FOR GENERATIONS

More Than a Bank

INTEGRATED ANNUAL REPORT 2021

Ziraat Bank

More than a bank

CONTENTS

INTRODUCTION

YOUR COMMENTS ARE INVALUABLE

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 will guide us.

Please share your ideas via
sustainability@ziraatbank.com.tr

SUSTAINABLE DEVELOPMENT GOALS

Ziraat Bank's activities, which are deemed to contribute to the SDGs within the cycle of service, are addressed in different sections of this report in detail. The SDGs which we have prioritized are highlighted in color in the following notation.

For more:
www.ziraatbankasi.com.tr

ABOUT THE INTEGRATED ANNUAL REPORT

GRI 102-45

SCOPE OF THE REPORT

The integrated annual report addresses the economic, environmental and social performance of Ziraat Bank for the period between 1 January 2021 and 31 December 2021 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 of is in compliance with the minimum annual reporting requirements of Banking Regulation Surveillance Association (BRSA) and Turkish Commercial Law legal frameworks.

The integrated annual report is prepared in compliance with the International Integrated Reporting Framework recommended by The Value Reporting Foundation (VRF) and "Core" 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 2021 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 VRF. Furthermore, within the scope of the United Nations Sustainable Development Goals (SDG), 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 2021 and 31 December 2021.

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.

Information box

Information contained in other reports and publications

Information available on the Internet

MILESTONES IN THE HISTORY OF ZIRAAT BANK

With the identity of being Turkey's largest financial service provider, Ziraat Bank continues its tradition of offering its customers financial solutions which will set an example of good banking practices.

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, Gazimağusa 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.

A LONG PAST, STRONG FOUNDATIONS

THE FOUNDATION OF OUR BANK

Foreign banks had started to operate on our country's soil during the era of the Ottoman Empire in the first half of 19th century with the adoption of western models in commerce and finance. At that time, capital accumulation had not yet reached a level sufficient to establish a national banking system, and national banks had not yet reached the position of being an instrument to create resources.

AN INCREASING NUMBER OF BRANCHES

Established with the "Homeland Funds" in a unique cooperation system established by Mithat Pasha during the Ottoman period, Ziraat Bank started to rapidly increase its number of branches throughout the country during the Republic period.

A PIONEER IN AGRICULTURE

Developing rapidly in every field, Ziraat Bank retains its long-held position of being the biggest supporter of our farmers to this very day.

DIGITALIZATION

Spreading its services in order to be the bank of every segment of the society over time, Ziraat Bank leads the sector in terms of its number of digital banking customers, exceeding 16 million today.

At Ziraat Bank, we continue to provide services without interruption with our synergy-based organization, our unrivaled market know-how and experience, our human resources and our strong financial structure.

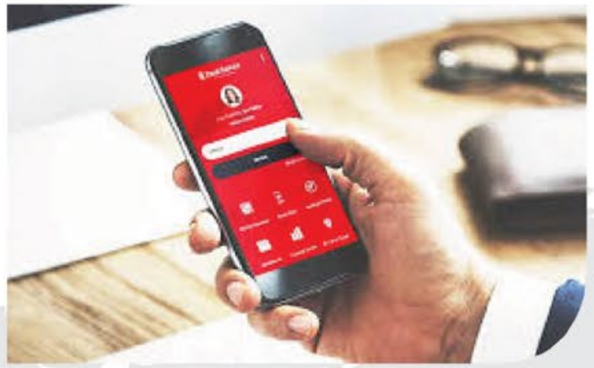
1989-2012

- 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.

A WIDE PRODUCT AND SERVICE NETWORK

We provide services to our customers in the fields of payment systems, loans, deposits and investment with our wide range of products. We provide the most appropriate products and services at the most favorable maturities and most affordable prices. With our periodical promotions and campaigns, we support our customers with preferential conditions.

With our rich product and service diversity, the synergy-based organization which we have created with our affiliates, our unrivaled market know-how and experience, our human resources and our strong financial structure, we unwaveringly provide the energy and motivation our Bank needs in its continuous growth process. Ziraat Bank continues to shape Turkey's banking sector today, as it has in the past.



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.

Ziraat Bank utilizes all kinds of resources at its disposal in a multifaceted manner in order to create added value for its customers from every segment.

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 was awarded in the "Best Use of Data Analytics" category in the "2017 Global Retail Banking Awards" organized with the participation of more than 200 banks worldwide.
- Ziraat Bank was again named the top brand in the banking category in 2017 in Turkey's Lovemarks 2017 survey.
- Ziraat Bank reached an asset size of TL 434 billion in 2017.
- Ziraat Bank achieved the biggest increase its brand value of any Turkish bank in the "World's Most Valuable 500 Bank Brands 2017" survey conducted by Brand Finance.
- Ziraat Bank received five awards at the Stevie Awards, the world's most prestigious business award program.

2018

- The Bank's own brand Bankkart was launched in the first quarter of 2018.
- Ziraat Bank was selected the "Most Loved Bank of 2018" at Turkey's Lovemark Survey, receiving the same award for three consecutive years.
- Ziraat Bank has been the bank which increased its brand value most among Turkish banks for the second time.
- Young Farmers Academy project, which was developed by the Bank to bring a new perspective 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 Anonim Şirketi (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.

The Bank for everyone and for every segment of society, Ziraat Bank will continue to be more than just a bank, by continuously making a difference and creating value as befits its long-standing past.

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.
- Ziraat Bank was selected as the Most Valuable Banking Brand and the second most valuable brand of Turkey in the study conducted by Brand Finance.
- Ziraat Bank was selected the "Most Loved Bank" in Turkey's Lovemark Survey, receiving the award for a fifth consecutive year.
- 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.

Ziraat Bank was selected as Turkey's Most Loved Bank in 2021 in Turkey's Lovemarks Survey, the sixth year it was deemed worthy of the award.

Ziraat Bank was selected as the most effective bank in social media for the 5th time, winning the Gold Award in the Banks category at the Social Media Awards Turkey.

AS IT HAS ALWAYS DONE

Ziraat Bank continues to shape the banking sector in Turkey today, as it always has done.

Adana Branch
The Adana Branch was designed by Giulio Mongeri, the architect of our Head Office Building in Ankara. Completed in August 1930, the Adana branch was opened to operations in January 1931, and our Eskişehir Branch is of an architecturally similar design.

Cağaloğlu Branch
Located in the Cağaloğlu District of İstanbul's Eminönü district, the building started to be used as a Head Office as soon as it was built in 1891. Built with two storeys, another floor was added to the building in 1902. The entrance floor of the building was used as a Central Branch. The Ziraat Bank Headquarters operated from this building until 1922, when the Headquarters moved from Istanbul.

In 1931, the building was allocated to the Istanbul Security Fund. The Istanbul Security Fund is a savings and lending fund founded by Mithat Pasha in 1868. The Istanbul Security Fund was brought under the management of Ziraat Bank in 1907 and incorporated into Ziraat Bank on 1 January 1984. When Ziraat Bank vacated the Headquarters building in 1927, the Istanbul Security Fund moved here and assumed ownership of the building in 1931.

Kastamonu Branch
The Ziraat Bank Kastamonu Branch started its operations in March 1889. Banking activities in Kastamonu accelerated after the announcement of the 2nd Constitutional Monarchy. The process of opening new branches, which started with Ziraat Bank and Ottoman Bank, continued with the opening of branches of other banks over time. The current Branch building was built in 1947.

Trabzon Branch
The Ziraat Bank Trabzon Branch was opened in 1889 and it moved to its current premises in the 1940s.

Ankara, Ulus Head Office Building

Built according to architectural designs prepared by the architect, Giulio Mongeri, in 1925, our Head Office Building is located on a sloping plot of land extending over an area of 13,811 m². Work on the construction of the building started on 26 February 1926 and was completed in 1929. An official opening ceremony was held on 26 November 1929 with the participation of İsmet İnönü and the President of the Grand National Assembly at the time, Kâzım Özalp Pasha.

The architect of the project, Giulio Mongeri, of Italian origin, was born in Istanbul. Mr. Mongeri spent almost all of his architectural career in Turkey. He taught in the Department of Architecture at the Sanayii Nefise Mektebi (the Fine Arts Academy) and nurtured some of the most famous names in Turkish Architecture. He was inspired by the decorative elements and architectural elements of the Seljuk Principalities and the Ottoman period buildings. He included references to Traditional Turkish Architecture in our Service Building. The building effectively reflects the First National Architecture Period with its intense geometric and floral ornaments. It became one of the iconic buildings and a part of Ankara's rich tapestry.

The facade of the building, which consists of a basement, ground floor, mezzanine, first and second floors and a loft, is plastered with imitation stone. In the building, which has with a rectangular layout, spaces were shaped around the bank hall, which was also designed as a rectangle. The vault room and chamber-forte safe doors were built by the French company, Fichet, while Zeiss carried out the electrical installations, Brückner carried out the heating and plumbing installations and Simak completed the iron works.

The company which built the building imported cement and plaster from Germany, while the timber and bricks needed for the wooden parts were imported from Romania. The bricks are corrugated and stamped in Old Turkish. The marbles used in the flooring were supplied from Turkey.

The painting of "Gazi Mustafa Kemal Among Farmers" (1929), painted by the artist Namık İsmail (1890-1935) was commissioned by our bank. The painting is located at the head of the semi-circular marble staircase which rises from the ground floor hall leading to the first floor. Another painting commissioned for our bank was "Harman" (1928), by painter İbrahim Çallı (1882-1960).

Large marble covered halls, vaulted ceilings, archways, mirrored and crystal glass, colored stained-glass cover and tile decorations, wood panelling and door monograms are elements which radiate aesthetic beauty into the building.

Buca Branch

Our branch service building is one of the most beautiful Levantine mansions in Buca. Levantine derives from the root Levant, meaning the East in French, and currently refers to the Eastern Mediterranean region of Western Asia. It also means "from the Eastern Mediterranean". The building currently occupied by our Buca Branch was built by Mr. Marcel Icard, a member of one of the Levantine families of French origin who was working as a personnel manager in the Oriental Industry Company, which was operated in the business line of weaving. When the family moved to Europe, Mr. Kemal Has, a businessman, purchased the building. The building was taken over by our Bank in 1973 and was used as lodging before being used as a service building for the Buca Branch since 1983.

Kütahya Branch

Although the Kütahya Branch has been operating since 1889, the construction of the current branch building was completed in 1926. The Branch has been serving in this building as the Kütahya Branch since 1931. Our building was registered as a "Heritage Building" in accordance with the decision taken by the High Council of Antiquities and Monuments of the Ministry of Culture and Tourism in 1980.

CORPORATE PROFILE

GRI 102-2, 102-5, 102-6

WITH ITS STRONG FINANCIAL STRUCTURE, QUALITY AND ITS EVER-EXPANDING RANGE OF PRODUCTS AND SERVICES, ZİRAAT BANK REPRESENTS THE BUILDING BLOCK OF THE BANKING SECTOR. THE BANK CONTINUES TO OFFER THE NEW PRACTICES AND CHANGES WHICH IT SHAPES IN LINE WITH ITS GOALS TO ALL SEGMENTS OF SOCIETY.

Established in 1863, Ziraat Bank is one of our country's most long-standing institutions. Throughout its existence, the Bank has undertaken important roles in our country's development.

Ziraat Bank creates effective solutions to meet the whole gamut of financial needs of traders, business people, industrialists, entrepreneurs, retirees and employees, as well as supporting the agricultural sector, as its historical mission.

Providing a competitive advantage with its competence in offering end-to-end financial services, the Bank uses this advantage in a multifaceted manner to create added value for the country's economy and its customers from all segments.

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 most extensive service network in the Turkish banking industry, Ziraat Bank provides services as the one and only bank in more than 350 districts and sub-districts throughout Turkey.

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.

Ziraat Bank offers its customers superior and high-quality services with;

- 1,752 branches in Turkey and abroad,
- 24,607 employees,
- 7,269 ATMs in Turkey and abroad
- Internet Banking services (Retail and Corporate Internet Banking),
- Mobile Banking services (Ziraat Mobile, Ziraat Tablet, Bankkart Mobile),
- Telephone and SMS Banking.

Ziraat Bank operates in 18 countries around the world. The Bank has a broad service network, consisting of 9 international and 6 domestic subsidiaries, administrative offices in 3 countries, 25 foreign branches and 1 representative office.

Ziraat Bank realized asset growth of 45.4% in 2021, following the growth in 2020, by acting proactively despite the challenging economic conditions. It succeeded in expanding its total asset base to TL 1,371 billion.

Ziraat Bank will unwaveringly press ahead towards its achieving corporate goals in the coming period. It will continue to support the development of the Turkish economy and Turkish banking sector by seizing the opportunities which the future will offer with a rightful and responsible approach.

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.

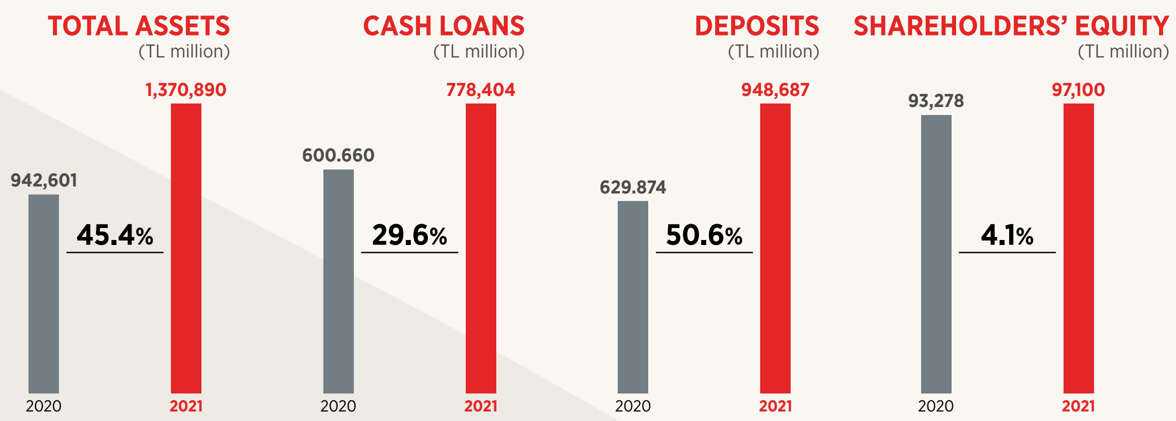
OUR STRATEGIES

- 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.

KEY INDICATORS (ECONOMIC, ENVIRONMENTAL, SOCIAL)

GRI 102-7, 201-1

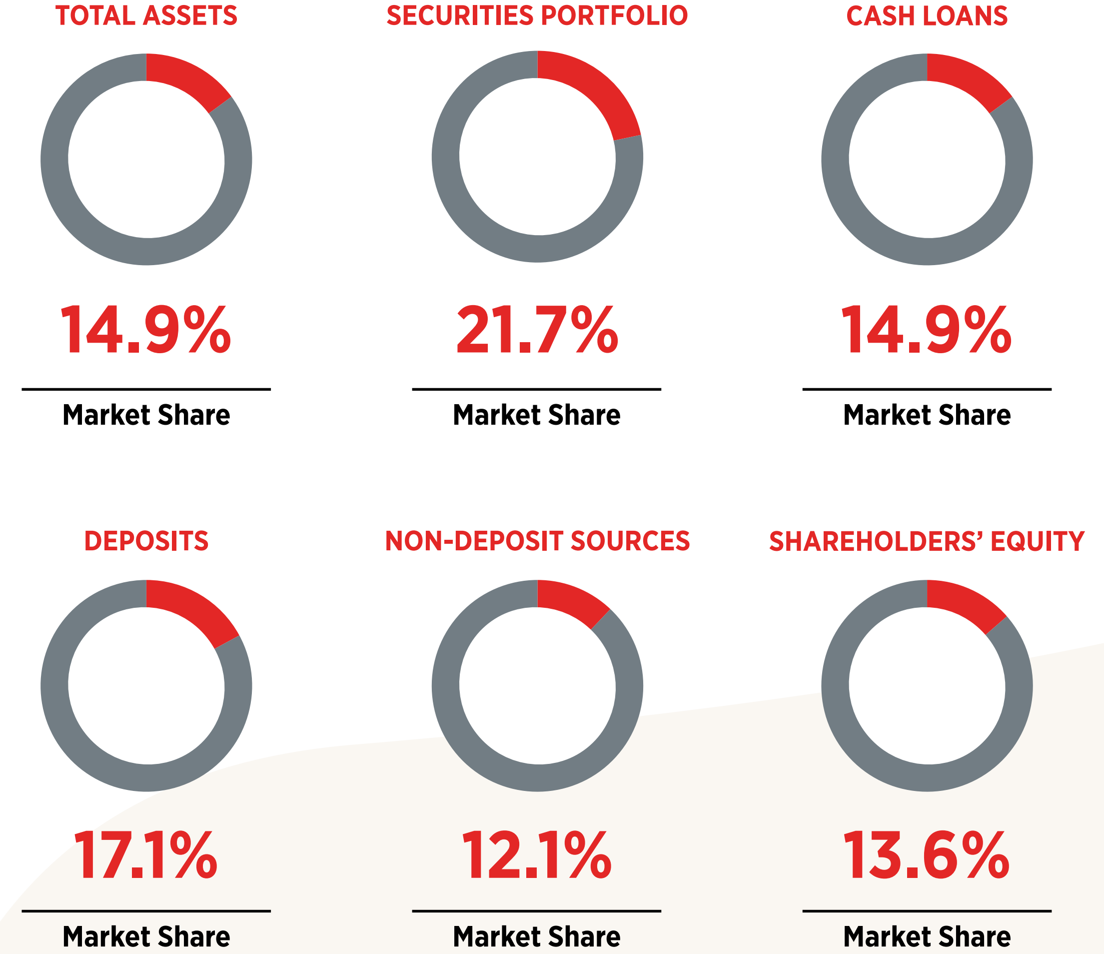
ECONOMIC INDICATORS



Registering a growth of 45.4%, Ziraat Bank's total assets reached TL 1,371 billion.

(TL million)	2020	2021	Change (%)
Liquid Assets	91,038	222,061	143.9
Securities Portfolio	225,621	341,401	51.3
Cash Loans	600,660	778,404	29.6
Deposits	629,874	948,687	50.6
Non-deposit Sources	180,754	283,605	56.9
Shareholders' Equity	93,278	97,100	4.1
Interest Income	69,476	101,998	46.8
Interest Expense	34,862	62,230	78.5
Net Profit	7,825	6,291	-19.6
Total Assets	942,601	1,370,890	45.4

ZIRAAT BANK'S MARKET SHARES



ZIRAAT BANK'S MARKET SHARES

Market Share (%)	2020	2021
Total Assets	15.4	14.9
Securities Portfolio	20.8	21.7
Cash Loans	15.8	14.9
Deposits	17.4	17.1
Non-deposit Sources	12.3	12.1
Shareholders' Equity	15.6	13.6

GRI 102-7, 302-1, 302-3, 303-3, 305-1, 305-2, 305-3

ENVIRONMENTAL INDICATORS

GHG EMISSIONS INTENSITY
(tCO_2e/ TL million Turnover)

0.05

WASTE IT PRODUCTS SENT FOR RECYCLING
(tons)

47

WASTE PAPER SENT FOR RECYCLING
(tons)

1,125

CHANGE IN TOTAL GREENHOUSE GAS EMISSIONS

SCOPE 1

4.6%

SCOPE 2

-1.4%

SCOPE 3

Differently from previous years, Ziraat Bank calculated its Scope 3 emissions in 2021. See the Ziraat Bank and Environment section for details.

PROJECT FINANCE COMPLIANT WITH ENVIRONMENTAL AND SOCIAL CRITERIA

Ziraat Bank conducts risk assessments taking into account environmental and social risks within the scope of project financing. The Bank adds commitments to compliance with IFC Performance Standards, EBRD Performance Standards and/or the Equator Principles in the evaluation of loan agreements.

ZERO WASTE MANAGEMENT

Ziraat Bank carries out work on the establishment and implementation of the Zero Waste Management System. In this context, all service buildings of the Bank throughout the country were defined as separate "Facilities" in the Integrated Environmental Information System (EÇBS) put in place by the Ministry of Environment and Urbanization.

GRI 102-7, 401-1, 404-1, 404-2

SOCIAL INDICATORS

HUMAN RESOURCES AND TRAINING

NUMBER OF BANK EMPLOYEES

24,607

TOTAL NUMBER OF ZIRAAT FINANCE GROUP EMPLOYEES

28,971

NEW HIRES IN 2021

608

NUMBER OF DIGITAL TRAINING ITEMS ASSIGNED PER USER

1,520

CORPORATE SOCIAL RESPONSIBILITY

NUMBER OF ARTWORKS IN ZIRAAT BANK'S PAINTING COLLECTION

+2,500

ZIRAAT BANK BANKING MUSEUM

ZIRAAT BANK 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 2021)

More than 2,300,000 likes and followers on Facebook

More than 450,000 followers on Twitter

More than 217,000 followers on Instagram

More than 80,000,000 views on YouTube

Aydın Branch

The Aydın Branch building started operating in 1889. However, it suffered damage during the Greek occupation following World War I. The façades of the building and the structure of the building were partially preserved and the second floor was rebuilt. The building's current architectural characteristics were influenced by the Italian architect, Giulio Mongeri, with the work on the building completed in 1929. In the 1980s, a new building, designed by the Architect, Mr. Şevki Vanlı, was added next to the Aydın Branch as the original building space was no longer sufficient, and the interior space was reorganized.

MESSAGE FROM THE CHAIRMAN OF THE BOARD

GRI 102-14, 103-2, 103-3

THE GLOBAL RATE OF INFLATION EXCEEDED 5% IN 2021 DUE TO THE ABUNDANCE OF LIQUIDITY AS A RESULT OF FINANCIAL INCENTIVES, SUPPLY SHORTAGES AND SHOCKS BROUGHT ABOUT BY INTERRUPTIONS TO SUPPLY CHAINS.

ALTHOUGH THE MEASURES TAKEN PROVIDED SOME RELAXATION IN THE SHORT TERM, THEY COULD NOT PREVENT THE BOTTLENECKS IN SUPPLY CHAINS AND IN LOGISTIC NETWORKS, THE RISE IN ENERGY PRICES OR THE IMBALANCES BETWEEN SUPPLY AND DEMAND.

Dear stakeholders,

THE GLOBAL ECONOMY AND THE NEW NORMAL

The Covid-19 pandemic and its effects have completely dominated the agenda in the last couple of years, with masks, social distancing and hygiene becoming the codes of our lives. It has been a time where the spotlight has been on testing, vaccines, new variants, restrictions on travel and social life. On the other hand, we have had to adapt to new ways of life and working, such as shopping online, working from home and online meetings.

The conditions presented by the new normal have also deeply impacted the global economy. Governments have implemented grant and loan programs of a scale unprecedented in recent history to support the macroeconomic cycle and the households in order to overcome the harm brought about by the pandemic.

Although the measures taken provided some relaxation in the short term, they could not prevent the bottlenecks in supply chains and in logistic networks, the rise in energy prices or the imbalances between supply and demand. The global rate of inflation exceeded 5% in 2021 due to the abundance of liquidity as a result of financial incentives, supply shortages and shocks brought about by interruptions to supply chains.

POLICIES AIMED AT KEEPING THE EFFECTS OF THE PANDEMIC ON THE ECONOMIC CYCLE LIMITED AND SUPPORTING ECONOMIC GROWTH AND EMPLOYMENT WERE IMPLEMENTED DECISIVELY IN TURKEY.

Burhaneddin TANYERİ
Chairman of the Board

Inflation reached a 39-year high in the USA and a 24-year high in the Eurozone. Similar records were set elsewhere in the world. Inflation exceeded the targets set in developed economies after many years of low inflation. The rise in inflation may prompt steps to be taken towards tighter stance monetary policy.

A STRONG RECOVERY IN THE TURKISH ECONOMY

Policies aimed at keeping the effects of the pandemic on the economic cycle limited and supporting economic growth and employment were implemented decisively in Turkey, an approach which allowed Turkey to be one of a select few countries to have posted growth in 2020 and to go on to record a growth rate of over 10% in 2021. Exports provided the biggest contribution to growth in 2021 while also keeping the current account balance at a benign level.

The Turkish Economy Model implemented in Turkey in 2021 was aimed at preparing our country's production structure and workforce for new global trends while contributing to long-term sustainable development. This process envisages a transparent and mutual communication-based approach, which covers all the contributors of the economy, will be displayed. Thus, the Turkish economy will reach its growth targets.

As a country which has integrated into the global economy, and which is highly resilient in the face of external shocks, Turkey is taking important steps towards becoming a regional production hub in the coming period. Our country is located on a strategic crossroads between the Eastern and Western economies, on a conjunction of global logistic networks. Turkey will take its place among the important players in the global markets in the new normal.

GRI 102-14, 103-2, 103-3

The banking sector maintained its trend of healthy growth in 2021, as well.

OUR SECTOR DEMONSTRATES ITS POWER ONCE AGAIN
The banking sector maintained its trend of healthy growth in 2021, providing the resources and financial services that public and private sector players needed to achieve uninterrupted sustainable growth. In this period, we observed the improvement in interest margins reflected positively to the profitability of the banking sector. Digital banking remained the number one development area for all participants in the sector.

Digital channels will be one of the building blocks and key growth areas of banking in future.

A CRITICAL THRESHOLD REACHED IN THE SUSTAINABILITY JOURNEY
According to scientists, the increasing incidence of hurricanes, drought and forest fires is associated with global warming and climate change. These events were observed all over the world in 2021, with natural disasters causing large scale damage. Similar disasters also occurred in our country, resulting in loss of life and property. Even while we were still reeling from the floods which ravaged our Western Black Sea region, a wave of fires laid waste to our forests. These forests are located on our Mediterranean coastline and are home to an extraordinarily diverse ecosystem. Another issue which threatens our country is drought.

Evaluating the situation within this context, one positive development during the year for our country was the ratification of the Paris Climate Agreement by the Turkish Grand National Assembly in October 2021.

