Chairman of the Board, Page: 12-13 Message from the CEO, Page: 14-17 Value Creation at Ziraat Bank, Page: 30-31 Strategies, Page: 32-34	
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	https://www.ziraatbank.com.tr/en/investor-relations/corporate-governance/disclosure-policy	
Tax			
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Evaluation of the Chairman of the Board, Page: 12-13 Message from the CEO, Page: 14-17 Value Creation at Ziraat Bank, Page: 30-31 Strategies, Page: 32-34	
GRI 207: Tax 2019	207-1 Approach to tax	Financial Statements, Page: 353-355, 423, 446, 452	
	207-4 Country-by-country reporting	Financial Statements, Page: 353-355, 423, 446, 452	

GRI STANDARD	DISCLOSURE	LOCATION/AND OR DIRECT ANSWER	OMISSION
Energy			
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Evaluation of the Chairman of the Board, Page: 12-13 Message from the CEO, Page: 14-17 Value Creation at Ziraat Bank, Page: 30-31 Strategies, Page: 22-24 Environmental Sustainability, Page: 108-119	
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Emissions Management, Page: 110-116	
	302-2 Energy consumption outside of the organization	Emissions Management, Page: 110-116	
	302-3 Energy intensity	Emissions Management, Page: 110-116	
	302-4 Reduction of energy consumption	Emissions Management, Page: 110-116	
	302-5 Reductions in energy requirements of products and services	Emissions Management, Page: 110-116	
Water and effluents			
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Evaluation of the Chairman of the Board, Page: 12-13 Message from the CEO, Page: 14-17 Value Creation at Ziraat Bank, Page: 30-31 Strategies, Page: 32-34 Environmental Sustainability, Page: 108-119	
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Water Management, Page: 117-118	
	303-2 Management of water discharge-related impacts	Water Management, Page: 117-118	
	303-3 Water withdrawal	Water Management, Page: 117-118	
	303-4 Water discharge	Water Management, Page: 117-118	
	303-5 Water consumption	Water Management, Page: 117-118	
Emissions			
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Evaluation of the Chairman of the Board, Page: 12-13 Message from the CEO, Page: 14-17 Value Creation at Ziraat Bank, Page: 30-31 Strategies, Page: 32-34 Environmental Sustainability, Page: 108-119	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Emissions Management, Page: 110-116	

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GRI STANDARD	DISCLOSURE	LOCATION/AND OR DIRECT ANSWER	OMISSION
	305-2 Energy indirect (Scope 2) GHG emissions	Emissions Management, Page: 110-116	
	305-3 Other indirect (Scope 3) GHG emissions	Emissions Management, Page: 110-116	
	305-4 GHG emissions intensity	Emissions Management, Page: 110-116	
	305-5 Reduction of GHG emissions	Emissions Management, Page: 110-116	
Waste			
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Evaluation of the Chairman of the Board, Page: 12-13 Message from the CEO, Page: 14-17 Value Creation at Ziraat Bank, Page: 30-31 Strategies, Page: 32-34 Environmental Sustainability, Page: 108-119	
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Waste Management, Page: 119	
	306-2 Management of significant waste-related impacts	Waste Management, Page: 119	
	306-3 Waste generated	Waste Management, Page: 119	
	306-4 Waste diverted from disposal	Waste Management, Page: 119	
	306-5 Waste directed to disposal	Waste Management, Page: 119	
Supplier environmental assessment			
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Evaluation of the Chairman of the Board, Page: 12-13 Message from the CEO, Page: 14-17 Value Creation at Ziraat Bank, Page: 30-31 Strategies, Page: 32-34 Supplier Relationships Management, Page: 133	
GRI 308: Supplier Environmental Assessment 2016	308-2 Negative environmental impacts in the supply chain and actions taken	Supplier Relationships Management, Page: 133	

GRI STANDARD	DISCLOSURE	LOCATION/AND OR DIRECT ANSWER	OMISSION
DEVELOPING ORGANIZATION AND SATISFIED EMPLOYEES			
Employment			
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Evaluation of the Chairman of the Board, Page: 12-13 Message from the CEO, Page: 14-17 Value Creation at Ziraat Bank, Page: 30-31 Strategies, Page: 32-34 Social Sustainability, Page: 120-137	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Human Resources, Page: 122-127	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	At Ziraat Bank, human resources consist of full-time employees.	
	401-3 Parental leave		Confidentiality constraints: No disclosed metrics available due to the Bank's policy.
Labor/management relations			
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Evaluation of the Chairman of the Board, Page: 12-13 Message from the CEO, Page: 14-17 Value Creation at Ziraat Bank, Page: 30-31 Strategies, Page: 32-34 Social Sustainability, Page: 120-137	
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	Financial Statements, Page: 351-352, 450, 463	
Occupational health and safety			
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Evaluation of the Chairman of the Board, Page: 12-13 Message from the CEO, Page: 14-17 Value Creation at Ziraat Bank, Page: 30-31 Strategies, Page: 32-44 Social Sustainability, Page: 120-137	
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Occupational Health and Safety Practices, Page: 130-131	
	403-2 Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety Practices, Page: 130-131	
	403-3 Occupational health services	Occupational Health and Safety Practices, Page: 130-131	

GRI CONTENT INDEX

GRI STANDARD	DISCLOSURE	LOCATION/AND OR DIRECT ANSWER	OMISSION
	403-4 Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety Practices, Page: 130-131	
	403-5 Worker training on occupational health and safety	Occupational Health and Safety Practices, Page: 130-131	
	403-6 Promotion of worker health	Occupational Health and Safety Practices, Page: 130-131	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety Practices, Page: 130-131	
Training and education			
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Evaluation of the Chairman of the Board, Page: 12-13 Message from the CEO, Page: 14-7 Value Creation at Ziraat Bank, Page: 30-31 Strategies, Page: 32-34 Social Sustainability, Page: 130-137	
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Human Resources and Training, Page: 127-129	
	404-2 Programs for upgrading employee skills and transition assistance programs	Human Resources and Training, Page: 127-129	
	404-3 Percentage of employees receiving regular performance and career development reviews	Human Resources and Training, Page: 127-129	
Diversity and equal opportunity			
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Evaluation of the Chairman of the Board, Page: 12-13 Message from the CEO, Page: 14-17 Value Creation at Ziraat Bank, Page: 30-31 Strategies, Page: 32-34 Social Sustainability, Page: 120-137	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Human Resources, Page: 122-127	
	405-2 Ratio of basic salary and remuneration of women to men	At Ziraat Bank, there is no gender-based discrimination in base salary and wage determinations.	

GRI STANDARD	DISCLOSURE	LOCATION/AND OR DIRECT ANSWER	OMISSION
Non-discrimination			
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Evaluation of the Chairman of the Board, Page: 12-13 Message from the CEO, Page: 14-17 Value Creation at Ziraat Bank, Page: 30-31 Strategies, Page: 32-34 Social Sustainability, Page: 120-137	
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	There were no incidents of discrimination during the reporting period.	
Freedom of association and collective bargaining			
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Evaluation of the Chairman of the Board, Page: 12-13 Message from the CEO, Page: 14-17 Value Creation at Ziraat Bank, Page: 30-31 Strategies, Page: 32-34 Social Sustainability, Page: 120-137	
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Human Resources, Page: 124 There were no incidents in which the right to freedom of association and collective bargaining was at risk during the reporting period.	
Child labor			
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Evaluation of the Chairman of the Board, Page: 12-13 Message from the CEO, Page: 14-17 Value Creation at Ziraat Bank, Page: 30-31 Strategies, Page: 32-34 Social Sustainability, Page: 120-137	
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	There is no child labor at Ziraat Bank.	
Forced or compulsory labor			
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Evaluation of the Chairman of the Board, Page: 12-13 Message from the CEO, Page: 14-17 Value Creation at Ziraat Bank, Page: 30-31 Strategies, Page: 32-34 Social Sustainability, Page: 120-137	
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	There were no incidents of forced or compulsory labor during the reporting period.	
ADVANCED TECHNOLOGICAL INFRASTRUCTURE			
Security practices			
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Evaluation of the Chairman of the Board, Page: 12-13 Message from the CEO, Page: 14-17 Value Creation at Ziraat Bank, Page: 30-31 Strategies, Page: 32-34	