The agreement has become binding in our country, marking an important threshold in the transition to a low carbon economy.

Climate change is closely related to the future of humanity. It is our belief that under the leadership of our government, the participants of the public and private sector will contribute to finding a solution to this global problem and will also carry Turkey's name to the position it deserves in the league of combating the climate crisis.

Although we all have a long and difficult journey ahead of us with many hurdles yet to overcome, we can take solace from knowing we possess the necessary knowledge, competence, skills and technology to reach a solution. Where global and collective intentions to take action gain strength, we may have the chance to prevent the negative consequences of the climate crisis.

Global warming and climate change are closely related to our sector. Tackling global warming and climate change closely concerns our products, our decision-making approaches and our business practices, including project and development financing. Our banks will have important duties and responsibilities in our country's transition to a low carbon economy and, subsequently, the transition to net zero.

Remaining tightly committed to an ethical, rightful and responsible banking approach, Ziraat Bank continues to enhance the value proposition it offers its stakeholders.

COMPLETING ITS 158TH YEAR, ZIRAAT BANK IS VERY MUCH FOCUSED ON THE FUTURE.
Celebrating its 158th year of operation in 2021, our Bank resolutely maintains its support in mobilizing the development of our country by using all its capital elements at the right scale.

Remaining tightly committed to an ethical, rightful and responsible banking approach, Ziraat Bank continues to enhance the value proposition it offers its stakeholders.

With our identity as the bank with the most extensive physical access in Turkey, we deliver our wide range of products, services and solutions range to tens of millions of customers with an approach that will ensure financial inclusion. By focusing on our people, our companies and their urgent needs during the pandemic, we delivered them with the financial support set out by our government.

As one of the primary stakeholders in the economy, we protected our customers during the challenging and volatile market conditions of the 2020-2021 period, through the effective use of all kinds of financial instruments. Our digital channels form a substantial part of our product and service delivery. Thus, our digital channels have allowed us to reach a much wider audience with remote access during the pandemic, while also allowing us to offer financial inclusion.

As our country's largest bank and financial services group, we have initiatives to contribute to a sustainable future and transition to a low carbon economy in the short, medium and long term. We are focusing on providing sustainable financial solutions which will set an example for good banking practices. We are also determined to unwaveringly maintain our efforts to perfect the products and services which we offer to our commercial banking customers from all four corners of the country.

Our goal is to continue to produce in cooperation with all our stakeholders in building a future where our people are happy and prosperous, and where our natural environment and water are clean. Having set out on this journey 158 years ago, our big family which consists of the members of Ziraat Bank has the greatest faith that we will overcome the difficulties with determination and hard work and is always eager to achieve ever greater success.

I would like to thank our management team and human resources for their strong performance in 2021 personally and on behalf of our Board of Directors.

Burhaneddin TANYERİ
Chairman of the
Board of Directors

MESSAGE FROM THE CEO

GRI 102-14, 103-2, 103-3

OUR BANK INCREASED ITS CASH LOAN VOLUME TO TL 778 BILLION IN 2021, WITH AN INCREASE OF 30% IN LOANS COMPARED TO THE PREVIOUS YEAR. ITS TOTAL LOAN VOLUME, INCLUDING NON-CASH LOANS, STOOD AT OVER TL 1 TRILLION.

AS THE BUILDING BLOCK OF THE TURKISH BANKING SECTOR, OUR BANK CONTINUED TO FOCUS ON FINANCING THE REAL SECTOR IN 2021.

Dear Stakeholders,

The Covid-19 pandemic has brought the need for significant changes, both at work and in our daily lives, over the last two years. In this context, new practices involving remote access have dominated many areas of life from shopping to the way we work. The pandemic has raised the necessity and importance of digitalization, especially in the field of financial services.

Another area which has been greatly affected by pandemic has been the global economic outlook. While global economic activity came to a standstill when the pandemic struck, efforts were taken to mitigate the negative effects of the pandemic through the implementation of supportive policies. However, the contraction and imbalances which started to be seen on the supply side during the pandemic have continued. Price hikes and inflationary trends on a supply side which has not been able to adequately respond to global demand have made themselves felt in the world economy.

TURKEY WAS ABLE TO REAP THE REWARDS OF ITS ADVANTAGEOUS GEOGRAPHICAL POSITION, DYNAMIC AND PRODUCTIVE POPULATION AND STRONG PRODUCTION NETWORKS IN A MANNER TO SUPPORT GROWTH EVEN DURING THE PANDEMIC PERIOD, A TIME MARKED BY HIGH UNCERTAINTY.

Alpaslan ÇAKAR
Member of the Board
and CEO

OUR COUNTRY CONTINUES ITS UNINTERRUPTED GROWTH

Our country's economy was one of the few countries to have post positive growth in 2020, and Turkey's economy grew vigorously by 11% in 2021. Turkey was able to reap the rewards of its advantageous geographical position, dynamic and productive population and strong production networks in a manner to support growth even during the pandemic period, a time marked by high uncertainty.

The resilience which our economy has displayed will increasingly support the adaptation to developments in the global and regional supply chains and also pave the way for important steps to be taken as country moves to become a regional production hub in the coming period.

A SECTOR USING ITS CLOUT TO SUPPORT THE ECONOMY

The banking sector maintained its robust growth trend in 2021 and continued to actively support the Turkish economy. This period was marked by continued developments in digital banking. Legislation to allow banks to accept customers remotely accelerated the redefinition of our sector's business processes to be as contactless and mobile, in line with digital banking principles.

ZIRAAT BANK CONTINUES TO PUT ITS STAMP ON NEW ACHIEVEMENTS

As the building block of the Turkish banking sector, our Bank continued to focus on financing the real sector in 2021.

Our bank increased its cash loan volume to TL 778 billion in 2021, with an increase of 30% in loans compared to the previous year. Its total loan volume, including non-cash loans, stood at over TL 1 trillion.

Over the same period, Ziraat Bank's deposits grew by more than 50% to approach TL 1 trillion with deposits comprising a 69% share of liabilities.

Our total assets rose to TL 1.4 trillion with our equity standing at TL 97 billion.

In 2021, our Bank reaffirmed its position as the sector leader with its commanding market share, with our share in the sector's total cash loans approaching 15% and our share in deposits exceeding 17%. We commanded a 14% share of the sector's equity with a share of approximately 15% in total assets.

GUIDED BY OUR STRATEGIC PRIORITIES.

Our strategic priorities have enabled us to successfully manage the difficult conditions of 2021. They guided us in using our resources in productive areas with strong potential.

Our selective credit policy and sustainable growth criteria, which is concerned with the effective use of resources, enable us to improve credit quality with effective credit processes. We deem investments in manufacturing, exports, energy and technology to be of key importance for the medium and long-term future of our country. Our selective credit policy and

GRI 102-14, 103-2, 103-3

Our strategic priorities have enabled us to successfully manage the difficult conditions of 2021.

sustainable growth criteria also allow us to support these investments with an optimal resource cost.

Our strategy towards the business model of future is leading us to offer an increasing number of solutions and consultancy services to our customers through digital channels. Our priority of "technology in life" draws the roadmap of our progress with advanced technological infrastructures. Our Bank's technology infrastructure is constantly being improved with flexible software development processes, the global data center and high information security practices.

As we move towards the future, another issue which we prioritize is the continuous development of our organization and the satisfaction of our employees. Ziraat Bank is a large and extensive family. We continuously invest in the professional development of each of our members in order to enhance the employee experience and support organizational efficiency.

The wide presence of the Ziraat Finance Group and its competence in creating integrated financial solutions allow us to offer strength in service delivery that is unrivaled. We expanded our international service network by opening three new branches in 2021. We offered Ziraat Real Estate Investment Trust, Turkey's real estate giant, to the public in an IPO. Our internet and mobile banking investments in our branches abroad continue without interruption. Another priority for us is platform banking. We continue to work on new products and services to be offered within the scope of open banking and service banking regulations.

We integrate the principles of environmental and social risk governance into our business model. In line with our Sustainability Policy, we maintain our efforts to develop collaborations in order to create added value with the banking principle that respects people and the environment.

A LOAN STRATEGY FOCUSED ON AGRICULTURE AND PRODUCTION

In 2021, Ziraat Bank continued to pursue an effective approach in providing financing to all sectors which produce and take part in the commercial cycle. Ziraat Bank implements a credit strategy focused on contributing to manufacturing, employment, exports and the current account balance, especially agriculture. It acts in a manner which will offer the greatest contribution to the economy with the loan packages which it has designed.

Sectors engaged in production remain our top priority and we continue to provide the highest level of support to the manufacturing business line, following the agricultural sector.

AGRICULTURAL PRODUCTION REMAINS OUR PRIORITY

We believe in the importance of agriculture for our country and support the development of the sector under a unique approach. On the one hand, we maintain our financing support for the agricultural sector, while on the other, we continue to work intensively to diversify agricultural loan products.

We remain faithful to our primary goals of the contracted production model, controlled greenhouse agriculture, bringing agricultural enterprises to a position where they can use economies of scale, the utilization of idle operating capacity, raising the level of agricultural mechanization and increasing the use of technology. Another of our primary goals is to financially support agricultural investment projects which will create added value in agricultural production and which meet our country's needs.

Other topics we support include investments and activities to expand the storage, processing, packaging and marketing capacities of agricultural enterprises for their own products, with a special focus on licensed warehousing and cold storage investments.

As of the end of 2021, the balance of agricultural loans extended from our bank's resources had reached TL 109 billion, with the number of loan customers had reached 725,000. In the same period, we welcomed approximately 84,000 new agricultural producers to our Bank as customers.

Investment loans comprise 36% of our agricultural loan portfolio with working capital loans accounting for 64% of the total.

As of the end of 2021, the balance of the loans disbursed within the scope of the contracted agricultural production model, which is one of our key priorities, had reached to TL 554 million

The "I Have Many Reasons to Live in My Village" project got underway in the last quarter of 2020 and continued in 2021. This project was implemented in order to enlarge the scale of the small cattle breeding businesses, to bring idle business capacity into production, to achieve development with domestic sheep breeds and to diversify the range of financial solutions offered to small businesses. Within the scope of the "I Have Many Reasons to Live in My Village" Project, our bank provided TL 694 million in financial support to 5,447 producers in 2021.

Moreover, our Economic Irrigation Loan product was introduced in 2021 in order to expand the use of modern pressurized irrigation systems in agricultural irrigation and to ensure more efficient use of water resources.

Ziraat Bank will continue to support agriculture, which is the cornerstone of its mission, with added value packages and to offer our producers products and services with a strong value proposition. In addition to this wide range of financial support for agriculture, we continue to work in cooperation with all relevant institutions, organizations and universities on increasing the added value of agriculture and solving the structural problems of the agricultural sector.

STRONG SUPPORT IN DIFFICULT TIMES

Ziraat Bank continued to stand by the sectors and employees affected by the Covid-19 pandemic in 2021. We implemented financing packages for SMEs which have a significant share in our country's production and employment, and have which experienced difficulty in accessing appropriate financing. Ziraat Bank signed a protocol with the Ministry of Treasury and Finance, the Credit Guarantee Fund, the SGK (Social Security Institution of Turkey) and İŞKUR (the Turkish Employment Agency). The purpose of this protocol is to meet the financing needs of the SMEs and non-SME businesses which commit to provide and maintain additional employment, at affordable conditions, and to provide interest support. Within this protocol, our Bank introduced the Additional Employment Loan Package. As of the end of 2021, the bank had disbursed TL 4.4 billion in loans within this context.

Ziraat Bank signed a protocol with the Union of Chambers and Commodity Exchanges of Turkey (TOBB) and the Credit Guarantee Fund (KGF) in order to provide special working capital financing at affordable conditions and with guarantee support to its SME customers. With the Breath Loan Package product, which was prepared in accordance with the aforementioned protocol, the bank disbursed TL 621 million in loans.

Within the framework of the cooperation with KOSGEB (Small and Medium Enterprises Development Organization of Türkiye), we continued to support our SMEs with interest supported loans. The Tourism Support Package, Tourism Fire Support Package and Micro Enterprise Support Packages were offered to ensure that our SMEs operating in the tourism sector and, in particular, micro-scale SMEs were protected from the effects of the pandemic by facilitating their access to finance. In this context, the bank disbursed TL 685 million in loans.

In addition, the Manufacturing Based Import Substitution Support Package, established under the leadership of the Ministry of Industry and Trade, was put into practice. The package is aimed at financing investments undertaken by SMEs which will reduce our country's dependence on imports by investing in strategic sectors at favorable maturities and affordable costs.

Moreover, the bank provided support to all stakeholders to ensure the uninterrupted continuation of business life with appropriate POS pricing and the Supply Chain Financing product applications offered at favorable conditions by developing the Commercial Card and Member Business product set.

In addition, we provided prompt support at favorable conditions for all of our citizens who suffered problems in the recent period, a time marked by many disasters such as earthquakes, floods and fires.

GRI 102-14, 103-2, 103-3

As we unwaveringly maintained our investments in digitalization in 2021, we continued to develop and diversify the services we offer to our customers in all aspects.

WE CONTINUE TO PROVIDE RESOURCES FROM INTERNATIONAL MARKETS TO OUR ECONOMY

Deposits remained our main source of funding in the financing of our assets, with loans continuing to make up the majority of assets in 2021. With the support of its long-standing international relations and high prestige in foreign markets, our Bank continued to provide resources in different formats such as foreign currency repo, bilateral agreements, thematic loan agreements with international financial institutions, Eurobond issuances, post financing loans and syndications.

Ziraat Bank issued a sustainable USD 600 million Eurobond with a maturity of 5 years from international markets in line with environmental and social sustainability criteria. This transaction was the first sustainable Eurobond issued from Turkey by a financial institution, 100% of whose shares was held by the public sector.

Ziraat Bank succeeded in renewing its ninth syndicated loan of USD 1.3 billion with a maturity of 367 days, realized with the participation of 45 banks from 23 countries in April 2021 with a roll-over ratio of more than 100%. This loan, obtained from international markets for the purpose of financing foreign trade is an indicator of the international confidence placed in our Bank.

Another important example of cooperation realized in 2021 was the USD 400 million loan agreement signed with the Exim Bank of China. This cost-effective loan, provided in two tranches of USD 320 million and 500 million Chinese Yuan, contributed to the development of trade in local currency.

With the international resources which our bank has provided, our bank supported the real sector throughout the year with foreign trade transactions which are an important driver of sustainable economic growth.

A FUTURE IN DIGITALIZATION

As we unwaveringly maintained our investments in digitalization in 2021, we continued to develop and diversify the services we offer to our customers in all aspects. Our main goal is to ensure our customers benefit from the convenience and speed offered by technology to the maximum extent possible. Our other focus is to prepare the Ziraat brand for the new normal by redesigning our business processes as required by the technological transformation.

We have a service perspective which adopts the approach of continuously improving the customer experience by developing products and services with high added value. Delivering innovative products to an increasing number of customers and making use of robotic technologies and artificial intelligence at our bank stand out as the driving forces of our digitalization journey.

We recorded an increase of 75% in the number of financial transactions carried out through our mobile application in 2021 when compared to the previous year. The number of digital banking customers increased to approximately 28 million with the number of active digital banking users reaching 17 million. In the same period, our customers performed 94% of their financial transactions through digital channels. The number of Ziraat Bank credit cards in circulation amounted to 10.3 million. We commanded a 12.3% share of the credit card market and a 10% market share in terms of monthly turnover, while we had 42.6 million debit cards in circulation. Our leadership position in the sector was reinforced with a 22.5% market share in monthly shopping turnover.

With its extensive digital service network, our bank was serving 895,000 member businesses at the end of 2021. Our total number of physical terminals increased to 660,000.

The members of Ziraat Bank are our most important asset. We owe our well-deserved reputation and market position, which we have built in Turkey and in the global markets over the past 158 years, to our employees.

AS A STAKEHOLDER, WE ARE REDOUBLING OUR EFFORTS IN THE SOLUTION OF CLIMATE CRISIS.

The IPCC (Intergovernmental Panel on Climate Change) published its Sixth Assessment Report in 2021. The consequences of rising global temperatures were highlighted in the scenario of an increasing number of extraordinary meteorological events, especially heatwaves, in the world which would bring widespread problems to the ecosystem, in particular drought, with important and destructive effects.

The short, medium and long-term physical and transition risks arising from the climate crisis are expected to continue unabated. Meanwhile, the correct and careful management of risks by both the authorities and the real sector is gaining importance with each passing day. In 2021, many actions were taken to step up support to tackle the climate crisis both on a global scale and in our country, with new legislation coming into force.

The most important of these is the European Green Deal, which could potentially impact our country. Through the European Green Deal, the EU aims to implement the Carbon Border Adjustment Mechanism. This mechanism is a key agenda item for Turkey and our manufacturing industry, where more than 40% of its exports go to the EU.

Ziraat Bank prioritizes the climate crisis in all aspects and implements the necessary regulations in its activities step by step in close cooperation with its stakeholders, in line with environmental and social sustainability criteria.

INVESTING IN PEOPLE IS OUR PRIORITY

The members of Ziraat Bank are our most important asset. We owe our well-deserved reputation and market position, which we have built in Turkey and in the global markets over the past 158 years, to our employees, who have demonstrated such wholehearted commitment to our Bank for generations and who have built the present with such devotion.

While focusing on the future, we will continue to develop our human resources and equip them with the most up-to-date competencies.

THE NEED TO BALANCE THE RISKS AND OPPORTUNITIES WHICH THE FUTURE OFFERS

We carefully monitor the effects of global developments on our sector and the disruptive changes affecting the markets with the right steps that we have taken within the scope of our strategic roadmap. Meanwhile, we maintain our intense efforts to protect and develop our capital elements.

I would like to thank our customers, who have accompanied us on our journey, and our Board of Directors for their unwavering support. I would like to thank our employees, who have proudly represented the Ziraat brand in our domestic and international units, and who contributed most to our success with their work.

Alpaslan ÇAKAR
Member of the Board
and CEO

Konya Branch

Ziraat Bank was established for the first time in Konya in 1895. Its first building was located in the square to the south of today's Regional Directorate of Foundations. The present building was built in 1929 by the bank administration. The building is located in the Kayalı Park area on Mevlana Street. The building has three floors and a basement. The building material is cut stone, with a hipped roof covered in Marseille type roofing tiles.

VALUE GENERATION AND STRATEGY

GRI 102-14, 102-21, 102-46, 102-47

THE SUSTAINABILITY APPROACH AT ZIRAAT BANK

SUSTAINABILITY VISION

To use the unrivaled experience and knowledge that we have built up over 150 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 GOALS

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.

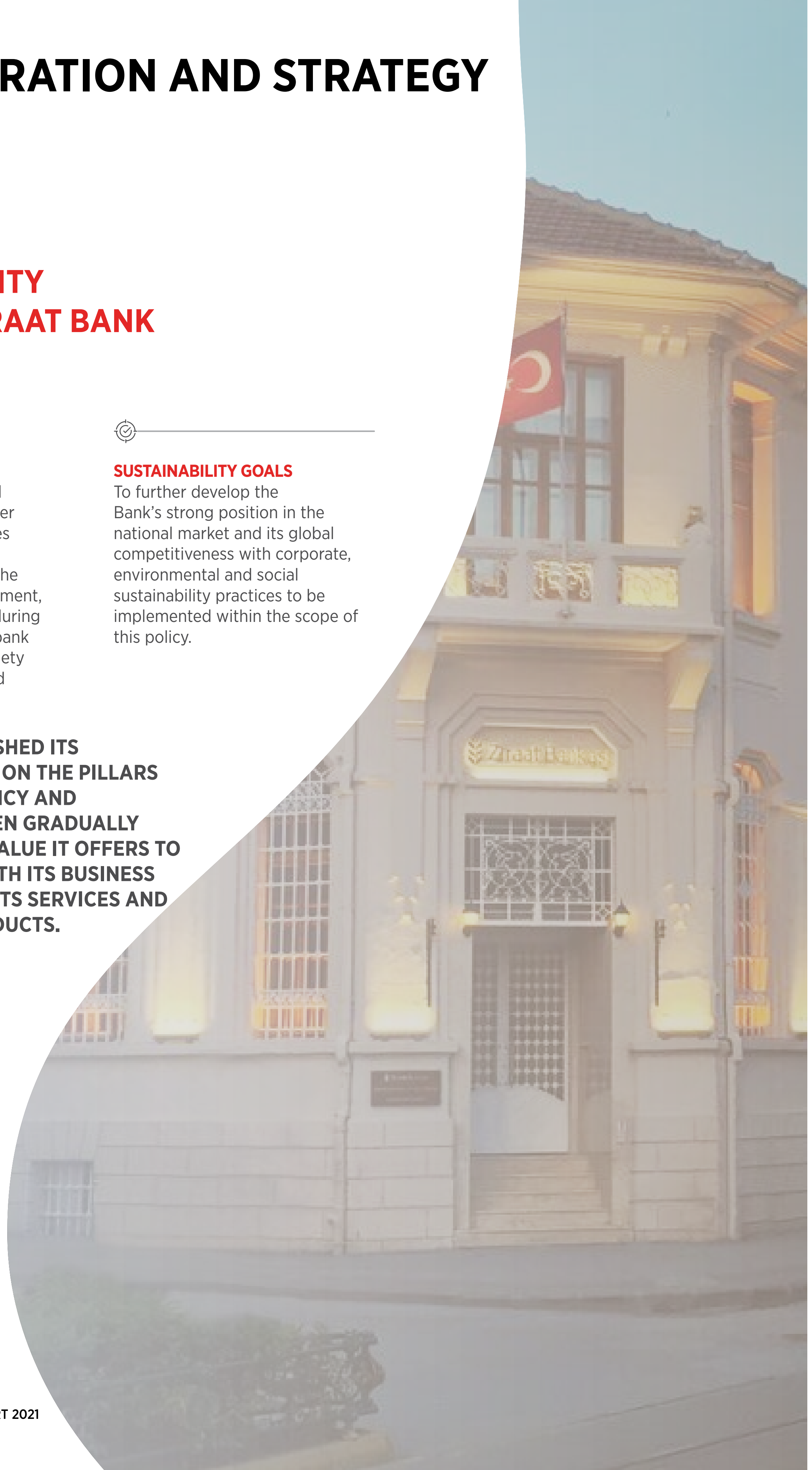
ZIRAAT BANK HAS ESTABLISHED ITS SUSTAINABILITY STRATEGY ON THE PILLARS OF MULTIFACETED EFFICIENCY AND EFFECTIVENESS. IT HAS BEEN GRADUALLY BUILDING ON THE ADDED VALUE IT OFFERS TO THE TURKISH ECONOMY WITH ITS BUSINESS PRACTICES, THE SCALE OF ITS SERVICES AND THE DIVERSITY OF ITS PRODUCTS.

ZIRAAT BANK'S CURRENT POLICIES

For Sustainability Policy

For Disclosure Policy

For Prevention of Money Laundering and Combating against Financing of Terrorism/ Proliferation of Weapons of Mass Destruction Policy



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.

- Ziraat Bank is a strong, leading, and trusted bank. We desire to perpetuate our existing success in economic sustainability into the future by supporting it with long-term corporate, environmental and social sustainability perspectives.
- In our decision-making processes, we take a careful and thoughtful approach when dealing with environmental and social issues and the potential risks associated with them in the management of our resources and our service infrastructure.
- We regard environmental sustainability including climate change and the transition to a low-carbon economy as an important item on our agenda.
- As an employer, we believe in the importance of humane working conditions. In our business model, we attach importance to opportunity equality and to build up a learning organization structure by providing chance of self-improving among all of our employees: we target to increase employee motivation and corporate loyalty by continuously advancing human resources practices.
- As a service provider, we regard behaving customer-oriented and ensuring customer satisfaction as fundamental to everything. By constantly improving our processes, our goal is to offer banking products and services to all of our customers in practical, intelligible and accessible ways and also to enrich the banking industry through innovative and exemplary practices.
- As a business partner, we are committed to develop our relationships with suppliers on the grounds of mutual respect, responsibility, and fairness. We support our suppliers' success through cooperative projects that we carry out together.
- We are committed to continuously develop and implement projects with the purpose of integrating universally-accepted sustainability principles into our business model.
- We attach importance to having a presence and playing an active role in multilateral sustainability initiatives and collaboration platforms both at national and international level.

Based on these fundamental points, Ziraat Bank is focused on promoting, developing and maintaining sustainability throughout its value chain.

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.

SUSTAINABILITY STRUCTURE

Ziraat Bank's sustainability plan, structured under the auspices of the Ziraat Bank Board of Directors, has been put into practice within the scope of a lean and effective organizational structure.

The sustainability activities at Ziraat Bank are executed under the leadership of the Bank's CEO.

Sustainability activities are coordinated by the Financial Institutions and Investor Relations Department.

ZIRAAT BANK WEBSITE

The Bank's corporate website, www.ziraatbank.com.tr, plays an important role in enlightening the public with up-to-date information. Ziraat Bank offers information and documentation in Turkish and English on the website within the scope of compliance with the Corporate Governance Principles.

ZIRAAT BANK'S VALUE GENERATION MODEL

A LONG PAST, STRONG FOUNDATIONS

Ziraat Bank has a wide portfolio of domestic and international affiliates in the fields of banking, investment services, portfolio management, venture capital, real estate investment trusts and financial technologies. This strong structure reinforces the Bank's ability to provide integrated financial services.

FINANCIAL HIGHLIGHTS

TL 1.371 billion Total Assets	**TL 949 billion** Deposits
TL 778 billion Cash Loans	**TL 6,3 billion** Net Profit

GRI 102-7

INPUTS

FINANCIAL CAPITAL
Strong equity and financial structure, a wide customer and deposit base, effective use of capital markets, cooperation with international financial institutions

MANUFACTURED CAPITAL
Turkey's largest banking service network, infrastructure providing customer and data security

INTELLECTUAL CAPITAL
Ziraat - a brand synonymous with trust, corporate knowledge built up over 157 years, and products and services supported by digital projects and innovation

HUMAN CAPITAL
High-level human resources offering customers the right value from the right channel at the right time, with its superior market knowledge and experience

SOCIAL AND RELATIONSHIP CAPITAL
Effective communication with stakeholders, a comprehensive structure offering access to financial services throughout Turkey, a wide impact area generated with the Ziraat Finance Group through solutions provided with the principle of being "more than just a bank"

NATURAL CAPITAL
Studies carried out to keep direct and indirect environmental effects under control and to manage and continuously improve them with the right strategies and technologies

A DEEPLY ROOTED HISTORY, STRONG FOUNDATIONS
Ziraat Bank has a broad portfolio of domestic and international subsidiaries in the fields of banking, investment services, portfolio management, venture capital, real estate investment trusts and financial technologies. This strong structure reinforces the Bank's ability to provide integrated financial services.

PRODUCT AND SERVICE OFFERING OPERATIONS
Business processes targeting the sustainability of the extensive range of products, services and solutions, which are shaped by an approach which embraces digital change and innovation

MARKETING OPERATIONS
Business processes delivering products, services and solutions to customers in the main corporate, commercial and retail banking segments which offer a strong value proposition and a secure financial future

OPERATIONAL ACTIVITIES
Business processes that allow services to be provided to customers through Turkey's most extensive branch and ATM network, and digital channels with 24/7 access

SUPPORTING OPERATIONS
Business processes which make the Ziraat Bank Value Creation Model work, such as Human Resources, IT, Supply Chain and Risk Management

PRODUCT AND SERVICE OFFERING OPERATIONS
Business processes targeting the sustainability of the extensive range of products, services and solutions, which are shaped by an approach which embraces digital change and innovation

SUPPORTING OPERATIONS
Business processes which make the Ziraat Bank Value Creation Model work, such as Human Resources, IT, Supply Chain and Risk Management

MARKETING OPERATIONS
Business processes delivering products, services and solutions to customers in the main corporate, SME and retail banking segments which offer a strong value proposition and a secure financial future

OPERATIONAL ACTIVITIES
Business processes that allow services to be provided to customers through Turkey's most extensive branch and ATM network, and digital channels with 24/7 access

OUTPUTS

FINANCIAL CAPITAL
- Strong support to the Turkish economy and real sector
- Loan packages for retail customers
- 14.9% market share in cash loans
- Sector leader with TL 1,371 billion total asset size
- Foreign trade transactions reaching USD 70 billion
- An extensive correspondent bank network in 140 countries

MANUFACTURED CAPITAL
- A service network in 18 countries
- 9 foreign subsidiaries, 25 branches abroad and one representative office
- 6 domestic subsidiaries
- Internet Banking
- Mobile Banking
- Telephone and SMS Banking

INTELLECTUAL CAPITAL
- Number of customers in digital banking: 27.7 million
- Number of active digital banking customers: 17 million
- The ratio of financial transactions carried out through digital channels: 94%
- Number of transactions performed through the Operation Center: 200+ million, overall centralization ratio: 99.9%
- Remote customer acquisition over mobile application with national ID card
- Golden Spider Awards for digital banking applications

HUMAN CAPITAL
- Ziraat Bank: 24,607 employees
- Ziraat Finance Group: 28,971 employees
- 608 new employment
- Average service duration: 13 years
- Average classroom training: 11.8 hours per person
- Average distance learning: 25.3 hours per person
- Unionization rate: 91%

SOCIAL AND RELATIONSHIP CAPITAL
- 1,752 branches and 7,269 ATMs in Turkey and abroad
- More than 37 million customers
- The one and only bank to operate in more than 350 districts throughout Turkey
- The Ziraat Bank painting collection with over 2,500 works
- The First Banking Museum
- Contribution to regional development through the "Köyümde Yaşamak İçin Bir Sürü Nedenim Var (I Have Many Reasons To Live In My Village)" project
- Training for young farmers with the "Young Farmer Academy" social responsibility project
- Improvement of schools in priority regions for development through the "Children on Vacation, Schools on Renovation"
- Barrier-free Banking Investments
- The most effective bank in social media channels

NATURAL CAPITAL
- Greenhouse gas intensity (tCO_2e/ TL million turnover): 0.05[2]
- Recycled IT products: 47 tons
- Recycled waste paper: 1,125 tons
- Saving 36,000 sheets of A4 paper by virtual archive application
- Disposed waste products: 23,000 kg
- Renovation of 113 service buildings carried out with the concept of sustainability
- Donation of 10 saplings on behalf of each employee

INPUTS

OUTPUTS

STRATEGIES AND ACHIEVEMENTS IN 2021

GRI 203-1, 203-2

THE DRIVING FORCE

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.

ADDITIONAL VALUE

- STRONG BRAND VALUE
- A SOUND EQUITY STRUCTURE
- A WIDESPREAD LOCAL AND GLOBAL SERVICE NETWORK
- A VAST PORTFOLIO OF DOMESTIC AND INTERNATIONAL SUBSIDIARIES
- 25,000 COMPETENT EMPLOYEES
- MODERN INFRASTRUCTURE SYSTEMS

OUR STRATEGIES

SUSTAINABLE GROWTH

To remain a pioneer in the sector with a selective credit policy and effective use of resources

While Ziraat Bank has makes its balance sheet increasingly customer-focused, it proactively manages loan quality through effective loan processes, prioritizes effective use of resources and cost control. Ziraat Bank continues to support the agricultural manufacturing, export, energy, technology investments with its selective credit policy and optimal resource cost.

- TL 1,371 billion asset size
- TL 778 billion cash loans
- TL 949 billion deposits
- 29.6 increase in cash loans
- USD 1.3 billion syndication loan
- USD 600 million sustainable bond issuance with 5-year maturity
- Bilateral loans and post-financing with a total amount of USD 1.2 billion from correspondent banks

THE BUSINESS MODEL OF FUTURE

To offer digital solutions to the customers

Ziraat Bank continues its efforts to provide its customers with digital solutions, including the digital banking experience, and to provide financial consultancy services. In addition to digital solutions, the Bank proactively identifies the needs of its customers with analytical solutions and develops its solutions according to customer segments.

- 17 million active Digital Banking customers
- Remote customer acquisition through the mobile app
- Use of virtual bank cards in e-commerce
- Ziraat Mobile renewed with a modern and animated screen design,
- Digital Credit offering consumer credits disbursement through digital channels

TECHNOLOGY WITHIN LIFE

To continue to work with an advanced technological infrastructure

Ziraat Bank continuously improves its technology infrastructure with its flexible software development processes, global data center and exemplary information security practices.

- Number of processes being performed by robotic software: 66 (sixty six)
- Title Deed Reliable Account application
- Integration of the Bank's Human Resources System and BİLGE- in-house virtual assistant application
- The "Raportal" application which combines all reporting tools on a single platform
- Integration of data quality management processes into data/ business dictionary activities

DEVELOPING ORGANIZATION AND SATISFIED EMPLOYEES

To continuously enhance the employee experience and organizational efficiency by constantly developing business practices and investing in the development of our employees

Ziraat Bank enables the development of the skills of its employees, who are its most valuable assets, by providing training opportunities. Ziraat Bank observes equality of opportunity by conducting competency and quantitative performance evaluation processes and aims to increase employee motivation and corporate loyalty by constantly improving its human resources practices.

- Remote and rotational work practice during the Covid-19 pandemic period
- An extensive range of educational content in the Banking School application
- Master's programs for employees within the scope of the protocol signed with Ankara University
- The "Ziraatli-comment" application, implemented so employees could share their wealth of knowledge and experience with other employees.

A GLOBAL BANK

Maximizing customer satisfaction by creating integrated financial solutions in all countries where the Ziraat Finance Group operates

In order to offer a complete package meeting the financial requirements of Ziraat customers, the Group generates integrated solutions with its domestic and international banking subsidiaries, branches and finance entities, offering these solutions to its customers in the most efficient way by taking advantage of the economies of scale provided by being a finance group.

- An international service network expanding with the opening of three new branches
- The IPO of Ziraat REIT, Turkey's real estate giant
- The Key Global Project, launched to align the main banking applications used by the units abroad with the Ziraat Finance Group standards
- The Finance Group Transfer System implemented in 7 countries
- Internet and mobile banking investments in the branches abroad

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 Bank offers new products and services in cooperation with the entire ecosystem in order to provide its customers with better banking and financial opportunities whenever they need it.

- Work on new products and services to be offered within the scope of Open Banking and Service Banking legislation
- Access to many applications from a single point, such as Member Business Platform, e-Government gate, the Turkey Life Pension Platform
- Ziraat Pay infrastructure

RESPONSIBLE BANKING

To integrate the principles of environmental and social risk governance into the business model

Ziraat Bank aims to generate added value with its banking principle which respects people and the environment in line with its Sustainability Policy.

- As an integral part of the Sustainability Policy, environmental and social risk assessment is carried out in investment projects within the scope of the policy which determines environmental and social impact management principles.
- The 2022 syndicated loan is planned to be linked to sustainability
- Paper saving with the digitalization of contracts

THE SUSTAINABLE DEVELOPMENT GOALS (SDGs) AND ZIRAAT BANK

GRI 203-1, 203-2

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.

Setting out a sustainability agenda which is far more comprehensive, the 17 Sustainable Development Goals (SDGs) went beyond the UN Millennium Development Goals.

The SDGs are aimed at eradicating poverty and at realizing development for all as a universal necessity. The global consensus achieved around the SDGs marked a major turning point for shifting the world onto a more inclusive and sustainable growth path.

The Bank's activities which are considered to contribute to the SDGs within the scope of its service cycle are addressed in detail in various sections of this report.

SDG	ZIRAAT BANK'S OPERATIONS WHICH DIRECTLY/INDIRECTLY CONTRIBUTE TO THE SDGs
1 2 5 8 10 12	SME financing and guarantee products, inclusive banking services, retail and corporate loan solutions, finance of sustainable agriculture and other environmental loan products and lending activities specific to disaster areas.
3	Measures to protect employee and customer health during the pandemic period
4 8	Training and development programs offered to Ziraat Bank's human resources, supporting training projects which raise enterprise awareness for customers, financial literacy training programs
7 12	Financing provided to renewable energy and energy efficiency projects, efficiency investments in the service building
8 9	Financing to infrastructure, SME and industrial investments, digital banking products and solutions, consumer-friendly financing and savings products, barrier-free banking
5 8 10 16	Corporate governance practices, human resources management, remuneration policies, equality of opportunity implemented in Ziraat Bank
11 17	Financing provided to the housing industry with national-scale development and investment projects, support to the green economy, contribution to cultural heritage
9 17	Financing provided to development and investment projects of a national-scale and to the housing sector, support for the green economy, contribution to cultural heritage
1 8	Loan projects special to priority regions for development
12 13	Carbon footprint measurement activities, waste management practices, efforts to establish an environmental and social impact management system

STAKEHOLDERS OF ZIRAAT BANK

GRI 102-21, 102-40, 102-42, 102-43, 102-44, 203-1, 203-2

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

Stakeholder communication, most of which continues within the scope of the daily service cycle, provides an extremely valuable platform for Ziraat Bank to correctly understand and evaluate demands and expectations.

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
Main Stakeholders	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.
	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.
	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.
Other Stakeholders	Regulatory bodies	As part of the business cycle - when deemed necessary	Reports, correspondence and related meetings made in accordance with the legislation
	International banks and investors	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.

IMPACT FRAMEWORK OF STRATEGIES

GRI 102-42, 102-43, 102,44, 103-1, 203-1, 203-2

Ziraat Bank boasts the largest and most extensive service network of any bank in Turkey. The Bank generates value by offering its financial products, services and solutions to a wide range of customers.

The Bank uses six capital items in the value generation process. Ziraat Bank needs different amounts of input from each capital item in order to implement its strategies and generate value for its stakeholders.

Strategies, the Bank's approach, and relations between the relevant stakeholders and items are taken into account in the use of capital items. On the other hand, increasing efficiency in operations and reductions in the direct and indirect negative impacts on the environment are considered cyclically.

STRATEGIES	ZIRAAT BANK'S APPROACH	ASSOCIATED STAKEHOLDER	SDGs WHICH HAVE BEEN CONTRIBUTED TO
Sustainable Growth	While Ziraat Bank seeks an increasingly customer-focused balance sheet, it proactively manages loan quality through effective loan processes, prioritizing effective use of resources and cost control. Ziraat Bank continues to support investments in agriculture, manufacturing, exports, energy and technology with its selective credit policy and with optimized resource costs.	Customers	1, 2, 7, 8, 9, 11, 12, 17
The Business Model of the Future	Ziraat Bank maintains its efforts to provide its customers with digital solutions, including a digital banking experience, and to provide financial consultancy services. In addition to digital solutions, the Bank proactively identifies the needs of its customers with analytical solutions and develops its solutions based on customer segments.	Customers	1, 2, 8, 9, 17
Technology within Life	Ziraat Bank continuously improves its technological infrastructure with its flexible software development processes, global data center and exemplary information security practices.	Customers, Employees	8, 9, 10, 17

STRATEGIES	ZIRAAT BANK'S APPROACH	ASSOCIATED STAKEHOLDER	SDGs WHICH HAVE BEEN CONTRIBUTED TO
Developing Organization and Happy Employees	Ziraat Bank provides its employees - its most valuable asset - with training opportunities to support the development of their skills, paying regard to the equality of opportunity by conducting competency and quantitative performance evaluation processes, and aims to increase employee motivation and their corporate loyalty by continuously improving human resources practices.	Customers	3, 4, 5, 8, 10, 16
A Global Bank	In order to offer a complete package meeting the financial requirements of Ziraat customers, the Group generates integrated solutions with its domestic and overseas banking subsidiaries, branches and finance entities, offering these solutions to its customers in the most efficient way by taking advantage of the economies of scale provided by being a finance group.	Employees, Customers, Suppliers, Shareholder	8, 9, 10, 11, 12, 16, 17
Platform Banking	Ziraat Bank offers new products and services in collaboration with the entire ecosystem to provide its customers with better banking and finance opportunities at any time they need.	Customers	9, 17
Responsible Banking	Ziraat Bank aims to generate added-value with its banking principle that respects people and the environment in line with its Sustainability Policy.	Customers, Society, International banks and investors, Regulatory bodies, Sectoral unions and organizations	10, 11, 12, 13, 16, 17

İlkadım / Samsun Branch

The building was opened as Athens Bank in September 1909. It was used as the Ziraat Bank Samsun Central Branch. The building continued its activities between 1991 and 2010 as the Ziraat Bank Special Transaction Center affiliated to the Samsun Central branch, and has been operating as the Ziraat Bank İlkadim Branch since 2010.

IN 2021

MACROECONOMIC OUTLOOK

AS GLOBAL ECONOMIC ACTIVITY EXCEEDED PROJECTIONS IN 2021, INFLATIONARY RISKS RETURN.

FOLLOWING THE STRONG GROWTH RECORDED IN 2021, THE GROWTH OF THE TURKISH ECONOMY IN 2022 IS EXPECTED TO CONVERGE TOWARDS ITS TREND LEVELS, MAINLY DRIVEN BY FOREIGN DEMAND.

IN 2021, THE RECOVERY IN GLOBAL DEMAND, WHICH OUTPACED PREDICTIONS, COMBINED WITH THE SUPPLY CONSTRAINTS, BROUGHT ABOUT PRICE HIKES IN COMMODITY PRICES, IN TURN EXACERBATING THE RISE IN GLOBAL PRODUCER AND CONSUMER PRICES.

The IMF projects that the global economy, which contracted in 2020, will grow by 5.9% in 2021.

GLOBAL ECONOMY

As global economic activity exceeded projections in 2021, inflationary risks return

With the support of the fiscal and monetary policies implemented to alleviate the impact of the pandemic, the vaccination rollout, relaxation of lockdown measures and the emergence of deferred demand in 2021, the recovery in the global economy exceeded projections.

The uneven access to vaccines led to a divergence in growth between regions and countries with developed countries more advanced in the vaccine development and offering more comprehensive access to the vaccines, and their economies recovered significantly as the vaccination rollout gained pace. On the other hand, the economic recovery was weaker in some developing countries, which had difficulties in procuring vaccines and rolling out the vaccine.

The pace of the vaccination rollout, which started in the first quarter of 2021, gained pace in the second quarter of 2021, stimulating a recovery in the service sector, especially in travel, as the pandemic restrictions were scaled back. With the contribution of the base effect, a strong recovery was observed in the global economy in the first half of 2021.

The recovery in the global economy lost some of its pace in the second half of the year, mainly due to supply chain issues, concerns over the Chinese housing sector, the spread of the Delta variant and the implementation of some restrictive measures. In addition, inflationary pressures increased on the back of high commodity prices and supply and demand imbalances. Against this backdrop, central banks in developed and developing countries brought forward their plans to implement tightening measures.

A strong recovery in the Eurozone 2021

Our biggest foreign trade partner, the Eurozone, posted strong growth in 2021 with the support of the vaccination rollout and supportive monetary and fiscal policies. The ECB has signaled that it will adopt a slower pace of monetary tightening in 2022 when compared to the Fed. Moreover, the region's PMI data demonstrates that economic growth continues, albeit at a slower pace.

These developments indicate that foreign demand in the Euro Zone may continue to support the growth of the Turkish economy in 2022.

The IMF projects that the global economy, which contracted by 3.1% in 2020, will grow by 5.9% in 2021, with the central banks of many developed countries, especially the Fed, stepping up their pace of monetary tightening in 2022. This would pave the way for a more moderate rate of global growth, of around 4.4%.

One of the main themes of 2021 was the rise in commodity prices.

The Fed fires the starting gun on monetary tightening
In 2021, the recovery in global demand, which outpaced predictions, combined with the supply constraints, brought about price hikes in commodity prices, in turn exacerbating the rise in global producer and consumer prices.

The US economy was one of the economies leading the global recovery in 2021. The vigorous recovery in the labor market focused attention on mounting inflationary pressures. The Fed had initially deemed the high levels of inflation to be a temporary phenomenon before in an about turn predicted that high levels of inflation may remain for a longer period and become more permanent than it had earlier projected, with the fallout of supply bottlenecks now expected to drag on into 2022.

In November 2021, the Fed announced that it would be scaling back its asset purchasing. With the strong course of the US economy and increasing inflationary pressures, the Fed accelerated the reduction in its asset purchase program in its December meeting, while guiding for three rate hikes for 2022.

The Fed is expected to conclude its asset purchase program by March. The minutes of December's Fed meeting were published in January 2022 where the Fed meeting minutes implied that the FED could even bring forward its planned rate hikes. The Fed started the year with a more hawkish stance while in the meantime, the large-scale stimulus package set out by the Biden administration continues to be debated in congress. The financial steps set out in the package are expected to support the global economy, if the package is approved.

With the verbal guidance and tightening steps by central banks in developed countries, especially in the second half of 2021, developing countries tended to tighten their monetary policies in general. The rate of normalization in the Fed's monetary policy in 2022 will be one of the key factors determining capital flows into developing countries.

One of the main themes of 2021 was the rise in commodity prices. Many countries released their strategic reserves to the market and the slowdown signals observed in China ensured that commodity prices decelerated to a limited extent in the last period of the year.

The course of Chinese growth, the stance of the OPEC+ Group, Iran's nuclear deal, the use of strategic reserves and geopolitical risks originating from the war in Ukraine can be listed as important factors which may affect the course of commodity prices in 2022. Potential supportive steps by the Chinese authorities to boost the country's economy, which is showing signs of slowdown, could help alleviate the tightening in global financial conditions.

In 2022, capital flows into developing countries will be subject to volatility depending on the course of the pandemic, the efficacy of the vaccines in the face of new Covid-19 variants, the possibility of governments tightening their financial policies beyond projections, geopolitical developments in Russia and Ukraine as well as the developments in the Chinese financial and real estate markets stand out as other factors that may bring fluctuations in.

With cases of Covid-19 continuing, along with the emergence of new variants, such as the more infectious Omicron variant in the wake of the Delta variant, uncertainties regarding the pandemic are expected to continue to have an impact on the global economy. However, the lighter symptoms seen in Omicron cases and the process of easing the restrictions seen in the first quarter of 2022 also raise hopes that the pandemic can be brought to an end.

THE TURKISH ECONOMY

Following the strong growth recorded in 2021, the growth of the Turkish economy is expected to converge towards its trend levels, mainly driven by foreign demand.
One of only a few countries to record positive growth in 2020, Turkey's economy exceeded the forecasts and its potential in 2021 with the support of domestic and foreign demand. The Turkish economy demonstrated an impressive 11% growth in 2021. Consumption accounted for 9.3 percentage points of the 11% growth, with investment providing 1.8 percentage points and net exports 4.9 percentage points of the growth. Inventories negatively affected growth, taking 4.9 percentage points off the total. In terms of production, the manufacturing sector supported the 11% growth with exports accounting for 3.3 points of the total, with the service sector accounting for 4.6 points of the 11% growth on the back of the opening up of the economy and easing of restrictions, which were the driving forces of the growth. The Turkish economy concluded the year 2021 with double-digit growth. The Turkish economy is expected to maintain its positive growth performance in 2022, albeit with some easing in the pace of growth.

The year 2021 was one wrought by difficulties in global trade due to the issues in the global supply chain and a sharp jump in transportation costs. Turkey, on the other hand, turned this situation to its advantage by virtue of its geographical position, achieving record exports in 2021. Exports accounted for nearly half of the growth in 2021 and are set to remain one of the drivers of growth in 2022.

The strong performance in exports also supported employment in the manufacturing sector, which provided nearly a quarter of the new jobs created during the year. Companies which quickly adapted to this environment increased their capacity utilization rates to above historical averages. Consequently, strong demand encouraged companies to ramp up their investments. The upward trend in investment is expected to continue in 2022, supported by brisk foreign demand.

In 2021, tourism receipts exceeded expectations thanks to the vaccination rollout. Together with exports, tourism receipts were instrumental in the narrowing of the current account deficit. The impact of the pandemic is expected to be alleviated in 2022 with the support of vaccines and treatments in 2022, which should sustain positive expectations in the tourism sector. A revival in travel, which had been put on hold during the pandemic, is expected to support the tourism sector in 2022. On the other hand, the developments in Russia and Ukraine - countries which both account for a significant share of foreign visitors coming to our country - will determine the level of tourism revenues to a significant extent.

The strong performance in exports also supported employment in the manufacturing sector, which provided nearly a quarter of the new jobs created during the year.

Past experience demonstrates that the current account deficit tends to expand during periods of high growth. However, despite the strong growth in 2021, the current account deficit narrowed significantly due to a decreasing trend in gold imports, strong exports and recovering services revenues. The 12-month cumulative current account deficit, which had stood at USD 35.5 billion in 2020, decreasing to USD 14.9 billion in 2021, with the current account deficit/GDP ratio therefore decreasing from 5% in 2020 to 1.9% in 2021. In 2022, the course of gold and oil imports will continue to be an important factor. The course of tourism and export revenues are is also expected to have a significant bearing on the current account balance.

Source: www.tuik.gov.tr

2021 was a year marked by inflationary pressures both in the world and in Turkey.

As with the current account balance, significant gains were achieved in the budget balance in 2021. In 2021, when budget revenues exceeded projections, the improvement in the budget balance stood out with a more moderate course in spending. The budget deficit/GDP ratio stood at 2.7% in 2021, significantly below the Medium Term Program target of 3.5%. Both the strong course of domestic demand, high profitability in the manufacturing and trade sectors and the rise in the corporation tax rate all helped government revenues exceed the target. The success achieved in the budget balance during 2021 will offer room for manoeuvre on the financial side in 2022.

2021 was a year marked by inflationary pressures both in the world and in Turkey. The problems experienced in the supply chain as a result of the difficult conditions brought about by the pandemic continued in 2021. Supply constraints in a number of sectors, the rise in commodity prices, drought, exchange rate movements and a surge in demand all drove inflation far beyond projections in 2021.

After remaining high throughout 2022, inflation is expected to decline in the last quarter of 2022 with the support of the base effect.

The Central Bank of Turkey pursued tight front-loaded monetary tightening in March 2021 before leaving the policy rate on hold until September. The CBRT cut the policy rate by a total of 500 basis points between September and December, by taking into account how monetary policy, movements in core inflation and the effects of supply shocks would affect demand.

There was a positive course in employment and unemployment rates in 2021 due to the strength of economic activity, the recovery in tourism and the manufacturing sector supported by strong exports. The rate of unemployment, which had averaged 13.1% in 2020, declined to an average of 12.1% in 2021. Employment in all sectors exceeded their pre-pandemic period levels. The manufacturing and service sectors led the rise in employment when compared to February 2020, which was the last month before the pandemics struck.

There was a positive course in employment and unemployment rates in 2021 due to the strength of economic activity, the recovery in tourism and the manufacturing sector supported by strong exports.

Within the scope of its selective loan policy, Ziraat Bank maintained its investments in the fields of agriculture, manufacturing, exports, energy and technology in 2021.

ZIRAAT BANK PRESSES AHEAD IN ITS CORPORATE DEVELOPMENT JOURNEY WITH THE SAME COMMITMENT IT HAS DEMONSTRATED FOR 158 YEARS.

In 2021, Ziraat Bank realized a number of investments covering new projects and ideas aimed at achieving the targets it has set in line with its strategies.

With a commitment to generating value for its customers and our country, Ziraat Bank has stood by its customers, offering the right solutions at the right time to meet the requirements of the real sector and households throughout the year, and implemented numerous innovations together with its domestic and international subsidiaries.

OUR STRATEGIES

SUSTAINABLE GROWTH

Remaining a pioneer in the sector through a selective loan policy and effective use of resources
While Ziraat Bank makes its balance sheet increasingly customer-oriented, it proactively manages loan quality through effective loan processes and prioritizes the effective use of resources and cost control. Ziraat Bank continues to support investments in the fields of agriculture, manufacturing, exports, energy and technology at an optimal resource cost through its selective loan policy.

The Bank continued to develop the right solutions by working to understand the financial needs of its customers and offering products and services that make life easier.

Cash loans registered 29.6% growth in 2021, bringing the share of cash loans in the Bank's balance sheet to 56.8%.