GRI CONTENT INDEX

GRI STANDARD	DISCLOSURE	LOCATION/AND OR DIRECT ANSWER	OMISSION
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	Human Resources and Training, Page: 127-129	
A GLOBAL BANK			
Rights of indigenous peoples			
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Evaluation of the Chairman of the Board, Page: 12-13 Message from the CEO, Page: 14-17 Value Creation at Ziraat Bank, Page: 30-31 Strategies, Page: 32-34	
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	There were no incidents of violations involving rights of indigenous peoples during the reporting period.	
Supplier social assessment			
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Evaluation of the Chairman of the Board, Page: 12-13 Message from the CEO, Page: 14-17 Value Creation at Ziraat Bank, Page: 30-31 Strategies, Page: 32-34 Social Sustainability, Page: 120-137	
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Supplier Relationships Management, Page: 133	
Public policy			
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Evaluation of the Chairman of the Board, Page: 12-13 Message from the CEO, Page: 14-17 Value Creation at Ziraat Bank, Page: 30-31 Strategies, Page: 32-34	
GRI 415: Public Policy 2016	415-1 Political contributions	Ziraat Bank adopts the principle of impartiality and carefully protects its impartiality with its policies on this subject.	
PLATFORM BANKING			
Customer health and safety			
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Evaluation of the Chairman of the Board, Page: 12-13 Message from the CEO, Page: 14-17 Value Creation at Ziraat Bank, Page: 30-31 Strategies, Page: 32-34 Social Sustainability, Page: 120-137	
GRI 416: Customer Health and Safety 2016	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	There were no incidents of non-compliance concerning the health and safety impacts of products and services during the reporting period.	

GRI STANDARD	DISCLOSURE	LOCATION/AND OR DIRECT ANSWER	OMISSION
Marketing and labeling			
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Evaluation of the Chairman of the Board, Page: 12-13 Message from the CEO, Page: 14-17 Value Creation at Ziraat Bank, Page: 30-31 Strategies, Page: 32-34 Social Sustainability, Page: 120-137	
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	In 2023, Page: 76-97 https://www.ziraatbank.com.tr/en/our-bank	
	417-2 Incidents of non-compliance concerning product and service information and labeling	There were no incidents of non-compliance concerning product and service information and labeling during the reporting period.	
	417-3 Incidents of non-compliance concerning marketing communications	There were no incidents of non-compliance concerning marketing communications during the reporting period.	
Customer privacy			
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Evaluation of the Chairman of the Board, Page: 12-13 Message from the CEO, Page: 14-17 Value Creation at Ziraat Bank, Page: 30-31 Strategies, Page: 32-34	
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	There are no complaints concerning breaches of customer privacy and losses of customer data during the reporting period.	
THE BUSINESS MODEL OF FUTURE			
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Evaluation of the Chairman of the Board, Page: 12-13 Message from the CEO, Page: 14-17 Value Creation at Ziraat Bank, Page: 30-31 Strategies, Page: 32-34	
EFFICIENT AND LEAN PROCESSES			
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Evaluation of the Chairman of the Board, Page: 12-13 Message from the CEO, Page: 14-17 Value Creation at Ziraat Bank, Page: 30-31 Strategies, Page: 32-34	

SASB INDEX

This is Ziraat Bank's disclosure pursuant to the Industry Standards (Version 2023-12) issued by the Sustainability Accounting Standards Board (SASB). Ziraat Bank aims to expand its disclosures on these SASB topics and respond to more topics over time. The disclosures included in the SASB Index refer to the year ending December 31, 2023.