The bank operates to a strategy of diversifying its resource structure, increasing long-term borrowing opportunities and expanding the investor portfolio in place. In line with this strategy and its sustainability vision, which includes environmental and social approaches, the Bank issued a sustainable bond of USD 600 million with a 5-year maturity in the international markets.

Ziraat Bank signed a USD 400 million loan agreement with the Chinese Exim Bank, one of the leading financial institutions in China. The purpose of this loan agreement is to diversify the resources obtained internationally in the medium and long term and increase financial cooperation in different geographical regions.

In addition, Ziraat Bank obtained a syndicated loan of USD 1.3 billion with a maturity of 367 days, with the participation of a total of 45 international banks from 23 countries.

In addition to the syndicated loan, Ziraat Bank obtained USD 1.2 billion in alternative resources such as bilateral loans and post-financing, from correspondent banks in 2021, at affordable rates and reasonable maturities.

Maintaining its uninterrupted financial support to the agricultural sector, Ziraat Bank signed a protocol with six more governorships in 2021. The protocol was signed within the scope of the "I Have Many Reasons to Live in My Village" project. The Bank implemented this project in September 2020 in order to increase the number of livestock for farmers engaged in cattle breeding.

Moreover, the Bank introduced the "Irrigation Loan for Water Saving" product in order to expand the use of modern pressurized irrigation systems in agricultural irrigation and ensure more efficient use of water resources.

The Bank also offered the TOKİ (Housing Development Administration of the Republic of Turkey) early closure loan campaign and Bağ-Kur (social security system for the self-employed and business owners & partners) premium debt restructuring loan. Moreover, the Bank prepared the Tourism Sector Fire Support Package in order to ease the financial pressures on tourism businesses operating in the regions which had been ravaged by forest fires.

Ziraat Bank launched a number of loan packages during the year as part of its ongoing cooperation with the KGF. In addition, the Bank started to offer the Edirne Province Emergency Support Loan, the West Black Sea Emergency Support Loan, the Artvin Province Emergency Support Loan and the Forest Fires Emergency Support Loan products in accordance with the protocols signed with KOSGEB. The Bank created the Manufacturing Based Import Substitution Support Package in order to finance the investments of enterprises holding the investment incentive certificate issued by the Ministry of Industry and Technology, at an affordable cost and with guarantee support.

THE BUSINESS MODEL OF THE FUTURE

Offering digital solutions to the customers

Ziraat Bank continues to work to offer digital solutions to its customers, including the digital banking experience, and to provide financial consultancy services. In addition to digital solutions, the Bank proactively identifies the needs of its customers with analytical solutions and develops solutions for each customer segment.

Ziraat Bank started to acquire customers remotely through the mobile application with the new National ID card as of 1 May 2021. In the first phase of the process, biometric verification is completed through the National ID card. In the final step, a video call is made between the customer and customer representative, in which the process of becoming a customer is completed without the need for any additional application, doing away with the need to issue a document with a wet signature.

With 17 million active digital banking customers, the Bank pressed ahead with its work on the digitalization of branch processes and more effective use of digital channels in 2021. Within the scope of these activities, the Bank offered its customers numerous new facilitator practices.

- Virtual bank cards were introduced, allowing customers to use virtual bank cards in their e-trade transactions.
- Corporate customers could conduct their corporate loan applications and organize loan collections through the internet branch and mobile application.
- The Digital Loan product, which offers consumer loans through digital channels, started to be offered to customers not receiving a salary in addition to those who do.
- Customers were offered the opportunity to submit their chargeback applications through the mobile and internet branches.
- Bill collections could be performed through the automatic payment order.

.

Renewed with a modern and animated screen design, the Ziraat Mobile login page allows customers to access transactions quickly. With the developed story feature, a new interaction channel was created, offering customers instant access as well as promoting products and services offered through digital channels.

Ziraat Bank enabled the customers with the new National ID Card to update their phone numbers and unblock their SIM cards through the mobile application by using the biometric verification method.

With the addition of the Merchant Transactions menu to its mobile application, customers could easily switch to the Merchant Platform, which was specially prepared for its member merchant customers, without the need to enter passwords and user information.

TECHNOLOGY IN LIFE

Continuing to work with advance technological infrastructures

Ziraat Bank continuously improves its technological infrastructure through its flexible software development processes, global data center and high information security practices.

Ziraat Bank maintained its efforts to develop and automate the operational processes of the General Directorate and branches in 2021. The number of processes increased to 66 in robotic process automation applications, the usage areas of which were developed.

Ziraat Bank launched the Title Deed Trusted Account application for the simultaneous and secure exchange of real estate ownership and transfer fees, thus eliminating the risk to customers of carrying cash and providing protection against counterfeit money. This application also removed the concern of trust between the parties (Transferer/Transferee), ensuring ease of transfer at minimum cost and in the shortest time.

The passwords of the main and sub-users of Corporate Internet Banking and Corporate Monitoring, who had logged in using the same password, were differentiated. This development eliminated the security risk for the Bank's customers and resolved the problem of password locking.

The Information and Communication Security Guide Project was initiated by the Digital Transformation Office of the Presidency. Within the scope of this project, the current situation was analyzed regarding all measures which had been determined for the Bank's asset groups in order to protect assets, identify deficiencies in the monitoring processes and take security actions. The asset group current situation analysis report was prepared after this process.

Ziraat Bank took the necessary measures to tackle cyber risks during the periods of remote working in the pandemic by enabling the virtual desktop application within the scope of remote working processes.

In 2021, Ziraat Bank continued to integrate the lifecycle of data into its business processes within the framework of data governance. The data/business dictionary work involves work on data ownership and rules are determined. Work to integrate data quality management processes into data/business dictionary work have also got underway. The Bank carries out process improvement activities in order to systematically provide fast and error-free responses to customer requests from its branches within the scope of the KVKK (Personal Data Protection Law).

As part of the transformation set out in the banking software project, infrastructure, middleware and REST (Representational State Transfer) transformations were completed in 2019. Front-end transformation work continued in 2021. With the experience gained, the Bank completed and commissioned the basic banking software of the Bahrain branch, and continues its efforts to develop basic banking software for foreign affiliates.

Work continued in 2021 to ensure that branch employees utilize mobile applications for the transactions carried out by the branches.

"BİLGE", an in-house virtual assistant application, responds to employees' questions regarding a range of subjects such as human resources practices, the legislation data bank, branches and ATMs. Similarly, an information bot was commissioned, where customer representatives were able to ask questions about applications which will facilitate the call center and their defined jobs. In addition, work continues to classify notifications received from the customers through the artificial intelligence application.

Ziraat Bank brought the "Raportal" application into use. The application was created by combining all reporting tools on a single platform, as part of its in-house central reporting portal work.

Ziraat Bank effectively uses artificial intelligence/machine learning models and business intelligence tools. The infrastructure of these tools was prepared in the fields of instant loan and accounting controls within the scope of internal control activities. In addition to achieving resource efficiency, the Bank aims to detect new risk areas early by performing anomaly analysis through this model.

GRI 404-1, 404-2

DEVELOPING ORGANIZATION AND SATISFIED EMPLOYEES

Continuously improving business practices and investing in the professional development of employees to enhance the employee experience and organizational efficiency

Ziraat Bank provides employees, who represent the Bank's most valuable asset, with the opportunity to develop their skills through a range of training opportunities. It observes equality of opportunity by conducting competency and quantitative performance evaluation processes. The Bank also aims to increase employee motivation and corporate loyalty by continuously improving human resources practices.

Ziraat Bank signed a protocol with Ankara University in order to improve the academic aspect of its education programs and initiate cooperation which will provide employees with the opportunity to enroll on a master's degree course. The content of the first graduate program was completed within the framework of the protocol.

Ziraat Bank focused on bringing ease to the lives of its employees and helping them stay safe during the pandemic in 2021. In this context;

- Employees suffering from chronic illnesses continued to work remotely,
- In order to reduce density in the General Directorate buildings, the practice of transferring some employees to different locations continued,
- The practice of remote and rotational working continued,
- Training content, made available on the Banking School application which can be accessed from both computers and via mobile devices, was enriched. Training programs on healthy living, advanced movement (such as how to move properly), coping with stress and emotional resilience were offered.

Ziraat Bank has been offering professional and personal development opportunities to its employees through continuous training. It provided an average of 11.8 hours of classroom training and 25.3 hours of training remotely per person in 2021.

Ziraat Bank continues to offer the "Digital Library", which contains over 1,000 volumes, which is available for all employees to use. It provides a wide array of e-training content, videos, audio files and documents for all employees seeking to develop themselves professionally or personally.

The Bank developed the "Ziraatli-yorum" (comments from Ziraat Bank members) platform. This platform provided employees with the opportunity to share their knowledge and experience with other employees and increase internal sharing. In addition, the Bank also rendered information permanent by organizing competitions among employees through educational mobile games.

The Bank continued the competency and quantitative performance evaluation processes also in 2021 in order to ensure the development of the Ziraat Finance Group employees in line with the strategies.
Ziraat Bank continues to implement the individual performance and competency evaluation practices and bonus system at the subsidiaries in Turkey. Ziraat Bank continues its efforts to put performance management systems into use also at the subsidiaries abroad.

The Bank organized the Ziraat Finance Group Human Resources Summit with the participation of the employees of the Human Resources departments working at foreign subsidiaries and branches from 18 countries and at domestic subsidiaries under the roof of Ziraat Bank. The purpose of the summit was to continuously improve the Ziraat Finance Group human resources practices and create a strong employee experience in all countries where it operates.

A GLOBAL BANK

Maximizing customer satisfaction by providing integrated financial solutions in all countries where the Ziraat Finance Group operates.

In order to offer a complete package meeting the financial requirements of Ziraat's customers, the Group generates integrated solutions with its domestic and international banking subsidiaries, branches and finance entities, offering these solutions to its customers in the most efficient manner by taking advantage of the economies of scale provided by being a finance group.

In 2021, Ziraat Bank continued to expand its international service network. The Bank's fifth branch was opened in Burgas in Bulgaria, after having opened branches in Sofia, Plovdiv, Varna and Kardzhali. The fifth branch of Ziraat Bank Uzbekistan JSC, the Bank's subsidiary in Uzbekistan, was opened in Fergana. Also during 2021, the Azad Branch of Ziraat Bank Azerbaijan ASC in Azerbaijan opened its doors to customers.

Ziraat REIT is Turkey's real estate giant, with its major projects which will add value to the future and its strong capital. Ziraat REIT was offered to the public, and at the end of 2021, 18.94% of the shares in Ziraat RET were open to the public, with Ziraat Bank holding 81.06% of the shares in Ziraat REIT. Various activities were carried out within the Ziraat Finance Group, including technological infrastructure projects, during 2021.

Work on the Key Global Project continues in respect of the development of the main banking applications used by foreign units and to bring the banking applications used by the foreign units in line with Ziraat Finance Group standards. The Key Global Project was completed and put into practice in the Bahrain branch while analytical and software work for the project continues in the London branch. The renewal of the main banking applications of Ziraat Bank Uzbekistan JSC, the Bank's Uzbekistan subsidiary, will get underway in due course.

Work continues on the commissioning of the remittance infrastructure, which is used jointly with foreign branches and subsidiaries. The commissioning also includes the Finance Group Transfer System, which will enable secure and rapid money transfers within the Ziraat Finance Group. The Finance Group Transfer System was put into practice in seven countries, including Azerbaijan, Bosnia, Kosovo, Russia, Kazakhstan, Georgia and Bulgaria, is planned to be implemented in Uzbekistan and Iraq in the coming period.

Efforts to expand the robotic process automation application within the Ziraat Finance Group are continuing. After the process work carried out at the Bank's London Branch and Kazakhstan Ziraat International Bank, which is its subsidiary operating in Kazakhstan, processes at its subsidiary JSC Ziraat Bank Georgia, which operates in Georgia, were also updated to work by robotic automation in 2021.

With the increasing importance of digital channels, Ziraat Bank has also focused on the internet and mobile banking investments in its international branches. The Bank maintains its efforts to launch the mobile application at its Kosovo and Iraq branches.

Ziraat Bank offers internet and mobile banking channels at its international units operating in Bosnia, Azerbaijan, Georgia and Russia for corporate customers. It offers the mobile application for customers in Turkmenistan who are drawing a salary. It offers internet and mobile banking channels at its international units operating in Uzbekistan. The Bank has offered its customers online access to financial products through the internet banking channel in its international units operating in Greece, Bulgaria, Kosovo, Kazakhstan, Germany and Montenegro.

Ziraat Bank offers new products and services in cooperation with the entire financial ecosystem in order to provide its customers with better banking and financial means whenever they need it.

PLATFORM BANKING

The services which will be available to customers at every moment and on every platform within the framework of future service models.

Ziraat Bank offers new products and services in cooperation with the entire financial ecosystem in order to provide its customers with better banking and financial means whenever they need them.

The financial ecosystem will evolve into a more integrated structure which will be able to provide end-to-end solutions to the customer by offering open banking services, service model banking and platform banking. Ziraat Bank continues to work on new products and services which it will offer within the scope of the newly published Digital Banking and Service Banking legislation.

Ziraat Bank offers new products and services in cooperation with the entire financial ecosystem in order to provide its customers with better banking and financial means whenever they need them. In this context, the Bank provides single point access to many applications, particularly the Member Business Platform, where specific transactions and reports are presented for member businesses, the e-Government gateway and the Türkiye Hayat Emeklilik (Turkey Life Pension) Platform, through existing digital banking applications.

Ziraat Bank established the Ziraat Pay infrastructure which allows its customers to securely complete payment transactions initiated through different e-commerce platforms via the mobile applications. The account and money transfer web services of corporate companies were developed and improved. The OPI application, launched at the end of 2019, allows corporate customers to send transaction instructions directly to the General Directorate. A renewed version of the OPI application was offered, with more functions, again putting the user experience and security at the forefront.

Ziraat Bank continues to roll out and facilitate access to banking products and services by allowing customers to meet their needs instantly and through any channel with the new features and services it has implemented.

RESPONSIBLE BANKING

Integrating environmental and social risk governance principles into its business model.

Ziraat Bank aims to create added value with its banking principle which respects people and the environment in line with its Sustainability Policy.

Within the scope of lending activities, environmental and social risk assessment is carried out in investment projects exceeding a certain amount, according to the policy which determines environmental and social impact management principles. Activities related to environmental and social impact management are also planned to be carried out in a systematic way within the Bank. In this context, the Bank organized a training program for personnel who will conduct environmental and social risk assessments.

Ziraat Bank aims to link the syndicated loan of 2022 to sustainability. In line with this goal, the Bank has planned to impress upon investors the commitment to reach performance targets which display positive contributions to the environment or social life within a certain period of time.

The project to digitalize contracts will allow contracts and forms used in the Bank's business processes to be viewed and approved within the internet branch/mobile banking applications. With the paper saved through this project, 5,953 trees were saved from being felled by transferring the documents to the digital environment for approval.

AN ASSESSMENT OF 2021: DEVELOPMENTS AND TARGETS FOR THE FUTURE

GRI 201-1, 203-1, 203-2

Ziraat Bank, the largest bank of the Turkish banking system, achieved a successful performance by once again implementing the right strategies in 2021.

The Bank advanced further advanced its position of being the strongest national bank in a sector, which is characterized by intensive competition and the active involvement of international capital. The bank posted significant gains in all business lines and increased business volumes.

Having adopted a strategy based on sustainable profitability and growth, Ziraat Bank commanded TL 1,371 billion in total assets and TL 97 billion in shareholders' equity as of the end of 2021. Attaching importance to backing its shareholders' equity with sustainable profitability, the Bank attained a 6.9% return on equity (RoE) and 0.6% return on assets (RoA) in 2021.

Ziraat Bank's total lending amounted to TL 778 billion at the end of 2021, accounting for 57% of the Bank's assets.

The Bank's total deposits increased to TL 949 billion in 2021, accounting for 69% of its liabilities. Ziraat Bank remained the sector leader in terms of total deposits in 2021.

CORPORATE AND COMMERCIAL BANKING

Ziraat Bank is the strongest bank in Turkey in terms of its product, service and distribution network diversity. Its strength in offering low-cost funding and its advantages in terms of liquidity position the Bank as a service provider which is focused on rapid growth in the Corporate and Commercial Banking business line.

The Bank offers the most effective solutions to meet its customers' product and service needs. It operates in accordance with its identity of a national bank by playing a role in every stage of the economic cycle. Ziraat Bank maintains its efforts to systematically integrate the environmental, social and governance related procedures into loan allocation processes in line with its sustainable banking policy.

Ziraat Bank is principally focused on manufacturers and exporters, as well as companies in the energy industries generating clean energy and which generate value-added activities in its disbursement of loans. The Bank's most important mission is the financing of agriculture. Its loan support for the financing of agriculture gained momentum with the same determination and motivation. Throughout the year, the Bank extended a significant sum of loans to many of its customers.

GRI 201-1, 203-1, 203-2

Within the scope of the ongoing cooperation between Ziraat Bank and the KGF, a range of loan packages were introduced in 2021.

Support packages for SMEs

Ziraat Bank also continued to stand by the sectors and employees affected by the Covid-19 pandemic in 2021. Ziraat Bank signed a protocol with the Ministry of Treasury and Finance, the Credit Guarantee Fund (KGF), the SGK (Social Security Institution of Turkey) and İŞKUR (the Turkish Employment Agency). The purpose of this protocol is to meet the financing needs of the SMEs and non-SME businesses which commit to provide and maintain additional employment, with these SMEs receiving loans at affordable conditions with interest support.

İŞKUR will cover a portion of the interest expense for customers which fulfill their commitment to employment, in the loans included the package to be disbursed with the KGF guarantee. As of the end of 2021, a total of TL 4.35 billion of loans had been disbursed to 12,700 Ziraat Bank customers.

Within the scope of the ongoing cooperation between Ziraat Bank and the KGF, a range of loan packages were introduced in 2021. With these loans, the Bank aims to strengthen the competitiveness and sustainability of SMEs and to encourage a culture of enterprise.

The EIF (European Investment Fund)-COSME Program II was implemented in order to support SMEs' access to finance and was renewed to provide corporate guarantee with the EIF counter-guarantee. The loan balance under the EIF-COSME Program II stood at TL 708.4 million with more than 2,000 Ziraat Bank customers in the program as of the end of 2021.

Ziraat Bank aims to meet the needs of businesses which are engaged in accommodation and food services, travel agencies, tour operators and other reservation services and related activities in the tourism sector, in addition to the goods and service suppliers of these businesses, at affordable conditions. To this end, the Tourism Support Package, which provides KGF guaranteed loans within the framework of the Treasury Backed Guarantee System, had a loan balance of TL 107.6 million with a total of 245 Ziraat Bank customers as of the end of 2021.

Ziraat Bank signed a protocol with the Union of Chambers and Commodity Exchanges of Turkey (TOBB) and the Credit Guarantee Fund (KGF) in order to provide special working capital financing and surety support to its SME customers at affordable conditions. With the 2021 TOBB Nefes Loan Package product, which was prepared in accordance with the aforementioned protocol, TL 621 million was disbursed to approximately 5,000 customers.

Ziraat Bank created the Manufacturing Based Import Substitution Support Package in order to finance the investments of businesses which hold an investment incentive certificate issued by the Ministry of Industry and Technology, at an affordable cost and with a guarantee support. Customers undertaking investments in specified regions or above the specified amount and who have obtained an investment incentive certificate within this scope may benefit from this loan. As of the end of 2021, TL 12.7 million of loans had been disbursed.

Floods and fires which affected various parts of Turkey during the summer months of 2021 caused losses to life and property. These disasters took a heavy toll on the people of the region and businesses operating in these regions.

Ziraat Bank prioritizes social responsibility and acts within the framework of its strategy of being a moral bank. The Bank postponed payment deadlines of more than 2,000 loans, without charging interest, in order to support affected customers whose address in the registration system or confirmed contact address in the Bank's system were declared as being in a "Disaster Zone". In addition, the Bank prepared the Tourism Sector Fire Support Package to financially support tourism businesses operating in the regions where fire disasters were experienced intensely.

Ziraat Bank launched the Edirne Province Emergency Support Loan, the West Black Sea Emergency Support Loan, the Artvin Province Emergency Support Loan and the Forest Fires Emergency Support Loan products. These products were put into place in pursuance to the protocols it signed with KOSGEB in order to provide financial support to the businesses approved for registration within the KOSGEB Database.

LOANS OBTAINED FROM INTERNATIONAL FINANCIAL INSTITUTIONS FOR THE SMEs

Since 2010, Ziraat Bank has obtained funds from international financial institutions at affordable conditions to be used in financing the working capital and investment loan needs of micro-enterprises, SMEs and larger companies.

With the strong sustainability capacity which it has built up over the years, Ziraat Bank has transferred a total of USD 1.7 billion which it obtained through the development themed funds from the international financial institutions, in order to contribute to sustainable agriculture, energy efficiency, rural development, protection and increasing of employment.

FINANCING OF THE AGRICULTURAL SECTOR

Ziraat Bank has been the largest source of finance for Turkey's agriculture since its establishment. The Bank maintains its uninterrupted support for the agricultural sector with the loans it has disbursed at favorable conditions and new practices it has implemented.

In addition to its uninterrupted financing support for the agricultural sector, Ziraat Bank also develops various projects aimed at resolving the sector's structural problems and facilitating direct access to finance. These projects are implemented through joint work with the related ministries, institutions, establishments and agricultural organizations.

In this context, the Bank prioritizes diversification of credit products which will facilitate access to financing for small business owner farmers, who constitute the most critical link in the agricultural value chain.

Investments and operations aimed at increasing agricultural businesses' storage, processing, packaging and marketing capacities for their own production are among the Ziraat Bank's focus areas, with a special emphasis on the following areas in operations carried out in line with this objective:

- contracted production model,
- controlled undercover farming,
- increasing the production of products which will reduce reliance on imports,
- building agricultural enterprises up to an economic scale,
- use of idle operating capacities,
- increasing the agricultural mechanization of businesses,
- projects to encourage the use of technology to increase productivity in agriculture,
- investment projects which will create added value in agricultural production and respond to our country's needs,
- licensed storage and cold storage depot investments.

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

GRI 201-1, 203-1, 203-2

As of the end of 2021, the balance of agricultural loans disbursed from our Bank's resources totaled TL 109 billion with almost 725,000 customers.

TL 109.2 billion in agricultural loans disbursed from the Bank's resources

The balance of agricultural loans provided from the Bank's resources had reached TL 86.6 billion by the end of 2021, and the number of customers with loans was nearly 542,000. The number of new customers added to the portfolio exceeded 83,000.

As of the end of 2021, the balance of agricultural loans disbursed from our bank's resources totaled TL 109 billion with 724,805 loan customers. In the same period, we welcomed approximately 84,000 new agricultural producers to our Bank as customers.

36% of Ziraat Bank's agricultural loan portfolio consists of investment loans while 64% of it consists of working capital loans.

On the other hand, the Bank also mediated in the payment of TL 153.4 million in loans from the funds provided by various institutions to a total of 1,860 individuals determined by the related institutions. In this context, a total of TL 2.1 billion originating from fund-based credit payments which it mediates were reached with the number of customers exceeding 80,000 by the end of 2021.

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 reached TL 111.2 billion by the end of 2021, with exceeding a total of 805,000 customers receiving loans.

Affordable 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 sector at affordable interest rates within subsidized rates which are defined on the basis of production areas.

In 2021, TL 66.2 billion in subsidized loans, which carry preferential interest rates, were disbursed to around 405,000 producers and companies operating in the agricultural sector.

ZIRAAT BANK'S FINANCIAL MODEL CONTRIBUTION TO AGRICULTURAL-BASED COOPERATION BETWEEN INDUSTRIALISTS AND PRODUCERS

Contracted production

Within the framework of contracts entered into with 30 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 21,000 contract producers stood at approximately TL 553.6 million at the end of 2021.

Producer Financing System

The Producer Financing System was introduced in the second half of 2020 in line with Ziraat Bank's strategy of "being an effective bank in financing the agricultural value chain from the farm to the plate".

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 system, approximately TL 381 million of loans had been extended for the sale of agricultural products as of the end of 2021.

Crop production loans

In 2021, Ziraat Bank extended a total of TL 29.7 billion in loans to more than 221,000 customers for vegetative production. As a result of this lending under various areas, the balance of loans disbursed for crop production had reached TL 34.4 billion as of the year-end, with the number of customers receiving credit exceeding more than 276,000.

Livestock loans

In 2021, Ziraat Bank extended a total of TL 31.8 billion in livestock production loans under various names to more than 222,000 customers. As of the end of 2021, the balance of loans disbursed for livestock production had reached TL 42 billion with the number of customers receiving credit exceeding 297,000.

Aquaculture loans

During the same period, Ziraat Bank extended TL 978.3 million in loans to more than 1,818 customers under various titles in the field of aquaculture. As of the end of 2021, the balance of loans disbursed in this area reached TL 1.3 billion and the number of customers receiving such credit was 2,728.

Ziraat Bank offered the "Efficient Irrigation Loan" for producers in order to contribute both to the more efficient use of our country's water resources and to enable farmers to purchase modern pressurized irrigation systems at affordable conditions.

Efficient irrigation loan in order to roll out the use of modern pressurized irrigation systems

The use of traditional irrigation methods in agricultural irrigation prevents the optimal use of water resources, and also causes losses and wear on the soil. Ziraat Bank offered the "Efficient Irrigation Loan" for producers in order to contribute both to the more efficient use of our country's water resources and to enable farmers to purchase modern pressurized irrigation systems at affordable conditions.

Moreover, the Bank aims to expand its loan volume and customer portfolio in this field. The Bank disbursed the modern pressure irrigation systems loans of a total of TL 1.9 billion to more than 14,000 customers in 2021. The disbursed loans facilitated the irrigation of approximately 1.3 million decares of land with modern pressurized irrigation systems. These loans facilitated the prevention of excessive water consumption through the use of drip and sprinkler systems, achieving water savings of 30%-40%.

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 8.2 billion in tractor loans was extended to more than 51,000 customers, along with TL 1.6 billion in agricultural mechanization financing loans to nearly 35,000 customers in 2021.
As of the end of 2021, the Bank had around 178,000 customers using a total of TL 14.4 billion in tractor loans, and nearly 100,000 customers using TL 3 billion in mechanization loans.

Ziraat Bank designed Small Equipment Credit provided for the purchase of small farming tools and equipment needed by agricultural enterprises belonging to real persons or legal entities, to help them sustain their operations efficiently and profitably. In 2021, TL 718.2 million of loans was extended to nearly 22.000 customers within this context.

Continued expansion of the "I Have Many Reasons To Live In My Village" 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 the following aims;

- increasing the scale of enterprises operating in the field of small cattle,
- bringing idle operating capacity into production,
- providing regional development with local sheep 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 six governorships in 2021.

Thus, at the end of 2021,

- The number of governorships with which the Bank signed a protocol increased to 36,
- The number of producers benefiting from the project increased to 5,447,
- The volume of loans disbursed within the scope of the project reached TL 694 million,
- The number of animals purchased with these loans amounted to 556,000 livestock.

Young Farmers Academy
The Young Farmers Academy, a social responsibility project launched in September 2018, continues to further develop and expand. Within the scope of the project through which Ziraat Bank has received more than 19,000 applications to date, the number of participants successfully completing the training programs organized on dairy cattle breeding, greenhouse farming and sheep breeding has approached 300 with the cooperation established with six universities.

28 young farmers, who graduated from the Young Farmers Academy, participated in agricultural production by establishing their own businesses in different fields.

With university education interrupted by the pandemic affecting the whole world, the Academy was unable to open for the new period. However, the Academy continued to receive applications.

The Bank plans to resume training at the Academy as soon as universities begin face-to-face education once the pandemic is brought under control.

RETAIL BANKING

In 2021, Ziraat Bank continued to offer its customers a diverse range of products in retail banking, the line of business in which it has the largest customer base. The Bank meets the banking needs of a large consumer group of individuals spread throughout the country. The Bank reaches its customers, including students, pensioners, traders, entrepreneurs, housewives and farmers through its branches in addition to its electronic service channels.

Always standing by its customers, in good times and bad, lies at the heart of Ziraat Bank's service philosophy. It acts in line with the responsibility which comes with the Bank's leadership and offers the most rational support needed by its customers from all walks of life.

Ziraat Bank moved a significant proportion of its retail loan applications to the digital media and non-branch channels in order to mitigate the effects of the Covid-19 pandemic and meet the needs of individual customers, removing the need to go to the branch or minimizing the amount of time needed to be spent in the branch. In addition, the Bank enabled the restructuring of support loans, which were disbursed during the pandemic, to be made through digital channels.

Within the scope of housing finance, a total of TL 15 billion in housing loan products were disbursed by Ziraat Bank in 2021. The Bank's housing loan portfolio remained at TL 86 billion.

In 2021, the Bank's consumer loans totaled TL 59 billion with TL 25 billion in loans being disbursed during the year. Vehicle loans totaled TL 670 million, with TL 285 million in loans being disbursed.

Within the scope of the protocol signed in 2020 between the Social Security Institution (SSI) and Ziraat Bank regarding the promotion payment to pension customers, a total of TL 2.8 billion was paid to 4.3 million people. In 2021, the Bank distributed TL 235 million in promotional payments to 364,000 people.

In 2021, the early closing loan campaign by TOKİ and the loan to restructure Bağ-Kur premium debt was brought into use with TL 154 million in loans disbursed to 4,651 people.

Ziraat Bank continued 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 5,900 customers with a balance of TL 65 million, while the Housing Account had 1,300 customers and a balance of TL 42 million as of the end of 2021.

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.

Ziraat Bank suspended its marketing activities for the Inflation-Indexed-Inflation-Protected and Inflation-Protected products offered to its customers in 2019. As of the end of December 2021, current Inflation-Indexed-Interest-Protected accounts had a balance of TL 6.8 billion in 43,000 customer accounts. The Bank has TL 950 million in Inflation-Protected accounts in 8,000 customer accounts.

The products of the "Exchange rate-Protected TL Time Deposits" and the "FX-Converted Currency-Protected TL Time Deposits" were put into use at the end of December 2021. With these products, the Bank aims to meet the needs of customers who are sensitive to exchange rate fluctuations and protect customers who utilize their investments in Turkish Lira from being adversely affected by exchange rate risk and to prevent them from suffering losses incurred by exchange rate volatility.

INSURANCE ACTIVITIES

As of 1 September 2020, public insurance companies were merged under the umbrella of Türkiye Sigorta A.Ş. Work was carried out to offer services and products to state banks in a singular form. Ziraat Bank completed the integration activities with "Türkiye Sigorta A.Ş." on 29 October 2021, enabling all public banks to use the same insurance system together.

The Bank aimed to save time and reduce the number of processes required with the "Digitalization of Contracts" project. Within the scope of the project the in-branch digital approval process of life insurance document approvals related to agricultural loans was completed in a manner to minimize operational risks. On 16 November 2021, the system was made available for the use of branches.

As of 31 December 2021, Ziraat Bank had obtained TL 1,048 million in commission revenues from agency activities.

Figures for the end of December 2021 were as follows:

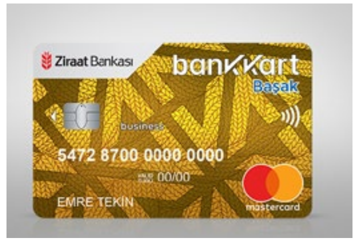
- Number of Participating Certificates: 9,559,211
- Number of Cancelled Participant Certificates: 6,720,280
- Number of Active Participant Certificates: 2,838,931
- Total Resource Amount: TL 8,581,895,935
- Ranking: 1st
- Market Share (Fund Size): Ziraat Bank has a 44.3% market share within the 54.3% sector share of Türkiye Hayat Emeklilik A.Ş.

BANKKART BAŞAK SETS ITSELF APART WITH ITS SUPERIOR FEATURES

In the first quarter of 2019, Ziraat Bank began offering the Bankkart Başak which combines the characteristics of a debit and credit card thus enabling "Assets and Liabilities Management with a Single Card" to its corporate and commercial customers.

Designed in accordance with market conditions in view of our country's macroeconomic priorities and setting itself apart from other products in the market with its superior features, the Bankkart Başak

GRI 201-1, 203-1, 203-2



promotes commercial shopping and introduces a new perspective to economic life, and continued to attract further growth in its customer portfolio and transaction volume in 2021. Bankkart Başak is equipped with an array of features which support commercial life in addition to its features as a debit and credit card. These features include the following;

- Guaranteeing the receivables of small-scale parent companies possessing an extensive dealer and sales network with Micro DDS,
- Optimizing supplier-dealer cash flow processes with Dealer Special Limit,
- Managing sectors in which holders of supplementary cards can shop with Sector-Based Spending,
- Easily reaching spending details of all Bankkart Başak cards allocated to companies with Detailed Reporting.

The number of cards in circulation reached 800,000 while total risk balance stood at TL 8 billion at the end of 2021.

Ziraat Bank introduced the Bankkart Başak Supply Chain Financing product which offers special pricing and maturity advantages to buyers and sellers in the supply chain through its merchant and corporate card infrastructure, and eliminates the risk of collection between buyers and sellers.

With the Bankkart Başak Supply Chain Financing product, buyers and sellers can safely trade among themselves through the card payment system by creating a payment schedule suitable for their own cash flows

OPERATIONAL PROCESS IMPROVEMENTS

Ziraat Bank continues to bring ease to the lives of its customers with payment and collection solutions in addition to its innovative products and services. The Bank carries out various activities in line with the objectives of simplification, centralization and digitalization of all operational processes. The main improvement activities carried out by the Bank in 2021 are summarized below.

The YETKİM project contributes to Ziraat Bank's strategy of continuing its operations with advanced technological infrastructure. The project provided the following advantages;

- Automating identity and account management for the Ziraat Finance Group,
- Establishing a role-based authority structure by setting up a central authority platform,
- Executing the principles of segregation of duties in the detail of authority,
- Traceability of all authorization processes

With the project, bill collections can be performed with automatic payment orders, reducing back-office transactions and contributing to the digital experience for customers. The automation of cash expenditure objections (chargeback) improved customer satisfaction by reducing waiting times by processing objections collectively.

The OPI (Innovation in Operation) application was launched at the end of 2019, allowing customers to send their transaction orders directly to the HQ. The new version of the application, which is more functional and prioritizes the user experience and security, was put into practice. This new application contributed to the improvement in the digital banking experience while also contributing to the Bank's platform banking strategy.

In December 2021, Ziraat Bank implemented the "Title Deed Trusted Account" application. This application enables the simultaneous exchange of real estate ownership and transfer amount between the seller and buyer in all title deed transactions involving the transfer of real estate ownership rights, with or without a mortgage. With this account application, the risk associated with carrying cash was eliminated for customers, while ensuring protection against counterfeiting and eliminating questions over trust between the parties. These transfers were facilitated with minimum cost and maximum speed.

In the 2021 operating period, more than 200 million transactions were performed through the Operations Center, supporting employee efficiency by reducing operational density in the branches.

Central branch telephone structure

The number of calls reaching Ziraat Bank on a monthly basis stood at 1.3 million at the branches and 6.5 million at the call center. When it is determined that the call center may handle a service for calls coming to the branches, the processes are forwarded to the call center. This ensures that branch employees may focus on sales and marketing activities and face-to-face service.

Ziraat Bank aims to ensure that 35% of incoming calls are handled by the call center in the upcoming period. In this context;

- Branch phone numbers are met with a single voice response system menu, and the flow differs according to the customer calling and the branch called.
- The calling customer is recognized by his/her mobile phone number. In cases where the call is not made through the mobile phone, the customer can be defined by entering the TRIN/customer number/tax identification number.
- Portfolio customers can directly reach portfolio representatives according to customer segments. They can connect to their portfolio representatives even if they call another branch other than their own.
- According to the branch needs, the menus of the voice response system were updated from a single center.
- Branch employees can see the phone number, customer number, name-surname information of the customer calling while the phones are ringing. In the same way, they can monitor the information of missed calls in this breakdown.
- When branches are called, the opportunity to directly access to the Bank's call center numbers is provided.
- Customers connecting to the operator reach a different customer representative group in the call center. If the requested transaction is a service offered only through branches, the customer is transferred to the relevant group employee in the branch.

Bulk Payment System (BPS)

Ziraat Bank developed the "Bulk Payment System" that allows foreign currency transfers and cash/import transfers against goods to be made in bulk with the files that companies can upload.

The Bulk Payment System (BPS) is used to automatically perform transactions belonging to the Bank customers who carry out intensive transfer transactions. The system ensures that a spreadsheet created by the company, containing the payment (transfer) information, is left on an ftp area of the Bank that has been made accessible to the company, and that all transfers are automatically read by the Bank, regardless of the number of transactions.

Efforts are underway to include 34 new corporate customers in the system, which is actively used by 14 corporate customers. Currently, an average of 25,000 transfer transactions is carried out annually over the BPS.

Customer oriented cash management practices

Ziraat Bank diligently fulfils its role as a market maker in the sector with its rational pricing and competitive strategy. The Bank aims to maintain and improve its competitive advantage by providing quality service and contemporary products to its customers through effective cash management practices.

In line with this target, the Bank pressed ahead with its customer-focused cash management implementations in 2021.

The number of businesses covered under an agreement within Ziraat Bank's Direct Debit System (DDS) stood at 865 at the end of the third quarter of 2021. The total collection volume reached TL 18.2 billion.

In addition, the Micro DDS (MDDS) product was introduced in order to guarantee the receivables of small-scale parent companies with extensive dealer and sales networks or to include dealers with relatively small volumes in the relevant sector into the system, allowing such companies to customarily take out instalment loans and offering them the opportunity to defer instalments. The number of companies, with which agreements were made within the scope of this product, increased to 719.

GRI 201-1, 203-1, 203-2

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.

Within the scope of the Corporate Collection System, the Bank made 239.4 million collections making a total of TL 182.9 billion from contracted institutions in the third quarter of 2021. As of the third quarter of 2021, the Bank has 13.7 million automatic payment orders for corporate payments. In addition to these, 35.1 million Tax and Customs collections amounting to TL 310.2 billion were performed.

In addition, the Bank continued to offer customized payments, electronic cheques/notes, accounting integrations, pool accounts and cash collection services to meet the needs of its customers.

DIGITAL BANKING

Ziraat Bank ranks high among banks on the basis of using technology intensively in the banking sector, and integrating technology into the product and service delivery processes.

The Bank closely monitors developments in the field of technology. It maintained its efforts to improve the quality and efficiency of the information technology infrastructure in 2021.

Aiming to expand the use of alternative distribution channels, Ziraat Bank commanded a total of 27.7 million digital banking account customers along with 17 million digital banking active users at the end of 2021.

As of the end of 2021, there were a total of 10.3 million Ziraat Bank credit cards in circulation, with a 12.3% market share on the basis of the number of credit cards and a 10.2% market share in terms of monthly turnover. In the same period, there were a total of 42.6 million debit cards in circulation. With a 22.5% market share in monthly shopping turnover, the Bank maintained its leadership in the sector.

As of the end of 2021, Ziraat Bank's customers included a total of 895,000 member businesses with 660,000 physical terminals. The total turnover of the Bank's member businesses stood at TL 282 billion with the Bank's market share in turnover standing at 15% as of the end of 2021. The Bank maintained its leadership position in the sector in terms of POS and PRD (Payment Recorder Device) units in 2021.
Ziraat Bank anticipates that the progress it has achieved in this area will continue in the medium and long term.

Internet banking and mobile banking

At Ziraat Bank, 94% of customers' financial transactions are carried out through digital channels. In 2021, the number of financial transactions conducted through the Bank's mobile application increased by approximately 75% compared to the previous year.

Ziraat Bank implemented a wide array of projects to improve its digital channels in 2021. The main steps carried out by the Bank in this direction are listed below:

- On 1 May 2021, the Bank started to acquire customers remotely through the mobile application with the new national ID card. Customers with a new national ID card may become a customer of the Bank at any time without needing to go to the branch, using only a smart phone and internet connection. Customers who successfully complete the biometric verification with their ID card in the first stage of the process can then complete the process of becoming a customer by carrying out a video call with the customer representative in the final step, without the need for any additional application or wet-signed document.
- The Bank updated the home page of the Ziraat Mobile application by adding a host of new features along with its user-friendly interface and dynamic design. The Ziraat Mobile login page was renewed with a modern and animated screen design, enabling quick access to transactions. The products and services offered through digital channels were promoted with the story feature which was developed. Additionally, a new interaction channel was created, providing customers with instant access.
- The Ziraat Mobile and Bankkart Mobile applications allow the matching of two different sets of user information from different customer groups such as Individual or Corporate banking with the same phone number. Thus, customers using both individual and corporate mobile applications may save their user information on the same application and may easily log in to the applications by simply entering the password of the user (individual or corporate) which they have chosen.
- The Bank enabled customers who hold the new national ID card to perform the Phone Number Update and Unblocking SIM Card transactions quickly and securely on a 24/7 basis through the mobile application using the biometric verification method. This ensured the continuity of customer satisfaction while at the same time reducing the operational burden on the branches.
- The Bank enabled a certain number of corporate loan payments to be carried out each day through the Internet Branch and Ziraat Mobile. In addition, eligible customers to apply for corporate loans through digital channels.
- The transactions for structuring the Individual Basic Needs Support Loan can be performed via the Internet Branch and Ziraat Mobile.
- The Bank made it possible to withdraw money using a QR code from the Bank's ATMs, which is currently carried out through Ziraat Mobile, from the ATMs of other banks that are integrated with the system.
- The Bank completed the developments for the customers to create virtual debit cards through digital channels, thus ensuring that e-commerce payments were carried out easily and securely.
- In order to ensure that the expenditure objection (chargeback) processes for card transactions are carried forward effectively and quickly, the Bank put in place a practice to allow customers to apply for an objection (chargeback) for spending carried out over the Internet Branch and Ziraat Mobile.
- The Bank enabled customers to easily switch to the Member Merchant Platform, which is specially prepared for member merchant customers, by adding the Member Merchant Transactions menu to the Ziraat Mobile, without entering password and user information.
- The Bank contributed to sustainability, achieving approximately TL 50 million in savings by strengthening the digital loan infrastructure and processes.

Ziraat Bank will continue to enrich its infrastructure for new business models such as open banking, service banking and platform banking. The Bank will also continue to develop strategic collaborations in the digital field also in the coming periods.

Ziraat Bank started to acquire customers remotely, 24 hours a day 7 days a week, from 1 May 2021.

Remote Customer acquisition

The BRSA brought the Regulation on Remote Identification of the Identity to be Used by Banks into effect on 1 May 2021. This regulation paved the way for customers to become bank customers without needing to go to the branch. Accordingly, Ziraat Bank started to acquire customers remotely, 24 hours a day 7 days a week, from 1 May 2021.

Turkish citizens wanting to become Ziraat customers can match information contained on their national ID Card with information on the bank card chip. As a result, NFC (near field communication) technology allows accessing the biometric photo inside the card and verifies the person's image at the time of the application and a live analysis is carried out. The Bank then performs falsification checks on optical elements in the customer ID cards through video calls. Having conducted biometric verification, the account is opened by ensuring that the customer has applied their own consent. The customer account is defined in the digital banking system and a card application is accepted.

The ATM-Ankes (ATM-Cash Balance) Mobile Application

Ziraat Bank launched the ATM-Ankes Mobile application within the scope of its intense digital transformation activities. The application is aimed at bringing ease to the lives of its customers, to use technology more effectively in today's conditions to minimize operational costs and to provide 24/7 access to ATMs, which are an indispensable part of the alternative distribution channels.

This application provides the opportunity to access the Branch Support Line along with the Active ATM List, ATM Fault Notifications, Instant and Closed Service Level Agreement (SLA) Status Reports, ATM Safe Status Tracking Screens and the E-Library application for the management of faults.

The introduction of the ATM-Ankes Mobile application removed the need to send 86 million SMS text messages per year.

Work to remove obstacles as part of the goal of banking without obstacles (Accessible Banking) and sustainability

Ziraat Bank carries out systematic work to support the participation of people with disabilities in economic and social life. The Bank carried out improvements to provide greater ease of access to products and services for disabled customers. The Bank rendered the 211 ATMs suitable for use for orthopedically impaired people as part of the work carried out in line with its Accessible Banking target.

Awards won in recognition of work in the digital channels

The PSM magazine has had its finger on the pulse of the payment world for 13 years as it supports innovative products and services which target the development of the finance and technology sector carried out by fintech providers, especially banks, payment institutions and insurance companies, as well as those companies which cooperate with and carry out joint projects with these institutions. The PSM magazine also aims to shape business models in the development of innovative products and services by highlighting innovative projects. Moreover, the PSM magazine aims to encourage creativity in the sector.

Ziraat Bank won the Golden PSM award in the "Digital Transformation" category for its "Remotely Customer Acquisition" project and the Silver PSM award in the "Best Promotion Marketing Achievement" category with its "Ziraat Mobile Story Implementation" project at the PSM Awards, which have been organized by PSM magazine since 2018.

INTERNATIONAL BANKING

Conducting capital market activities in line with the responsible banking approach

Ziraat Bank aims to diversify its sources of funding and provide cost-effective, long-term funding. In line with this goal, the Bank carries out various activities for the purpose of borrowing from international capital markets. The Bank's USD 7 billion GMTN (Global Medium-Term Notes) program was updated on 5 May 2021. In addition, the Bank continued to obtain foreign resources through private placement issuances.

Ziraat Bank issued its first sustainability bond with an amount of USD 600 million and maturity of 5 years in February 2021. This issuance is the first such bond to be realized by a 100% state-owned financial institution in Turkey. This issuance paved the way for an expansion in the Bank's existing investor base and has been a practice which reflects the Bank's Responsible Banking approach.

Ziraat Bank will use this resource, which it obtained from the sustainability bond, for environmental and social themed loans specified in the "Green, Social, Sustainable Finance Framework" in which the areas of loans which may be issued are determined.

The Allocation Report, which sets out how this resource has been used, and the Impact Report, which sets out the impact measurement of the loans and projects financed by the resource, will be prepared within one year of the issuance as specified in the framework document. The reports will then be published on the Bank's website.

Ziraat Bank also plans to obtain a limited assurance opinion from an authorized institution regarding the resource allocation.

Ziraat Bank issued its first sustainability bond with an amount of USD 600 million and maturity of 5 years in February 2021.

The ninth borrowing transaction by syndication method

Despite the pandemic, which spread in Turkey in the second half of March 2020 and the effects of which continued in 2021, Ziraat Bank maintained its success in using foreign funding channels. The Bank renewed its ninth syndicated loan in April 2021, with the participation of 45 banks from 23 countries. The USD 1.3 billion loan had a maturity of 367 days and a conversion rate of more than 100%. Ziraat Bank's success in obtaining this syndication loan from international markets with the purpose of financing foreign trade stands as testament to the international confidence placed in Turkey and the Bank.

In addition to syndication loans, Ziraat Bank provided USD 1.2 billion in alternative sources in 2021, including bilateral loans and post-financing from correspondent banks at affordable rates and with a favorable maturity structure.

In the latest addition to its string of successful collaborations in 2021, the Bank signed a loan agreement of USD 400 million with Exim Bank of China (The Export-Import Bank of China). This cost-effective loan was provided in two different tranches, including USD 320 million and Chinese Yuan 500 million. With this loan, Ziraat Bank contributed to the development of trade in local currencies and successfully continued its pioneering role in supporting the real sector with the strong international cooperation it has steadily developed over the course of many years.

Standing by its customers in every respect with the products and services it offers, Ziraat Bank actively supports its customers in foreign trade finance with a wide variety of financial products and services including discounted letters of credit and avalized/discounted bills of exchange/promissory notes. Working closely with export credit agencies such as Hermes, Serv and Sace to meet the investment needs of its customers, the Bank provides medium- and long-term country loans to its customers.

Within the scope of agreements with the Export Import Bank of Korea (KEXIM), the Export Import Bank of China (China Exim) and The Export-Import Bank of the Republic of China (Taiwan Exim), the Bank provides medium- and long-term and low-cost financing opportunities to meet the working capital and investment financing requirements of customers which have business ties with China, Taiwan and South Korea.

Ziraat Bank increased the number of customers performing foreign trade transactions by 16% compared to the previous year, expanding its foreign trade volume to USD 70 billion by the end of 2021.

A high share from global foreign trade volume

The Ziraat Finance Group's share in global foreign trade volume is constantly growing. The strategy and vision of Ziraat Bank's foreign subsidiaries and branches to increase their activities in the countries where they are active and to contribute to the development of commercial and economic relations between these countries and Turkey has played an important role in this growth.

The development of foreign trade between these countries and support to companies engaged in foreign trade are among the priorities of the Ziraat Finance Group.

A valuable contribution from the strong correspondent bank network during the pandemic

For Ziraat Bank, 2021 was a successful year when the Bank continued to contribute to the country's economy in the field of foreign trade despite the difficult conditions of the pandemic.

Thanks to the strong cooperation provided by the extensive correspondent bank network established in 140 countries, the Bank reinforced its position as the preferred bank for customers by offering the fastest and most favorable conditions for foreign trade, financing of foreign trade and foreign exchange transfer transactions.

A reliable correspondent bank limit allocation model

Ziraat Bank updates the creditworthiness of resident and non-resident correspondent banks through periodic studies, and limits are allocated to these institutions based on internal rating model.

GRI 201-1, 203-1, 203-2

Ziraat Bank meticulously evaluates current and potential business opportunities in all regions where it provides services, with an integrated perspective in line with the slogan of "Ziraat is always with you wherever you are in the World".

INTERNATIONAL BRANCH BANKING

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 high-quality services to all customers 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"

Ziraat Bank meticulously evaluates current and potential business opportunities in all regions where it provides services, with an integrated perspective in line with the slogan of "Ziraat is always with you wherever you are in the World". Ziraat Bank aims to be the most powerful and effective bank in the regions where it operates, as well as in Turkey, both now and in the future. Some of the Bank's key achievements in international banking in 2021 are listed below.

In its **London Branch**, in order to adapt to the dynamics of the London financial center, the Bank reshaped its products and services span in a way which would increase its effectiveness, particularly in the fields of structured finance and foreign trade finance. Serving as an important touch point in accessing international financial markets, the London Branch maintains its pioneering and advantageous position in terms of money market and treasury transactions.

In **Greece,** providing services through three branches in Athens, Komotini (Gümülcine) and Xhanti (İskeçe), Ziraat Bank focuses on services such as corporate banking and foreign trade financing. The Bank plays an active role in developing trade between the two countries.

Ziraat Bank operates in **Bulgaria** with four branches, including branches in Sofia, Plovdiv, Kardzhali and Varna, under the Bank's Bulgarian Directorate. In Bulgaria, the Bank increased its number of branches to five with the opening of the Burgas Branch on 17 December 2021. This new step by the Bank will play an important role in widening its service network and effectiveness in Bulgaria.

Ziraat Bank continues to provide services in the corporate and retail segments in Bulgaria as well as financial services and solutions to customers through non-branch channels such as ATM and internet banking.

In **Kosovo**, a wide range of products are provided in the corporate and retail segments with 4 branches operating in Pristina, Prizren, Peja and Ferizaj under the Bank's Kosovo Directorate.

In the **TRNC** (Turkish Republic of Northern Cyprus), the Bank continues its activities with a focus on customers and the market, operating from eight branches. The Bank has diversified its product range and is continuously increasing its service quality. The TRNC branches offer their customers corporate and retail banking products to Turkish standards.

The Bank has provided significant contributions to the economic development of the TRNC.

In **Iraq**, the Bank supports the development of economic and trading activities between Iraq and Turkey with its two branches in Baghdad and Erbil. The branches play an important role in fulfilling the contracting firms' requirements for letters of guarantee, in addition to serving as the financial solution point for international companies, organizations and institutions and, in particular, for Turkish and Iraqi corporate customers operating in the country.