SUSTAINABILITY DISCLOSURE TOPICS & METRICS

Table 1. Sustainability Disclosure Topics & Metrics

Topic	Metric	Category	Code	Response/Source
Data Security	(1) Number of data breaches, (2) percentage that are personal data breaches, (3) number of account holders affected	Quantitative	FN-CB-230a.1	There are no complaints concerning breaches of customer privacy and losses of customer data during the reporting period. Information Security Management, p. 90-93
	Description of approach to identifying and addressing data security risks	Discussion and Analysis	FN-CB-230a.2	Information Security Management, p. 90-93
Financial Inclusion & Capacity Building	(1) Number and (2) amount of loans outstanding that qualify for programmes designed to promote small business and community development	Quantitative	FN-CB-240a.1	Corporate and Commercial Banking, p. 76-77 Financing of the Agricultural Sector, p. 78-82
	(1) Number and (2) amount of past due and nonaccrual loans or loans subject to forbearance that qualify for programmes designed to promote small business and community development	Quantitative	FN-CB-240a.2	Corporate and Commercial Banking, p. 76-77 Financing of the Agricultural Sector, p. 78-82 Explanations on Credit Risk, p. 216-217 Explanations on the Consolidated Credit Risk, p. 368-369
	Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers	Quantitative	FN-CB-240a.4	SDGs to Which Ziraat Bank Directly/Indirectly Contributes, p. 50, 52
Incorporation of Environmental, Social, and Governance Factors in Credit Analysis	Description of approach to incorporation of environmental, social and governance (ESG) factors in credit analysis	Discussion and Analysis	FN-CB-410a.2	Management of Environmental and Social Impacts, p. 58-59

Topic	Metric	Category	Code	Response/Source
Business Ethics	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, antitrust, anticompetitive behaviour, market manipulation, malpractice, or other related financial industry laws or regulations	Quantitative	FN-CB-510a.1	There were no recorded cases in this regard during the reporting period.
	Description of whistleblower policies and procedures	Discussion and Analysis	FN-CB-510a.2	Customer satisfaction, p. 132 The rights of Ziraat Bank employees in the context of ethics and equality of opportunity are protected by the Human Resources Code of Practice, which can be accessed through the employee portal. The Code of Practice have a content that deters equal opportunity violations and mobbing. According to the regulations implemented by the Code of Practice, Bank employees convey their complaints in the field of ethics and equality of opportunity to their superiors, and relevant processes are then run.
Systemic Risk Management	Global Systemically Important Bank (GSIB) score, by category	Quantitative	FN-CB-550a.1	According to the methodology drawn up by the Basel Committee on Banking Supervision, Ziraat Bank is not considered to be a Global Systemically Important Bank (G-SIB) and, accordingly, does not have a G-SIB score. On the other hand, the Bank publishes the systemically important bank buffer ratio within the scope of its independently audited balance sheets and footnotes prepared in accordance with Turkish Financial Reporting Standards ("TFRS"). See page 364.
	Description of approach to integrate results of mandatory and voluntary stress tests into capital adequacy planning, longterm corporate strategy, and other business activities	Discussion and Analysis	FN-CB-550a.2	Risk Management, Internal Audit, Internal Control, Compliance p. 158-165

Table 2. Activity Metrics

Activity Metric	Category	Code	Response/Source
(1) Number and (2) value of loans by segment: (a) personal, (b) small business, and (c) corporate	Quantitative	FN-CB-000.B	Ziraat Bank's total cash loan book as of the end of 2023 amounts to TL 1,972 billion. Information on loans provided in the Corporate/Commercial Banking, Agricultural Sector and Individual Banking segments is provided on pages 76-83, and information on loans provided in the Digital Banking segment is provided on pages 85-87.

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