In **Saudi Arabia**, the Jeddah Branch opened its doors in 2011. The Bank continues to expand the branch's product and service range with the aim of meeting the banking needs of Turkish and Saudi corporate customers operating in the country, and in particular the letter of guarantee needs of Turkish contracting companies The Bank also aims to act as a broker in foreign trade between Turkey and Saudi Arabia and developing the trade between the two countries.

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

Sustainable and responsible banking in foreign branches

In **Greece**, the transition to the new main banking software was completed, representing an important step both towards ensuring product diversity and managing banking business processes more effectively.

The Bank continued to increase the financial support for direct investments conducted by Turkish entrepreneurs operating in **Bulgaria.**

Ziraat Bank plays an important role in financing **Kosovo's** infrastructure investments, primarily transportation infrastructure and renewable energy resources. The Bank continued to contribute to the financing needed in the development of Kosovo's economy.

In accordance with the responsible banking approach adopted in the **TRNC,** loan support packages were created under the coordination of the TRNC Central Bank during the pandemic. They were offered to customers requiring financing in the most effective way and accounted for a significant share of total loan volume. Ziraat Bank accelerated its banking activities for education and tourism, which are two of the leading sectors in the TRNC 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.

Digital channels at foreign branches

With the increasing importance of digital channels, Ziraat Bank focused on internet and mobile banking investments in its international branches in 2021. With the Internet Banking and Mobile Banking channels, customers were provided with online access to the Bank's financial products globally.

GRI 103-2, 103-3, 401-1, 401-2

HUMAN RESOURCES PRACTICES

The Bank has always employed a distinguished team with superior competencies since its establishment. This forms the basis of customer satisfaction, an area which Ziraat Bank attaches great importance to.

Ziraat Bank is aware of the need for high-performing personnel for sustainable success and continuous customer satisfaction. Accordingly, Ziraat Bank aims to maximize the motivation, knowledge and skill level of its employees. To this end, Ziraat Bank offers all of its employees systematic training opportunities focused on career and development.

Career management operations

Operating in the banking sector, which is characterized by intensive international competition, each and every year Ziraat Bank strives to take a step further on its status as the strongest national bank. The Bank is aware that it owes its exclusive and distinguished position in the sector to high-level human resources which offer the right value proposals to its customers at the right time, through the right channel with their original market knowledge and experience. With this the Bank continued to develop its adopted modern human resources management system in 2021.

Among the Bank's employees, 85% had an associate, undergraduate, graduate or doctorate education. The average year of service is 13 years.

The global pandemic conditions of the last two years obliged the human resources units to take on major responsibilities in order to ensure business continuity, put in place crisis management systems and support the motivation of employees. In this tough period, Ziraat Bank carried out studies to understand the needs and motivating factors of employees in order to create an employee experience which is able to respond to changing demands brought about by the new conditions.

In line with this, the Bank analyzed the effects of employees' psychology on performance during this challenging process and continued to offer training activities on online platforms to increase the psychological resilience of employees in spite of the pandemic. Practices were developed aimed at accelerating the flow of information in terms of crisis management and increasing employees' ability to take quick actions.

Any employee experiencing health problems or found to be struggling with this process was contacted on a one-on-one basis and efforts were made to meet their needs and requirements. In terms of business continuity, remote and rotational working models have been adopted, and working hours have been regulated.

Taking all of these into account, the Bank aimed to manage the pandemic process as well as was possible, to make employees feel that they are accompanied under all conditions and to create an employee experience which will respond to changing conditions.

Employee profile

Ziraat Bank aims to provide modern and reliable banking services by fulfilling the requirements of the banking and international competitive environment.

Serving its customers with a total of 24,607 employees as of the end of 2021, the Bank provided jobs for 608 people in 2021.

At year-end 2021, the average age of employees in the Bank stood at 37. Among the Bank's employees, 85% had an associate, undergraduate, graduate or doctorate education. The average year of service is 13 years.

GRI 102-8, 103-2, 103-3, 401-1, 401-2

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

BREAKDOWN BY HEAD OFFICE. REGIONS AND BRANCHES

Unit	Number of People	%
Head Office	5,456	22.2
Regions	285	1.2
Branches	18,777	76.3
International	89	0.4
Grand Total	**24,607**	**100**

BREAKDOWN BY AGE

Age	Number of People	%
30 -	1,496	6.1
30 – 50	21,979	89.3
51 +	1,132	4.6
Grand Total	**24,607**	**100**

BREAKDOWN BY EDUCATIONAL BACKGROUND

Educational Background	Number of People	%
Post-Graduate	43	0.2
Graduate	2,260	9.2
Undergraduate	16,216	65.9
Associate	2,477	10.1
High School	3,551	14.4
Secondary School	60	0.2
Grand Total	**24,607**	**100**

GRI 102-8, 103-2, 103-3

Recruitment

In 2021, Ziraat Finance Group opened its doors to young people seeking to progress in a career in banking. In order to meet Ziraat Bank's need for Assistant Inspectors and Assistant Specialists, and the personnel needs at its subsidiaries, Ziraat Participation Bank and Ziraat Teknoloji, applicants were invited to attend an exam. Within the scope 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.

Career management

Ziraat Bank, which has a transparent career management approach in the field of human resources, trains its own management candidates among its staff. Accordingly, 1,075 existing employees who were succeeded in the written promotion exams conducted in 2021 were promoted to a higher position. In addition, more than 100 employees who successfully completed the Management Trainee Program were appointed to management positions in the branches and units.

There are a total of 28,971 employees within the Ziraat Finance Group, including domestic and foreign subsidiaries. Ziraat Bank has taken firm steps towards becoming a global brand in the banking sector in all countries where it operates, offering attractive career progression, pay, training and development opportunities to all employees working under the Ziraat roof.

In addition to the companies operating in Turkey, efforts continue to expand Ziraat HR practices among the subsidiaries located abroad.

The Ziraat Finance Group pays attention to the satisfaction and happiness of its employees, its most precious resource, and the effective management of their experiences in this context. The Group continues to strengthen its communication channels in order to support its employees not only in managing their career, financial situation or working environment, but also their expectations and concerns regarding life.

The Ziraat Finance Group held the Ziraat Finance Group Human Resources Summit for the first time in 2021, under the Ziraat umbrella. The purpose of the summit was to achieve continuous improvement in human resources practices and create a strong employee experience in all countries where the Group operates. Thirty employees who are specialized in the field of human resources, and working in foreign subsidiaries and branches from 18 countries, as well as those working in domestic subsidiaries, attended the event.

Held under the theme of Employee Experience, the summit featured presentations from all participants. Goals and strategies were determined in order to enhance and develop employee satisfaction across the Ziraat Finance Group and to strengthen the communication and joint efforts of the personnel working in the foreign branches and subsidiaries. The final reports which were created with the outputs of the Ziraat Finance Group Human Resources Summit and which included opinions, requests and suggestions, were published by Banking School Publications.

Ziraat Bank developed the "artificial intelligence supported career planning robot" to ensure that the right decisions are taken in career management processes. The robot was deemed worthy of the "Company of the Year in the Banking Sector" Golden Globee award in the "Bests of International Business World in 2021" category at the "International Best in Business Awards", which was held for the 8th time this year by the Globee Business Awards organization, one of the world's leading business awards.

Ziraat Bank launched the "Artificial Intelligence Supported Virtual Assistant" application, which was developed to answer frequently asked questions and address issues of interest regarding human resources processes.

The Bank rolled out the "Satisfaction Barometer" questionnaire, which it had started to circulate in 2020, to its foreign subsidiaries in 2021. The questionnaire allows the Bank to keep in touch with its employees' wishes. The Bank identified employee-specific reasons for low satisfaction through one-to-one interviews with the employees participating in the questionnaire, as well as general reasons for a lack of satisfaction. The Bank created plans to resolve these problems.

Performance management

The Individual Performance Management System measures each employee's individual achievements and ranking in each period on the basis of objective and quantifiable criteria. The system consists of two basic components; numeric-based and competence-based criteria.

The Bank's goals and strategies are reflected in the field through the performance management system. Indicators associated with customer-focus, profitability, productivity and risk management have a significant impact on the numeric performance score and listing. Individual rankings are created as a result of combining the quantitative performance scores, which are achieved as a result of the calculations based on targets, with the competency scores. These form the basis for 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 increase company loyalty by motivating personnel and to provide tangible benefits to those whose individual achievements are compatible with the Bank's corporate objectives.

A current bonus budget is determined by taking the Bank's profitability and operational results into account with the proviso that the budget's total amount shall not exceed 8% of the Bank's aggregate monthly salary payments in 2021. This allocation 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 this 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 other Head Office units within its performance management system in the second quarter of 2018, as well as the units subject to numeric performance measurement, taking into account the competence-based evaluation system.

On the other hand, within the framework of the fundamental Ziraat Finance Group concept, individual performance evaluation, competence evaluation and bonus system practices were carried on throughout the domestic subsidiaries. In 2021, the Bank also continued to take steps to introduce individual performance management systems in its foreign subsidiaries.

Ziraat Bank plans to start paying bonuses to employees working for its subsidiaries operating in Azerbaijan, Georgia and Bosnia in 2022. The Bank also plans to create the design for bonus payments by monitoring the results of the performance system, which was designed for other foreign subsidiaries and branches.

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 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 shares its suggestions with the Board of Directors.

Within the context of the third term collective bargaining agreement signed between Ziraat Bank and Öz Finans-İş Trade Union to be effective from 1 January 2021 through 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 91%, adjustments to pay for 2021 were carried out in accordance with the Collective Labor Agreement.

The system, set up to monitor the amount of overtime carried out by personnel continued to be used effectively in 2021. A focus was placed on reducing overtime, in keeping with the sensitivity placed on maintaining the work-family life balance for employees.

In order to ensure that the employees receive basic health services within the scope of early diagnosis and preventive healthcare, the "mobile healthcare service" application was launched.

Health benefits and practices

In addition to the health services provided by the Social Security Institution, Ziraat Bank provides benefits regarding health insurance to its employees and family members subject to the provisions of private law;

- Based on the authorization provided by the Bank's Board of Directors,
- Based on the authorization provided by the Board of Directors of Health and Assistance Fund (the Fund) for the Fund members.
- The Bank also executes special agreements with healthcare service providers, under which its employees can obtain healthcare services, and announces these agreements to all employees.
- The Bank started to provide "special case payments" to increase its contribution to the education, care and development of the personnel's children which are recorded as having special needs as set out by the Report for children (SNRC) and the Report by the Guidance and Research Center, which operates under the Ministry of Education.
- In order to ensure that the employees receive basic health services within the scope of early diagnosis and preventive healthcare, especially in the provinces where access to healthcare service providers is difficult, the "mobile healthcare service" application was launched.

Projections for 2022

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, Ziraat Bank continues 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 2022 will be aimed at integrating employee experience and smart technologies into HR processes and implementing flexible working models.

Talent Management Practices

Ziraat Bank conducts training and development activities aimed at improving both the professional knowledge and skills and personal talents of its employees within the framework of its strategy of "Investing in Human Resources and Learning Organization".

By contributing to the development of its employees and adding value, Ziraat Bank aims to discover, evaluate and develop talent in the most efficient manner by standing by these individuals in every period of their business life. Accordingly, an extensive and user-friendly rate of content was diversified by taking various user needs into consideration and transferring them from various channels.

Training activities

Offering its employees opportunities for continuous professional and personal development, Ziraat Bank provided an average of 11.8 hours of classroom training and 25.3 hours of online training per person in 2021. As the vaccination rollout gained pace, in-class training was also stepped up in the second half of 2021, while virtual classroom practices and e-training continued.

- A summary of the training activities which Ziraat Bank offered its employees in 2021 is provided below:
- The "Branch Manager Development Journey" program organized for bank managers, coaching and mentoring training and practices, the "On-the-Job Trainer Training" program, the "Development Journey of the Manager who switched to the Field" program,
- The "Educator Training" program in order to expand the Bank's internal trainer pool,
- "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,
- "Executive Candidate Program Training" for the preparation of supervisors working in authorized positions for management roles,
- "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,

Ziraat Bank offered a range of training programs in different areas which would directly affect the quality of life of its employees, such as being a parent, healthy living, movement literacy.

- "Competence Training" tailored to the individual, based on the data in the Individual Performance and Competence Evaluation System.
- "Development Training", 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,
- "Licensing and Certificate Training" to prepare participants for national and international licenses and certification exams.

In addition to the training programs listed above, Ziraat Bank offered a range of training programs in different areas which would directly affect the quality of life of its employees, such as being a parent, healthy living, movement literacy (knowing how to move), coping with stress, and emotional resilience.

The Bank also signed a cooperation protocol with the Ankara University, which is another well-established institution, and that is a value of our country. The purpose of this protocol is to improve the academic aspect of its training programs and to initiate a cooperation that will enable those, who work in education programs, to obtain a master's degree at the same time. The Bank completed the design of its first post graduate programs.

Digital transformations in education

In line with its "Digital Solutions" strategy, Ziraat Bank also brings applications using state-of-the-art technology in the field of education into practice.

Ziraat Bank's online training programs provide the opportunity to train more personnel in a short space of time at low cost, and employees can access training content whenever they wish from any location. E-training has gained even greater importance during the pandemic.

With the support of work units, the Bank expanded its e-training catalogue with new content which contribute to the professional development of its employees. In addition, the Digital Library, which contains more than 1,000 volumes, continued to be used by all employees. Our library contains a range of interesting e-training content, videos, audio files and documents for all employees seeking to develop themselves either in a professional or personal capacity.

The "Ziraatli-comment" block, which is used by 15,064 employees and enables our employees to share their knowledge and experience with all employees, was diversified with the addition of 459 articles.

Through the mobile application, Ziraat Bank prepared journeys which are tailored to the position of each employee. This application allows information to be collected instantly from the field, in addition to ensuring permanence through micro-learning and reinforcement. The application, which is designed to offer the practicality of mobile learning by accompanying employees in the fast flow of life, elements such as questionnaire and exam questions, reminders, greetings and congratulatory messages can be performed daily within the framework of a planned calendar, in addition to micro-learning elements.

The Bank supported its employees by organizing competitions with didactic mobile games and thus ensuring knowledge gained permanence. A total of 3,507 employees played the mobile game, spending a total of 31,887 hours on the game and solving 7,421,216 questions.

Sustainability in Education

Ziraat Bank also observes sustainability in its training activities, where it reflects its "Responsible Banking" strategy.

There are training programs designed specifically for the customers and children on Ziraat Bank's website. The training program, which is offered under the name of "Our E-Training programs specific to the Little Ones", aims to raise awareness of the importance of saving among children and to introduce them to basic financial concepts. In this fun-packed program, children learn about the relationship between money and the bank, the functioning of banks, internet and telephone banking, loans and credit cards, the efficient use of all resources from money to electricity and water with the themes of "Money-Bank Island, Savings Island, Loan and Credit Card Island, Budget Island".

GRI 103-2, 103-3, 404-1, 404-2

The Bank's customer training also include programs on secure credit card use and agricultural insurance.

The Bank implemented a new program to contribute to the development of university students who are carrying out internships at Ziraat Bank, enabling them to make efficient use of the time they spend in internship. With its "Customer Experience" approach, the Bank planned every day down to the smallest detail by putting itself in the shoes of the students from welcoming them on their first day to bidding them farewell at the end of their internship. More than 100 items of content including videos, e-learning and reading material were made available to the students.
The training programs offered over the mobile application included topics such as basic banking, loan information from A to Z, digital literacy, correspondence techniques, corporate professionalism, resilience, information security and zero waste. The Bank also organized small competitions to increase participation and encourage learning. The Bank monitored every step of the program on a daily basis through the mobile application.

SOCIAL RESPONSIBILITY AND PROMOTION WORK

The spirit of social sharing forms the basis of Ziraat Bank's contributions to the fields of culture, the arts and sport. In addition to the museums and art galleries which the Bank hosts within its organization, the Bank also fulfils its responsibilities towards society with the projects it supports.

With these efforts, Ziraat Bank takes the initiative in the complete transfer of our national values to the next generations.

Culture and the arts

Since its establishment, Ziraat Bank has integrated the importance it attaches to the arts and artists under the banner of "In Art for Art". The Ankara Kuğulu and the Istanbul Tünel Art Galleries, which are part of the Bank, have been serving art connoisseurs for many years. Unfortunately, they have been closed since March 2020 due to the pandemic. The Ankara Çukurambar Art Gallery, whose doors are still open to the public, hosted three exhibitions in 2021 and attracted more than 3,000 visitors.

The State Theatres Ziraat Stage, which was brought to life with the cooperation of Ziraat Bank and the General Directorate of State Theatres, continues to serve lovers of the theatre.

The Headquarters Building, which is located in Ankara's Ulus district, was built in 1929 by the Italian architect Giulio Mongeri. The building is one of the buildings reflecting the First National Architectural Period. The Ziraat Bank Museum is located in the Hall of Fame on the ground floor of the building. The museum was opened in 1981 to pass the Bank's know-how and experience on to future generations. 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.

After the restoration works that started in the historical building in 2017, the Ziraat Bank Museum was expanded with the inclusion of the basement floor and started operating again in 2019. The museum was temporarily closed to visitors in March 2020 due to the pandemic. In addition, visitors were given the opportunity to visit and experience the Museum step by step through the prepared three-dimensional Virtual Tour.

Ziraat Bank boasts one of Turkey's leading collections of sculptures and paintings. The Bank brings works of art in its collection to the public with its collection and comprehensive exhibitions which it organizes. With more than 2,500 works, the Ziraat Bank Painting Collection continues to expand with the works of art purchased from artists exhibited in the Ziraat Bank galleries.

Ziraat Bank will maintain its support for art and artists with the "Ziraat Bank Art Museum" to be opened in its historical building in Alsancak, İzmir. Ziraat Bank started extensive restoration and restitution works to transform the Historical İzmir Branch building into a museum in 2018. The Art Museum is planned to be opened to art lovers in September 2022.

Ziraat Bank continued its contributions to Turkey's social, cultural and economic development in 2021 as well.

An important supporter of the development of Turkish sports

Having put its name on the Turkish Cup with its sponsorship in the past 13 seasons, Ziraat Bank has contributed invaluably to the development of Turkish sport. Additionally, the Ziraat Volleyball Team, competing in the Turkish Men's Volleyball leagues since 1981, competed successfully in the Efeler (Premier) League, the AXA Sigorta Cup Volley (Turkish Cup) and the CEV Challenge Cup in Europe in the 2020/2021 season. Having succeeded in qualifying as the runner-up in the CEV Cup in the 2017-2018 season, the Ziraat Volleyball Team represented Turkey at the Balkan Cup held in Pazardzhik, Bulgaria and claimed the championship title. The team also won the Turkish Champion titles in the U-18 and U-20 categories at the latest Infrastructure Turkey Championships.

In its 40^{th} year, our Efe' brothers succeeded in becoming champions in the Efeler League for the first time in their history. In addition, our team, which competed in the CEV Challenge Cup in the 2020-2021 season, played in the finals in the cup, completing the tournament on second place.

After winning the championship, our team went on to win the Super Cup game played in 2021 and became the Super Cup Champion.

Social responsibility projects

In order to fulfil the mission which comes with its social responsibility and to bring land ravaged by forest fires in the province of Hatay back to life as soon as possible, the Bank donated 10 saplings on behalf of each employee.

In addition, the Medeniyet University Ziraat Bank Library Project, which is planned to be the largest library in İstanbul, was completed with Ziraat Bank contributing to efforts to consolidate its support to the socio-cultural and economic development of Turkey as well as to provide a gift of permanent value to our country.

Ziraat Bank's efforts to school improvements in priority regions for development continued in 2021 within the scope of the "Children on Vacation, Schools in Renovation" social responsibility project.

In 2021, the Bank continued to support seminars, conferences and educational activities organized by the Ministry of Young People and Sports. The purpose of this support is to raise awareness of our cultural values, history and literature to young people in higher education, living in dormitories under the General Directorate of Credits and Dormitories of the Ministry of Young People and Sports.

Advertising and communication activities

The advert explains how customers can easily transfer money from Ziraat Mobile or the Internet Branch by defining their mobile phone number and their national ID number, Tax ID number, Foreigner ID Number, e-mail or passport number as an easy address and transfer money without an IBAN. The "how to" film also explains how to define an Easy Address. Both films were announced to the public on social media.

The "Ziraat Bank Agriculture Film" explains how Ziraat Bank has strengthened power of farmers for 157 years and how it is more than just a bank for farmers.

The advert for the "Irrigation Loan with Savings", specially prepared for the World Water Day, was broadcast to the public.

Three "how to" films were created to explain how to create QR codes, share QR codes and transfer money with QR codes through the Ziraat Mobil and posted on social media.

An advert promoting Bankkart's special campaign for the month of Ramadan was broadcast. It was shared with the public on national TV channels and social media accounts. In addition, an advert where Bankkart celebrates the Ramadan Feast (Eid Al Fitr) was filmed and broadcast on social media accounts.

Desktop commercial films, which set out Bankkart's special campaigns for Mother's Day and Father's Day, were filmed and broadcast to the public on social media.

An advert explaining how customers of Ziraat Mobile are instantly notified when money enters their accounts, and a "how to" film which explains how to buy and sell gold through the Ziraat Mobile were prepared and posted on social media accounts.

Our how to film, which explains how customers can perform their Stock Public Offering Request transactions on our Internet Branch and Ziraat Mobile was posted to the public on social media.

During the public offering of Ziraat REIT, which is Turkey's real estate giant, three adverts were broadcast. Our adverts, which are "Ziraat REIT Image", "Ziraat REIT IPO" and "Ziraat REIT Acknowledgment", were broadcast on national television channels and on our social media accounts.

The desktop commercial film, which explains how to become a Ziraat Bank customer by making a video call with a customer representative over the Ziraat Mobile, without needing to go to the branch, was shared with the public on social media.

As a result of the work carried out in order to increase the number of active users of Ziraat Mobile and to explain the recognition, ease of use and means of the application in a way which would be different and entertaining, the new promotion platform, "Z-Mobile Generation", was shared with the public through national television channels, printed media and social media accounts.
In this context, first of all, three teaser films cut from the main film shots were broadcast on national channels and attracted considerable interest from the general public as well as curiosity about the nature of the Z-Mobile Generation. Together with the broadcast of the main film on national television channels and social media accounts, images depicting the Z-Mobile Generation began to appear in the printed media and social media accounts.

Finally, the advert about being a Ziraat Bank member over Ziraat Mobile without needing to go to the branch, in order to join the Z-Mobile Generation was broadcast on national television channels and social media accounts. The Z-Mobile Generation campaign attracted wide public acclaim.

A new advert with the title of "Don't Worry (Merak Etme Sen)" explains how Ziraat Bank has been standing with farmers for 157 years. It was broadcast on national television channels and social media accounts. The short advert, which was cut from this film, and which celebrates 14 May Farmers' Day, was shared with the public on social media accounts.

The Stevie Awards, which is one of the world's prestigious international business awards program, rewards successful organizations, projects and work at international standards. In the Stevie Awards, Ziraat Bank won the Golden Stevie award with the "157th Anniversary Advert - Always Smile". In addition, the Bank won the Bronze Stevie award with its "2020 Integrated Annual Report", the Bronze Stevie award with "New Trends in the IT Request Management", the Bronze Stevie award with "Turkey through the Eyes of Our Employees", and the Bronze Stevie award with "1IZ E-Magazine". The Bank announced the awards it won to the public on social media.

The 157th Anniversary film, "Always Smile", was also awarded the Golden Award in the category of "Creative Communication-Best Creative Use of Celebrity" at the Sardis Awards.

The advert entitled "For Generations" was prepared to mark the 158th Anniversary of Ziraat Bank, which has touched the lives of many generations throughout its 158-year history and which will touch the lives of many generations to come in the future. The film was broadcast on national television channels and social media accounts, and received wide acclaim from the general public.

Ziraat Bank was selected as Turkey's Most Loved Bank in 2021 in the Turkey's Lovemarks Survey. The Bank has received this award for six consecutive years. This success was announced to the public through social media and printed media.

Other work
Ziraatbank.com.tr is the Bank's corporate website and was designed to be responsive and developed on the MS SharePoint 2016 infrastructure. The website provides easy access to Ziraat Bank's services and functions.
In 2021, 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. 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.

Contributing to the development of Turkish sports, Ziraat Bank was again named sponsor of the Turkish Cup in the 2021/2022 season.

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.

Ziraat Bank has become the most effective Bank in the sector in the social media channels in which it operates intensely in order to respond to its customers' requests and expectations on each platform and to maintain the highest level of customer satisfaction. Attracting more than 2,300,000 likes and followers on its Facebook page in 2021, the Bank has steadily increased its effectiveness in social media with more than 450,000 followers on Twitter, 217,000 followers on the Bank's Instagram account and more than 80 million views on YouTube and other similar platforms.

Sponsorships
The Volleyball Team, which Ziraat Bank sponsors and which is supported by the employees, were crowned Champions of the Efeler League in the 2020-2021 season. The team went on to achieve great success, playing in the European finals. The Bank continued its sponsorship support in the 2021/2022 season for the Ziraat Bank Sports Club in what was a magnificent season, and will represent our country in the CEV Champions League this season.

Ziraat Bank sponsored the movie called "Kesişme, İyi ki Varsın Eren" (Intersection, Thank God you exist, Eren), which was to be released in cinemas on 1 January 2022. With the co-production support of the TRT (Turkish Radio and Television Corporation), the screenplay of the film was written by Mert Dikmen, Alper Uyar and Özer Feyzioğlu and the film was produced by Mustafa Uslu. The film tells the real-life story of Eren Bülbül, who left a mark on the conscience and hearts of people when he was brutally murdered in front of his home in Maçka, Trabzon at the age of 15, and the hero of the story, Petty Officer Senior Sergeant Major Ferhat Gedik, who used his body as a shield to protect Eren.

In addition, the Bank supported the movie "15/7 Dawn Time" as a sponsor. The movie will tell the story of resistance and real-life stories of many heroes and heroines who were involved in resistance against the coup attempt on 15 July 2016, with a cast of many famous artists, all of whom work in the State and City Theatres. Mr. Fatih Özcan wrote the script of the film and undertook the general directing.

To mark the occasion of the 101st anniversary of the opening of the Turkish Grand National Assembly, various celebrations, scientific, cultural and artistic activities and visual and audio promotional activities were planned in order to inform the public. In this context, Ziraat Bank provided support for the realization of the "Turkish Grand National Assembly 101st Anniversary Symphony" project composed by Mr. Can Atilla in order to demonstrate our country's values through art.

Ziraat Bank supported the exhibition of "Finance History from Past to Present" held in Galata in Istanbul between 15 and 30 December 2021. Selected documents and photographs from the Central Bank's collection, interactive presentations and an extensive range of digital works of art are featured in the exhibition, which features the historical adventure of the Turkish Lira from past to present, from İtibar-ı Milli Bank (the National Reputation Bank) of the Ottoman Empire to the Central Bank of the Republic of Turkey.

Ziraat Bank was again named sponsor of the Turkish Cup in the 2021/2022 season, extending its run of sponsorship since 2009. The purpose of this is to advertise and promote the Bank more effectively and to contribute to the development of Turkish sports by considering the influence of football on a vast number of people.

Brandon Hall

Excellence Awards Ceremony, “Ziraatliyorum” Platform - Golden Award for the Best Co-Learning Tool
Excellence Awards Ceremony, Customer e-learning - Golden Award for the Best Customer Education Application
Excellence Awards Ceremony, From B4A to Z Credit Videos - Silver Award for the Best Use of Video in Learning
Excellence Awards Ceremony, Financial Literacy Videos - Bronze Award for the Best Use of Video in Learning

Stevie Awards

“Communication or PR Campaign of the Year, Internal Communication - 100 or more employees” Bronze Stevie award with the “1iz E-magazine” work
“Communication or PR Campaign of the Year - Relations with Dijital Media” the Bronze Stevie award with the “Turkey through the Eyes of Our Employees” work
Marketing Campaign of the Year - Financial Products and Services “Ziraat Bank Corporate Image Campaign - the Golden Award with the 157th Anniversary Commercial Film - Always Smile”
Bronze award with the “Best Annual Report” “Ziraat Bank 2020 Integrated Annual Report - We have been generating value for Turkey for 157 years”
Bronze Award with “IT Awards - Best Technical Support Strategy and Application”, “Ziraat Bank, New Trends in the IT Request Management”

Golden Spider

Ziraat Bank Corporate Website, First Prize in the Banking Finance category
Ziraat Bank Corporate Website, Third Prize in the Corporate Website category
Ziraat Bank Corporate Website, Third Prize in the Mobile Compatible Design category
Ziraat Mobile, Third Prize in the Mobile Application-Banking & Finance category

Golden Bridge Business and Innovation Awards

“Gold Globee Winner” in the “Success of Human Resources” category

Social Media Awards Turkey

Banks, the Golden Award, the most effective bank of social media for the 5th time
Silver Award with Credit Cards - Bankkart
“Use of New Technologies” Ziraat Bank, the 157th Anniversary Commercial Film - Silver Award with “Always Smile”

Global Council of Corporate Universities

Corporate Universities Global Council - Environment & Social Responsibility Award

Global Banking & Finance Review

“Banking & Finance Technology Awards” Best Banking Technology Application in 2021 (YETKİM)
“Banking Process & Product Awards” the Most Innovative Banking Process in 2021 (IT Request Management)

Stevie Mena Awards

Covid 19- The Most Valuable Product, Golden Award
Success in Product Innovation, Bronze Award
“Innovative Achievement in Science or Technology”, the Bronze Award
Financial Sector, Excellence in Innovation Award - Organizations with 100 or More Employees with “Improvements of National ID Card and Ziraat Mobile/Internet Banking Online Application & I Forgot My Password Functions”

PSM Awards

Innovative Customer Interaction and Experience, the Golder Award with “National ID Card and Ziraat Mobile/Internet Banking Online Application & I Forgot My Password Functionality”
The Silver Award for the “Social Responsibility” “Individual Basic Needs Support Loan work”

IPSOS-MEDIACAT, Lovemarks Awards

2021, The Most Loved Bank

Marketing Turkey and Akademetre

The Brands Best Managing Customer Experience Award

Globee Business Awards

The Best in International Business World in 2021, the Company of the Year in the Banking Sector, the Golden Globee award

CX Awards Turkey

Customer Experience Awards, Digital Customer Experience Category, Productive Project Award

B2B Excellence Awards

Excellence in B2B Satisfaction, Most Reputable Business Partner of the Year Award

Eskişehir Branch

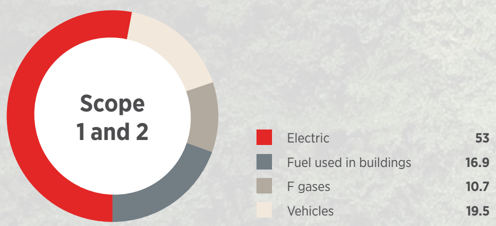
The Eskişehir Branch opened in 1884. The current building of the Eskişehir Branch was designed by Giulio Mongeri, the architect of our Ankara Head Office Building. The building was opened on 29 October 1930. The Adana Branch is of an architecturally similar design to the Eskişehir Branch.

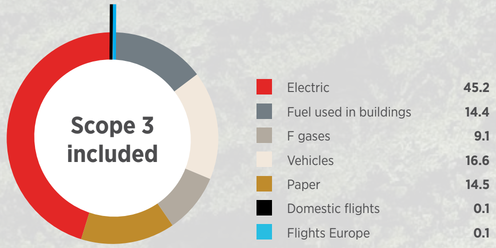
Ziraat Bank's environmental approach is based on combating climate change and global warming, ensuring optimal efficiency in the use of resources, and reducing waste.

In this vein, it monitors the consumption of natural resources by implementing effective environmental management, takes steps to reduce consumption of natural resources and works in cooperation with suppliers.

Ziraat Bank continues to support investment projects which will protect the environment and reduce the negative effects of climate change.

GREENHOUSE GAS EMISSIONS 2021 (%)





ZIRAAT BANK AND THE ENVIRONMENT

GRI 103-2, 103-3, 302-1, 302-3, 303-3, 305-1, 305-2, 305-3, 306-2

Differently from previous years, Ziraat Bank has added flights and paper consumption, which are considered within Scope 3, to its greenhouse gas inventory calculations.

GHG EMISSIONS

Ziraat Bank completed the inventory work on the measurement of greenhouse gas emissions for 2021 by collecting energy data from the head office, domestic branches and the regions.

With respect to greenhouse gas emissions, the points set out in Scope 1 and Scope 2 in the GHG Protocol and ISO 14064-1: 2006 standard are referred to. The IPCC, TIER-1 Methodology was used to calculate greenhouse gas emissions within the specified limits, and TIER-2 Methodology for activity data with national data (electricity). The GWP (Global Warming Potential) coefficients used in the calculations are taken from the IPCC AR5 assessment report.

The chart on page 84 shows the breakdown of greenhouse gas emissions by source. Electricity-based emissions accounted for the highest share of total emissions with a 53% share (54.4% in 2020), followed by emissions from the company's vehicles with a 19.5% share (19.6% in 2020), and fuels used in the buildings with a 16.9% share (15.9% in 2020). The upward trend in emissions from refrigerant gases (F-gases) continued in 2021 (10.7%).

Differently from previous years, Ziraat Bank has added flights and paper consumption, which are considered within Scope 3, to its greenhouse gas inventory calculations. The distribution of greenhouse gas inventory, including Scope 3, is provided in the chart on page 84.

Scope 1 emissions increased by 4.6% compared to 2020, approaching their 2016 levels. In terms of fuel use in 2021, diesel consumption in vehicles accounted for the highest share of emissions with a 41.2% share. Diesel was followed by natural gas (28.2%) and coal (6.3%).

The biggest increase in 2021, when compared to the previous year, was in natural gas consumption. While the fall in consumption in 2020 to below the standard usage amount was due to the closures associated with the Covid-19 pandemic, the opening and active use of the Bank's Varlık Campus in Ankara and Yahya Kemal Caddesi Guesthouse and Hisarpalas and Koşuyolu service buildings in Istanbul contributed to the increase during 2021.

Indirect greenhouse gas emissions

Ziraat Bank's indirect greenhouse gas emissions decreased by 1.4% compared to 2020. Although electricity consumption increased by about 3%, the reduction in emissions caused by the 4% decrease in the electricity emission factor for 2021, which resulted from the decrease in the use of fossil fuels in electricity generation in Turkey in 2020 compared to the previous year.

While the emission factor is used in the calculation of the current year's emissions from electricity consumption, the previous year is taken into account where there is data on energy resources used in Turkey's electricity production. Accordingly, the electricity emission factor in 2021 was affected by the change in the breakdown of energy sources used in electricity generation in 2020.

www.ghgprotocol.org
www.iso.org/standard/38381.html

GRI 103-2, 103-3, 303-3, 306-2

CHANGE IN INDIRECT GREENHOUSE GAS EMISSIONS

Indirect Greenhouse Gas Emissions (Scope 2)	2020		2021		%
	Indirect Energy Consumption	Indirect Greenhouse Gas Emissions (tCO_2e)	Indirect Energy Consumption	Indirect Greenhouse Gas Emissions (tCO_2e)	Change (Scope 2)
Electricity purchased (kWh)	81,999,262	39,110	84,403,363	38,564	-1.40
Total		**39,110**		**38,564**	**-1.40**

Emissions originating from business flights and paper consumption, which are included in the eventful Greenhouse Gas Emissions, called Scope 3, are added to the greenhouse gas emissions calculations for 2021.

OTHER INDIRECT GREENHOUSE GAS EMISSIONS

Indirect Greenhouse Gas Sources	(tCO_2e)
Flights (domestic and international)	199.6
Paper consumption	12,380.4
Total	**12,580.0**

Ziraat Bank's greenhouse gas inventory for 2021 was 85,391 tCO_2e. Emissions increased by 1.4% in 2021 compared to the previous year, but remained below the greenhouse gas emissions since 2014.

In 2021, the ratio of greenhouse gas emissions in Ziraat Bank's asset size was 0.05, a reduction of 30% compared to the previous year (0.08 in 2020; 0.13 in 2019; 0.14 in 2018). The Bank aims to support the decrease in greenhouse gas intensity with effective energy management practices.

ENVIRONMENTAL FACTORS IN PROJECT FINANCE

With the financing it provides, Ziraat Bank extends support to large infrastructure projects such as airports, highways, bridges and renewable energy projects, which generate added value for the country's economy and play an important role in job creation.

Reflecting its approach to Responsible Banking, the Bank also considers the possible environmental and social impacts which these projects may create in the transactions which it evaluates within the scope of project finance.

In loan agreements related to multilateral project finance transactions involving Ziraat Bank, the Bank aims to eliminate environmental and social risks and/or minimize their effects by evaluating each project on an individual basis. In this framework, the Bank ensures compliance with the environmental and social standards accepted by international financial institutions and recommended by project consultants.

In project finance contracts prepared by Ziraat Bank, the Bank receives statements and commitments from customers regarding environmental and social issues in accordance with the laws and regulations to which the customers are bound, as well as issuing notes of default in instances of failure to comply with the declarations and commitments. In this context, customer commitments are regularly monitored through periodic reports prepared by environmental consultants or investors.

Ziraat Bank continuously improves its environmental performance in order to inherit a cleaner and more livable world for future generations.

ENERGY EFFICIENCY AT THE TOP OF FOCUS AREAS

Ziraat Bank continuously improves its environmental performance in order to leave a cleaner and more livable world to future generations. In this context, the Bank has implemented many innovative practices regarding energy saving and the efficient use of energy resources.

Ziraat Bank realized the installation of 517 air conditioning systems equipped with high-efficiency inverter technology using ozone-friendly R410A coolant gas in 2021. A total of 124 of these air conditioning systems that were installed in order to reduce the cost of heating and increase energy efficiency were procured in accordance with the next generation VRF system standard which maximizes both energy savings and comfort. A total of 4.04 tons of R410A coolant gas was used in the installed systems.

LED lighting has been installed in Ziraat bank branches, along with the illuminated billboards and ATM concept.

Ziraat Bank carries out systematic studies to enable its mobility impaired customers to access products and services more easily.

Within the scope of Accessible Banking, the Bank carried out the following activities;

- Providing tactile surface application for the visually impaired on indoor and outdoor floors, a call button which disabled citizens can use to request help when they come to the branches and an information board with Braille alphabet printed on the outer door, in 1,120 branches.
- Having elevators for disabled people in 44 Branch and Head Office buildings.

Ziraat Bank aims to expand its efforts to enable disabled customers to easily use branch, ATM and internet banking services to all branches.

One of the applications for energy saving and efficient use of energy resources at Ziraat Bank is Green IT, which optimizes the energy consumption of computers.

Accordingly, warning messages are sent to users at specified times to ensure that computers which are still switched on outside working hours in the Bank's offices are switched off, and that computers are automatically switched off if they are not actively in operation.

Generators are monitored remotely and centrally to check if they have been activated in the event of a power outage. The fuel status of the generators is also monitored remotely and an uninterrupted power supply is provided in the event of potential power outages.

Ziraat Bank, which has the most widespread ATM network in Turkey, has completed the project of using biometric systems placed at ATM cubicle entrance points. Within the scope of the project, data on ATM cubicle temperature and energy consumption is monitored centrally and usage adjustments are performed in light of this data in an effort to reduce energy expenditures.

It is possible to save a high volume of paper by double-sided printing in multifunctional printers used within the Bank.

EFFECTIVE WASTE MANAGEMENT ACTIVITIES

Empty toner and drum units which are not used in Ziraat Bank branches are disposed of under the supervision of the manufacturer. In 2021, a total of 23,000 kg of waste products were accredited and disposed of by the responsible recycling company.

GRI 103-2, 103-3, 303-3, 306-2

Within the scope of the practices undertaken to reduce the use of toner in the Bank, the number of dots used for each character and the optimal number of points are adjusted and dots which cannot be discerned by the user are not printed, thus resulting in a 20% saving in toner use. The savings achieved prevented carbon dioxide emissions totaling 516,000 kg.

In addition, the Bank's printer inventory is being replaced with new generation inkjet products which consume considerably less energy and minimize the harm to the environment in terms of waste.

Defective IT equipment in the Ziraat Bank units and branches is collected in Bank service centers and returned to use by carrying out repairs and renewals.

Waste IT materials, sheet metal materials such as system cabinets and air conditioning units, battery and scrap ATM devices are sold on to companies which hold transportation and processing licenses issued by the Ministry of Environment and Urbanization. Thus, waste is treated as a raw material through recycling, preventing such waste from harming the environment. In this framework, approximately 47 tons of waste material was sent to recycling in 2021.

In the process of replacing chemicals from expired fire tubes, Ziraat Bank works with companies authorized to collect and dispose of the chemicals.

Approximately 47 tons of waste material was sent to recycling in 2021.

In addition, waste such as glass, plastics and paper generated from the bank service buildings is collected in cooperation with the municipalities.

SIGNIFICANT GAINS FROM PAPER SAVINGS

Within the scope of the audit model that Ziraat Bank implements on the axis of sustainability and responsible banking, the practice of submitting physical documents and reports was discontinued, with branch reports instead being generated through the system. In addition to branch audits, audit reports for all head office units have been prepared and monitored through the system.

In addition, with the e-signature and virtual archive application in use throughout the Bank, all audit and review/investigation reports are archived digitally on the main banking software without the need for a physical document archive.

The transfer of audit and inspection and investigation reports to the system and the virtual archive application saved the need for 36,000 sheets of A4 paper.

A4 paper consumption throughout the Bank stood at 243,000 packages in 2021, marking a reduction of 39,000 packages (14%) when compared to the previous year.

Ziraat Bank sells documents and waste paper for which the legal storage period has expired, to contracted authorized companies for recycling purposes. In this context, approximately 1,125 tonnes of waste paper was recycled in 2021.

OTHER ENVIRONMENTAL PRACTICES

Ziraat Bank aims to obtain LEED Certification by designing the Ziraat Towers to be built at the Istanbul International Finance Center campus, which is based in Ataşehir, İstanbul, in accordance with international environmental standards.

In the course of the continuous improvement work undertaken in physical service points, the materials used in construction projects such as installations, electrical components, equipment, furniture and furnishings are examined by Ziraat Bank within the scope of R&D work, and the functionality and recycling properties of the materials are taken into consideration with concepts which will minimize damage during the selection, with consideration given to the environmental impact. In line with the sustainability concept, 113 service buildings were renovated at the Bank in 2021.

ZIRAAT BANK'S SUBSIDIARIES IN 2021

Ziraat Bank's corporate subsidiary strategy revolves around generating integrated solutions to meet the financial requirements of Ziraat Finance Group customers as a whole.

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 geographical region, 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 ensure that foreign buyers and/or sellers of its customers in Turkey are also customers of international service points, to be the global financial contact point of all customers, ultimately adding value to the Ziraat Finance Group,
- 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.

Ziraat Bank maintains its activities with foreign subsidiaries operating in Germany, Bosnia and Herzegovina, Montenegro, Russia, Azerbaijan, Georgia, Uzbekistan, Kazakhstan and Turkmenistan, in addition to its domestic subsidiaries within the framework of its participation policy built on the basis of efficiency.

INTERNATIONAL SUBSIDIARIES

Germany

Ziraat Bank International AG is one of the important banks to be owned by 100% Turkish capital in Germany and the European Union.

Ziraat Bank International AG has been serving its corporate and retail customers in a wide range with its branches in Germany since 2001 and from the Istanbul Representative Office, which entered operation in April 2014. Ziraat Bank International AG has branches in Berlin, Duisburg, Frankfurt, Hamburg, Hannover, Cologne and Munich.

Bosnia

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 14 offices throughout the country.

Montenegro

After receiving a permit to engage in banking operations from the Montenegro authorities in April 2015, Ziraat Bank Montenegro AD began offering services in July 2015. The bank carries out its operations from its Bar and Budva branches, as well as the Head Office and the Podgoritsa Branch in the capital, Podgoritsa. The bank is a fully-owned subsidiary of Ziraat Bank.

Azerbaijan

Ziraat Bank Azerbaijan ASC was awarded its banking license on 30 December 2014 and continues its operations from its Headquarters in Baku and branches in Ganja, Sumqayit, the Old City, Ahmed Recepli and Azadlık. 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.

Russia

Established in 1993 as a joint venture between Turkey and Russia, Ziraat Bank (Moscow) JSC has been operating as a bank fully backed by Turkish capital since 2002, with a focus on corporate banking.

Kazakhstan

Kazakhstan Ziraat International Bank (KZI Bank) was established in 1993 as the first bank with foreign capital in Kazakhstan with its head office in Almaty. The bank provides services to customers in the corporate and retail banking fields through its 8 branches in the cities of Almaty, Astana, Shymkent, Aktau, Atirau, Karaganda and Turkistan.

Uzbekistan

UTBANK JSC, Uzbekistan's first bank with foreign capital, was established in 1993 in Tashkent with a Category 1 banking license, 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 5 branches: Corporate Branch/Tashkent, Operu, Yunusabad, Samarkand and Fergana.

Georgia
JSC Ziraat Bank Georgia, previously operating as a foreign branch, was transformed into the status of a 100% owned subsidiary on 2 May 2017 with the aim of strengthening its implementation of banking operations. The Bank operates with 7 branches in Batumi, Marneuli, Tbilisi, Tsereteli, Kutaisi, Gldani and Varketili.

Turkmenistan
Turkmen Turkish JSC Bank, Turkmenistan's first bank to be established with foreign capital, was established in 1993 with the equal participation of Ziraat Bank and Dayhan Bank, each with a 50% participation. The bank operates with one Head Office Service Building and six offices in Toptancı Pazarı, Turkmenabad, Mary, Daşoguz, Kerki and Bereketli in Turkmenistan.

DOMESTIC SUBSIDIARIES

Ziraat Katılım Bankası A.Ş. (Ziraat Participation Bank)
Established in 2015 as the first public participation bank to be backed by public capital, Ziraat Katılım Bankası (Ziraat Participation Bank) was providing services from its 120 branches in 53 provinces as of the end of 2021.

Having launched its first international branch in Sudan in September 2020, the Bank provides banking services in accordance with the participation banking principles.

Ziraat Portföy Yönetimi A.Ş. (Ziraat Asset Management)
Founded in 2002, Ziraat Asset Management obtained authorization to be a fund founder in 2015 and is now the founding manager of 50 investment funds and the manager of 49 pension investment funds.

Ziraat Portfolio Management, which has assets under management portfolio of TL 102.5 billion as of the end of 2021, maintains its leadership in the sector with a market share of 15.7%.

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

In addition to the public offering of Ziraat GYO A.Ş., for which it served as the leading brokerage house in 2021, the company also became a consortium member in the public offering of 49 companies.

Ziraat Gayrimenkul Yatırım Ortaklığı A.Ş. (Ziraat REIT)
Ziraat REIT was established on 1 November 2016 in order to increase the product and service diversity of Ziraat Finance Group, to use its resources effectively by investing in projects which will accelerate the development of our country's real estate sector and create added value, and to perpetuate the value it creates for its shareholders with the principle of stable growth and high profitability.

On 6 May 2021, 25% of the Company's capital was offered to the public. As of the end of 2021, 81.06% of the shares in Ziraat REIT were held by Ziraat Bank with 18.94% publicly traded.

Ziraat Girişim Sermayesi Yatırım Ortaklığı A.Ş. (Ziraat Venture Capital)
Established on 14 November 2018, Ziraat Venture Capital 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 its establishment in 2001, Ziraat Teknoloji 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 Teknoloji continues its activities in the Technology Development Zones (Teknoparks) located in the Yıldız Technical University and İstanbul University campuses. 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, 22301 and 27001 standards.

INDEPENDENT AUDITOR'S REPORT ON THE BOARD OF DIRECTORS' ANNUAL REPORT

pwc

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 to as the "Group") of for the accounting period of 1 January 2021 - 31 December 2021.

In our opinion, except for the effects of 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 15 February 2022 on the full set unconsolidated financial statements of the Bank for the period between 1 January 2021 - 31 December 2021; unconsolidated financial statements include of a free provision amounting to TL 3.710.000 thousand which consist of TL 3.460.000 thousand provided in prior periods and TL 250.000 thousand recognized 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 15 February 2022 on the full set consolidated financial statements of the Group for the period between 1 January 2021 - 31 December 2021; consolidated financial statements include of a free provision amounting to TL 3.730.000 thousand which consist of TL 3.505.000 thousand provided in prior periods, TL 250.000 thousand recognized in the current year and TL 25.000 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 reports dated 15 February 2022, on the full set unconsolidated financial statements of the Bank for the 1 January 2021 - 31 December 2021 period and the full set consolidated financial statements of the Group for the 1 January 2021 - 31 December 2021 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, 10 March 2022

MANAGEMENT AND CORPORATE GOVERNANCE PRACTICES

BOARD OF DIRECTORS

FARUK ÇELİK
Member of the Board

FEYZİ ÇUTUR
Member of the Board

MAHMUT KAÇAR
Member of the Board

SERRUH KALELİ
Member of the Board

ALPASLAN ÇAKAR
CEO and Member of the Board

BURHANEDDİN TANYERİ
Chairman of the Board

VEYSİ KAYNAK
Vice Chairman of the Board

DR. AHMET GENÇ
Member of the Board

FAZLI KILIÇ
Member of the Board

BOARD OF DIRECTORS

GRI 102-18

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 T. Halk Bankası 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. 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. 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 Auditor in Ziraat Bank, served as Auditor and Branch Manager and was appointed as Regional Director-in-chief in 2005. Çakar, became the Head of Department in August 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. Çakar has been working as member of the Board of Ziraat Bank (Moscow) JSC since 16 July 2019, and he 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 1 February 2022.

Faruk ÇELİK
Member of the Board
Faruk Çelik, born in 1956 in Yusufeli District/Artvin, graduated from Bursa Higher Islamic Institute and thereafter attended at the Department of Management in Kocaeli Management Institute. He was 21st, 22nd and 23rd Bursa MP and 24th and 26th Şanlıurfa MP in the Grand National Assembly of Turkey. He served as the Minister of Labor and Social Security and the State Minister at the 60th, 61st and 62nd Governments; served as the Minister of Food, Agriculture and Livestock at the 64th and 65th Governments. He has been working as a member to the Board of Ziraat Bank as of 27 May 2019, and besides he has been working as the alternate member of the Credit Committee and the member of the Remuneration 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 Gazi University. He got his Master's Degree at the Department of the Social Sciences Business Management of Beykent University. He has got 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 Auditor certificates. 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. Çutur, who has begun to work as member of the Board in Ziraat Bank since April 2012, is the member of Credit Committee of Ziraat Bank. 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.

Dr. Ahmet GENÇ
Member of the Board
He was born in 1960 in Ankara. He was graduated in 1984 from the Department of Public Management, Faculty of the Political Sciences in Ankara University. He served as an assistant specialist and a specialist in the years from 1985 to 1990 at the Banking Department in the Undersecretariat of Treasury, the General Directorate of the Banking and Foreign Exchange. He took education on the insurance and reassurance in the UK in 1990 for a period of one year. He completed his master's degree in the years of 1993 and 1995 in the USA-Boston-Northeastern University, Department of Economics. He transferred in 1997 from the Undersecretariat of Treasury, the Directorate of Banking and Foreign Exchange to the General Directorate of Insurance as the Branch Manager. He was promoted to the position of the Head of Department in the year of 1998. He completed his doctorate degree (Ph.D.) in 2002 with his thesis on "Financial Competence in Insurance" at Ankara University-Institute of Social Sciences-Department of Business Administration. Genç, who served as the Deputy General Director at the General Directorate of Insurance in the years of 2002 and 2004, as the Vice General Director in the years of 2004 and 2007, as the General Director in the years of 2007 and 2015, was appointed to the position of the Assistant Undersecretary of Treasury as of the date of 22.02.2015. Doctor (Ph.D.) Ahmet Genç, who served as the member or as the chairman of founding board/committee of directors at the institutions and establishments such as the Insurance Information Center, Insurance Business Training Center (SEGEM), Agriculture Insurances Pool (TARSİM) created in recent years in relation with the insurance business, and who at the same time gave lessons at various universities as academician, served as the Chairman of the Board of our Bank between August 2018-March 2021. He has been serving as member of Board of our Bank since March 2021. He is the Chairman of the Corporate Governance Committee.

Mahmut KAÇAR
Member of the Board
He was graduated 1999 from Harran University, Faculty of Engineering, Department of Environmental Engineering in 1999. Kaçar, who served as deputy Chairman of "Sağlık-Sen" affiliated to "Memur-Sen" Confederation from 2002 to 2008, Chairman of "Sağlık-Sen" and General Secretary of "Memur-Sen" from 2008 to 2011, 24th and 26th term Şanlıurfa Member of Parliament, has been working as member of the Board of Ziraat Bank since August 2018. Kaçar served as member of the Board of Ziraat Life and Pension, Ziraat Insurance and Ziraat Participation Bank. Furthermore, he is 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 an accountant 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 Bar 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 Ziraat Bank as of May 2019. He is a Member of the Corporate Governance Committee.

Fazlı 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 26.03.2021. Kılıç is also a member of Ziraat Bank's Audit Committee, reserve member of Credit Committee and the Chairman of the Information Systems Strategy Committee and Information Security Committee.

Yahya AKBEN
Member of the Audit Board
He graduated from Boğaziçi University, Faculty of Economics and Administrative Sciences, Department of Economics in 2009. Between 2008-2010 he worked at Türkiye Finans Participation Bank and took responsibilities in the FX Desk of the Treasury Department and in project coordination in the Transformation Office. Between 2010-2017, he worked as a Treasury Expert at the Department of Multilateral Development Banks, General Directorate of Foreign Economic Relations of the Undersecretariat of Treasury. In this process, he contributed to policy making by conducting analyzes on the Corporate and Operational Policies of Multilateral Development Banks. He received his master's degree in Business Administration at Florida Institute of Technology in the USA between 2017-2019. After completing his master's degree, he continued his duty at the Ministry of Treasury and Finance. Yahya Akben has been serving as a Member of the Audit Board of Ziraat Bank since October 2020.

ZIRAAT BANK SENIOR MANAGEMENT

EMRAH GÜNDÜZ
Executive Vice President for Banking Operations and Corporate Communication

RECEP TÜRK
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

CÜNEYT SAĞLIK
Executive Vice President for Payment Systems and Loan Processes

YÜKSEL CESUR
Executive Vice President for Retail Banking

ZIRAAT BANK SENIOR MANAGEMENT

GRI 102-18

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.

Recep TÜRK
Executive Vice President for Credit Risk Monitoring and Liquidation
Graduated from Ankara University, Faculty of Political Sciences, Department of Public Administration. He started his career at T. Halk Bankası A.Ş. in 2000 as Auditor and then worked as Commercial - SME Marketing Department Manager, Commercial Branch Manager and Gaziantep Regional Coordinator. Türk, who started working at our Bank in January 2015, served as Regional Manager and Head of Department, and as Head of Credit Risk Monitoring, Liquidation and Legal Consultancy Group between November 2020-April 2021. He has been serving as Executive Vice President for Credit Risk Monitoring and Liquidation since April 2021.

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.

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.

Cüneyt SAĞLIK
Executive Vice President for Payment Systems and Loan Processes
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. He has been serving as Executive Vice President for Payment Systems and Loan Processes since April 2021.

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.

SUMMARY BOARD REPORT

Since its establishment, Ziraat Bank has been the pioneer of economic development in different phases of Turkey's history, while unwaveringly transferring uninterrupted resources to the real sector and individuals. The Bank has delivered banking products and services to all parts of the country.

One of the cornerstones of the banking sector with its solid financial structure and vast experience, the Bank also operates as an institution aware of its ethical values and social responsibility.

Ziraat Bank once again demonstrated its power to create added value with the financial and operational results it achieved in 2021. The Bank, which has gradually transformed its balance sheet into a more customer-oriented structure has carried out effective loan processes by considering the effective use of resources and cost control.

As of the end of 2021, Ziraat Bank's total assets had increased by 45.4% to TL 1,371 billion, with shareholders' equity of TL 97 billion. Aiming to ensure the sustainability of its profitability, which is an important component of equity, the Bank recorded a Return on Equity of 6.9% in 2021 and a Return on Assets of 0.6%. Ziraat Bank continues to support investments oriented towards agriculture, manufacturing, exports, energy and technology with its selective credit policy. The volume of cash loans rose by 29.6% to TL 778 billion in 2021, accounting for a 56.8% share of the Bank's balance sheet.

Implementing a strong customer-focused balance sheet strategy, the Bank's total deposits amounted to TL 949 billion in 2021, representing a 69% share in liabilities. The Bank succeeded in achieving its sector leadership in total deposits, which it has had for many years, in 2021 as well.

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 whenever they need it.

The Bank acted proactively against the pandemic, which continued to be effective in 2021, and designed effective solutions so that all of its customers could continue their economic activities and meet their basic needs under appropriate conditions.

In order to respond to the financing needs of SMEs and non-SME businesses which are committed to job creation and maintaining additional employment, and to provide interest support, Ziraat bank introduced the Additional Employment Loan Package in 2021 within the framework of the protocol signed with the Ministry of Treasury and Finance, the KGF, the SGK and İŞKUR. The volume of loans extended in this context had reached TL 4.35 billion as of the end of the year.

In order to support its customers who had been affected by the floods and fires which ravaged various regions in Turkey during the summer months, Ziraat bank extended the payment deadlines for more than 2,000 loans without charging interest. In addition, the Bank prepared the Tourism Sector Fire Support Package for tourism businesses operating in regions which had suffered the most from the fires.

Ziraat Bank provides uninterrupted support to the agricultural sector with the loans it has extended under favorable conditions and the new practices it has implemented. In 2021, TL 86.6 billion in loans was extended to approximately 542,000 customers from the Bank's resources to finance the agricultural sector, and more than 83,000 new customers were added to the portfolio.

At the end of 2021, the total volume of agricultural loans extended from the Bank's resources had reached TL 109.2 billion with the number of loan customers approaching 725,000. Continuing to extend loans with favorable interest rates to its customers operating in the sector, the Bank extended subsidized (interest-reduced) loans amounting to TL 66.2 billion to nearly 405,000 producers and companies operating in the agricultural sector in 2021. The volume of loans extended within the scope of "I Have Many Reasons to Live in My Village", implemented by Ziraat Bank in 2021, reached TL 694 million in 2021, with the number of producers benefiting from the project reaching 5,447.

Ziraat Bank commands the largest customer base of any bank in Turkey in the retail banking business line. The Bank offers its services to its wide customer base consisting of students, pensioners, traders, entrepreneurs, housewives and farmers through its branches as well as electronic service channels.

Within the scope of housing finance, the volume of loans disbursed for the housing loan products provided by Ziraat Bank reached TL 15 billion in 2021 while and the Bank's housing loan portfolio reached TL 86 billion.

In 2021, the total volume of consumer loans extended by Ziraat Bank reached TL 59 billion, with TL 25 billion of loans extended during the year, while total vehicle loans stood at TL 670 million, with TL 285 million of vehicle loans extended during the year.

Aiming to diversify its funding sources, Ziraat Bank continued to provide cost-effective and long-term funds from international financial institutions in 2021.

In this context, the Bank issued USD 600 million in sustainable bonds in international markets in 2021 with a maturity of 5 years. Ziraat Bank signed a loan agreement of USD 400 million with Exim Bank of China, one of the leading financial institutions in China. In addition, the Bank obtained a USD 1.3 billion syndicated loan with a maturity of 367 days, with the participation of 45 international banks from 23 countries.

In addition to syndication loans, Ziraat Bank provided a total of USD 1.2 billion in alternative sources such as bilateral loans and post-financing from correspondent banks in 2021 with affordable rates and maturity structures.

Ziraat Bank maintains its position as the Turkish bank with the most extensive service network in the international arena with its wide service network consisting of nine foreign subsidiaries, six domestic subsidiaries, three country management offices, 25 foreign branches and one representative office in 18 countries.

The Bank opened its 5th branch in Bulgaria with the addition of the Burgas Branch in 2021. The 5th branch of Ziraat Bank Uzbekistan JSC, its Uzbekistan-based subsidiary, became operational in Fergana. In addition, the Azadlık Branch of Ziraat Bank Azerbaijan ASC in Azerbaijan entered into service during the year.

Ziraat REIT, one of Ziraat Bank's domestic subsidiaries, was also offered to the public in 2021. As of the end of the year, 81.06% of Ziraat Bank's shares were owned by Ziraat Bank while 18.94% of the shares publicly traded.

Ziraat Bank will resolutely continue to be a bank which can compete in the market of the future by deploying the unique know-how which it has built over the course of many years, which is the bank of choice for its quality service, and will create added value for our country and society.

INFORMATION ON THE ACTIVITIES OF THE COMMITTEES

GRI 102-18, 102-22

INFORMATION ON THE ACTIVITIES OF THE CREDIT COMMITTEE

CHAIRMAN
Alpaslan ÇAKAR
Member of the Board and CEO

MEMBERS
Burhaneddin TANYERİ
Chairman of the Board

Feyzi ÇUTUR
Member of the Board

ALTERNATE MEMBERS
Faruk ÇELİK
Member of the Board

Fazlı KILIÇ
Member of the Board

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 Credit Committee met 30 times during 2021 and passed 749 decisions.

INFORMATION ON THE ACTIVITIES OF THE AUDIT COMMITTEE

MEMBERS
Fazlı KILIÇ
Member of the Board

Mahmut KAÇAR
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.

INFORMATION ON THE ACTIVITIES OF THE CORPORATE GOVERNANCE COMMITTEE

CHAIRMAN
Dr. Ahmet GENÇ
Member of the Board

MEMBERS
Serruh KALELİ
Member of the Board

Dr. Ertan ALTIKULAÇ
Group Head

Gülbin ÇAKIR
Department Head

Hüseyin Alper DUMAN
Manager

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

Faruk ÇELİK
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 COMMITTEE

CHAIRMAN
Fazlı KILIÇ
Member of the Board

MEMBERS
Emrah GÜNDÜZ
Executive Vice President

Dr. İlker MET
Group Head

Hüseyin ÖZUYSAL
Group Head

Osman TANAÇAN
Ziraat Teknoloji A.Ş. CEO

Dr. Ertuğrul Umut UYSAL
Department Head

Bayram TUZCU
Department Head

Zafer ÖZDEK
Department Head

The duties and activities of the Committee are as follows:

- to fulfill the duties and authorities determined in the legislation regulated by the BRSA,
- to manage the preparation of the Information Systems Strategy Plan,
- to monitor the proper implementation of the plan.

INFORMATION ON THE ACTIVITIES OF THE INFORMATION SECURITY COMMITTEE

CHAIRMAN
Fazlı KILIÇ
Member of the Board

MEMBERS
Emrah GÜNDÜZ
Executive Vice President

Dr. İlker MET
Group Head

Osman TANAÇAN
Ziraat Teknoloji A.Ş. CEO

Dr. Ertuğrul Umut UYSAL
Department Head

İbrahim KONAK
Department Head

Ahmet Burak ERKOL
Department Head

Özcan ASANOĞLU
Department Head

S. Şamil YILDIZ
Department Head

Sevil GÖKCAN
Department Head

The duties and activities of the Committee are as follows:

- to fulfill the duties and authorities determined in the legislation regulated by the BRSA,
- to coordinate information security activities,
- to establish and implement information security policy.

INFORMATION ON ACTIVITIES OF THE CREDIT MONITORING AND RISK MANAGEMENT COMMITTEE

CHAIRMAN
Recep TÜRK
Executive Vice President

MEMBERS
Mehmet Şükrü TAŞCI
Executive Vice President

Yasin ÖZTÜRK
Group Head

Ahmet FAKI
Department Head

Hasan ÖZTAŞ
Department Head

S. Şamil YILDIZ
Department Head

Rehber BİRKAN
Department Head

The duties and activities of the Committee are as follows:

- to evaluate the loan portfolio periodically, to determine the actions to be taken and to create strategies for the following periods,
- to monitor and evaluate financial risks and to determine the actions to be taken and to coordinate these
- to develop a risk culture throughout the Bank.

INFORMATION ON THE ACTIVITIES OF THE EXPENSE MANAGEMENT AND EFFICIENCY COMMITTEE

CHAIRMAN
Emrah GÜNDÜZ
Executive Vice President

MEMBERS
Dr. Ertan ALTIKULAÇ
Group Head

Hüseyin ÖZUYSAL
Group Head

Dr. İlker MET
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

ATTENDANCE BY THE MEMBERS OF THE BOARD OF DIRECTORS AND OF THE AUDIT COMMITTEE IN THE MEETINGS HELD DURING THE REPORTING PERIOD

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 31 times during 2021 and passed 433 resolutions.

The Audit Committee meets regularly at least once a month with the attendance of all members. The committee met 20 times during 2021 and passed 50 resolutions.

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 2021 and their reasons are presented in Footnote VII of section five of the year-end financial report that is included in this annual report.

SUPPORT SERVICES PROVIDERS

GRI 102-9

The services outsourced by Ziraat Bank in 2021 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
AGT Hızlı Kurye Hizmetleri A.Ş.	Courier services
Kurye Net Motorlu Kuryecilik ve Dağıtım Hizm. A.Ş.	Courier services
DHL Worlwide Express Taşımacılık ve Ticaret A.Ş.	International cargo services
Tepe Savunma ve Güvenlik Sis. San. A.Ş.	Security services
Başkent Güvenlik Hizmetleri Ltd. Şti.	Security services
Ekol Grup Koruma ve Eğ. Hizm. Ltd. Şti.	Security services
Plaza Peyzaj Temizlik İnsan Kaynakları Eğitim Turizm Otel Gıda Tesis Yön. San. ve Tic. A.Ş.	Outsourced personnel for IT operations and Customer Satisfaction Management Unit
Güzel Sanatlar Çek Basım Ltd. Şti.	Printing of cheques
Global Bilgi Pazarlama Danışmanlık ve Çağrı Servisi Hizmetleri A.Ş.	Outgoing call services
Global Bilgi Pazarlama Danışmanlık ve Çağrı Servisi Hizmetleri A.Ş.	Outsourced survey service
Global Bilgi Pazarlama Danışmanlık ve Çağrı Servisi Hizmetleri A.Ş.	Rental of Social Media Replying Software Licence
Brinks Güvenlik Hizmetleri A.Ş.	Cash transportation services
Gram Altın Pazarlama Sanayi ve Ticaret A.Ş.	Appraisal and refining services for Altın Vakti (gold deposit) operations.
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.	Credit card and member merchant account statement printing and mailing
Bileşim Finansal Teknolojiler ve Ödeme Sistemleri A.Ş.	Customer letters (information, reply, warning, notification, etc.) printing and mailing
Bileşim Finansal Teknolojiler ve Ödeme Sistemleri A.Ş.	Aerogramme (information, reply, warning, notification, etc.) printing and mailing
Bileşim Finansal Teknolojiler ve Ödeme Sistemleri A.Ş.	Account statement printing and mailing
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 Sis. San. ve Tic. A.Ş.	Credit card and debit card embossing
Banksoft Bilişim Bilgisayar Hizmetleri Ltd. Şti.	Card payment and ATM systems infrastructure software
Ziraat Teknoloji A.Ş.	Information systems management and information systems infrastructure support
Enerji Telekomünikasyon 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.	Rental of Social Media Replying Program

AUDIT COMMITTEE'S ASSESSMENT OF THE OPERATION OF THE INTERNAL AUDIT, INTERNAL CONTROL, COMPLIANCE, AND RISK MANAGEMENT SYSTEMS IN 2021

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.

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 2021 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 Banking Regulation and Supervision Agency (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 2021 are as follows:

- The Central Audit Team continued its intensive operations in 2021 by performing scenario analyses which are influential in preventing irregularities from being committed. The team reviewed the effectiveness of its existing scenarios and developed new ones to cope with the possible abuses made possible by newly-introduced business processes. It has also continued to develop systematic procedures aimed at minimizing risks arising from the remaining manually-conducted processes involved in internal audit, and to work for the integration of artificial intelligence technology into the Central Audit processes. Additionally, the instant follow-up of the transactions examined on the day (t-1) in 2020, through EVAM, continued in 2021.
- The R&D Team kept a close watch on all of the Bank's other business units, revised and kept the auditing module up to date in light of changes in business processes and the regulatory framework, and modified auditing points as made necessary by laws, BRSA decisions, and changes demanded by Bank's senior management and headquarters units.
- Improvements also continued to be made in all processes from the development of an auditing index to the determination of the significance level of audit findings. Systemic changes that make it possible for inspection findings concerning critically important transactions to be drawn to the attention of business units increased the effectiveness of the finding follow-up process and had a beneficial impact on the overall percentage of findings subjected to corrective action.
- 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.
- As a result of efforts for the Global Auditing Module that is aimed to be implemented at all Ziraat Finance Group members, the processing system to be used in this module and its application to various banking systems, the module was implemented at Ziraat Bank BH d.d. in 2018, and ad Ziraat Participation Bank in 2020. Studies are ongoing for the use of the module in other subsidiaries of the Bank.
- Systematic developments on the Web Audit Module enabling generation of web-based reports issued following Information Systems and Banking Processes audits continued in 2021, and revisions were made on the module in order to meet the needs of the Board of Inspectors 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 2021. System improvements were made to increase efficiency in sharing the scenario results with business units and following up on the actions taken.
- During 2021, the Central Inspection Team that was set up to increase the frequency and effectiveness of inspections by constantly and centrally monitoring designated branch groups performed centralized inspections on 281 of the Bank's branches in accordance with the same criteria employed for on-site inspections. Thus, 38% of the branch inspections carried out within the scope of the audit plan was completed centrally.
- The Data Security Team, which operates with the intention of protecting the confidential information of customers and the Bank, continued to work in 2021 as well.
- The practice of recruiting qualified human resources for the Bank's administrative staff by allowing inspectors to transfer to such positions continued in 2021.
- 27 Assistant Inspectors, who were successful in the "Assistant Inspector Entrance Exam" organized by the Bank, started to work in August 2021.
- Within the scope of combating Covid-19, a new type of coronavirus that affected our country as it did the whole world, the Board carefully followed the measures taken both in the country and the Bank in its studies within the scope of the 2021 audit plan and took the necessary measures.

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 and within the framework of current auditing approaches, 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, headquarters units, subsidiaries subject to consolidation and all of their operations."

In accordance with Article 30, Paragraph 1 of the "Regulation on Information Systems and Electronic Banking Services of Banks", entitled "The activities related to IT management of the bank and its external service providers, the processes supporting these activities and the IT controls established must comply with the legislation and in-bank policies, procedures and procedures, in line with IT internal control function", the information systems internal control function was established to monitor compliance with the standards.

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 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 checks 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.

Artificial intelligence/machine learning models, the foundations of which were laid in 2019 by the internal control unit, which reflects its focus on technology to all of its processes, started to be used effectively in credit and accounting controls. Providing orientation to transactions with high probability of finding, machine learning algorithms support the risk-oriented control model, and thus mediate more effective controls with less resources. In addition, it is aimed to detect new risk areas early by performing anomaly analyzes with artificial intelligence/machine learning algorithms.

Headquarters 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 since 2015. 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 2021.

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.

COMPLIANCE SYSTEM

Activities in the Bank to prevent money laundering, financing of terrorism and proliferation of weapons of mass destruction; 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 the changes to Law No. 5549 on the Prevention of Laundering Proceeds of Crime, the Ziraat Finance Group - as the main financial institution - formed the financial group together with the financial institutions operating in the country, and accordingly, a group-based compliance program and Ziraat Finance Group Compliance Policy was prepared, the Bank Compliance Policy was updated and the organizational structure was strengthened. Sufficient personnel and resources have been allocated to ensure that the responsibilities imposed by the relevant laws and regulations can be fulfilled effectively, taking into account 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, we 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.

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.

The regulation drafted in the compliance program regulation has enabled the sharing of information within the financial group with rules introduced on how this sharing can be

GRI 102-15

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 financial group, we are 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, and we will maintain and expand our support in the coming period.

Internal training programs, which are designed to exchange information regarding the development of joint standards, creation of joint processes, and acting in line with the shared policy target related to "Prevention of Laundering Proceeds of Crime and Financing of Terrorism", are carried on.

In addition, training programs continue to be provided to increase the level of awareness of all personnel on the prevention of money laundering and financing of terrorism.

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.

RISK MANAGEMENT SYSTEM

Ziraat Bank risk management activities are conducted subject to the requirements of BRSA's Regulation on bank internal system and intrinsic capital adequacy assessment processes and other pertinent regulations as well as of BRSA Best Practices Guidelines. They are carried out with the aim of aligning the Bank's risk management functions with best practices by fostering a risk culture throughout the entire and constantly improving 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. Care is given to ensure that all activities related to risk management system are coordinated through the involved participation of the operational units with which each type of risk is associated.

Under the heading of credit risk management, Basel III-compatible methods are used to define, measure, monitor, and report credit risk. The Bank has been calculating its core credit risk exposure and reporting it monthly on the basis of its solo and consolidated accounts to BRSA ever since this practice was mandated by law as of 1 July 2012. The credit limits approved by the Board of Directors are monitored and scenario analysis and stress tests are carried out by applying various shocks to credit risk factors. Counterparty Credits are measured for counterparty risk.

In addition, with the participation of different units within the scope of Credit Risk Management Project with Advanced Methods, studies are being carried out to calculate credit risk based on internal rating and to use its outputs in different areas. Within the scope of this project, model validations evaluating the compatibility, accuracy and durability of IRB model studies carried out within the framework of internal rating-based approach, creating macroeconomic models, making IRB models compatible with TFRS-9 and implementation of the results are carried out.

In the first quarter of 2021, a Credit Risk Control Unit was established under the Risk Management Department, and all activities managed based on the Internal Rating were included in the scope of duty of the relevant unit. Once the model development activities were completed and the models were passed through the validation processes, studies were initiated to calculate the amount subject to credit risk and expected credit loss with the newly created model parameters.

After the completion of all model outputs and IRB model validation tests, the amount based on credit risk calculated with the Basic and Advanced IRB methods can be retrieved from the system together with the results of the standard approach.

At the same time, the accuracy, consistency and adequacy of the internally used rating models and other measurement methodologies, carried out in order to accurately measure and manage the risks the Bank is exposed to, as well as to evaluate the stability of risk models and output (risk estimates, rating grades) performances is reported to the senior management at regular intervals. Activities under the responsibility of the validation unit are also carried out for this purpose. Accordingly, the unit aims to perform the validation studies of the internal models used in the decision-making processes and to take the necessary actions as a result of the findings determined and to ensure full compliance with the legal requirements.

Under the heading of market risk management, such risk is defined, measured, analyzed, monitored, and reported. Analyses are supported by conducting stress tests. Risk measurements are performed on all accounts whose inclusion in the Bank's capital adequacy ratio calculation is mandatory as well as by means of the "value-at-risk" (VaR) methodology. The results of VaR measurements are validated by means of backtest analyses. The values on which market risk is calculated are periodically reviewed and compared with of Board of Directors-approved limits while senior management is kept informed about the results of internal limit monitoring.

Under the heading of operational risk management, the operational risks to which the Bank is exposed are defined, classified, quantified, and analyzed. Operational risk signal and limit values approved by the Board of Directors are also monitored at regular intervals. Amount subject to Operational Risk is calculated using the Basic Indicator Approach pursuant to the Regulation on the Measurement and Assessment of Capital Adequacy of Banks.

Operational risk incidents as a result of the lost data base in the banking software are being followed and a self-evaluation study covering the bank's organization is carried out. Information technology risks and associated actions are followed up in coordination with the related units. Activities for business continuity plans and portfolio custodian services along with risk assessments for companies providing outsourced support services are being carried out.

Under the heading of balance sheet risk management, liquidity and interest rate risks arising from banking business accounts are identified, measured, analyzed, monitored, and reported. Analyses are also supported by means of stress tests and scenario analyses. Consolidated and unconsolidated Liquidity Coverage Ratio and the Interest Rate Risk Ratio Arising from the unconsolidated Banking Accounts are periodically reported to the BRSA. Liquidity risk as approved by the Board of Directors and signals and limits of the interest rate risk resulting from banking accounts are also monitored at regular intervals.

Besides the stress test analysis subjected to in-bank periodic reports, Internal Capital Adequacy Assessment Process (ICAAP) reports are also prepared and sent to BRSA at year-end. In the latter reports, the Bank's capital and liquidity adequacy is analyzed over the following three-year period on the basis of a set of Base/Negative/Overly Negative scenarios not supplied by BRSA.

The results of the risk management analyses and the associated risk indicators are reported to the Board of Directors and to the Audit Committee at six-month intervals and to the Senior Management on a daily, weekly, and monthly basis.

Ziraat Bank will continue to make use of internationally-recognized advanced risk management techniques in order to carry out its risk management activities for all risk categories and to make such risk management an integral part of its strategic decision-making processes in the future as well.

ZIRAAT BANK'S FINANCIAL STANDING, PROFITABILITY AND SOLVENCY

Ziraat Bank defines its targets as consistent growth, creditweighted balance sheet structure, sustainable profitability, and productivity. In 2021 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 16.5%.

Within the framework of the strategy of having a customer-weighted balance sheet, total cash loans increased by 30% to TL 778 billion at the end of 2021, and its share in assets was 57%. The share of securities portfolio in assets is approximately 25%. While Ziraat Bank makes its balance sheet increasingly customer-oriented, it proactively manages credit quality through effective credit processes, prioritizes effective use of resources and expense management through its selective credit policy.

The Bank's non-performing loans ratio stood at 1.9% in 2021. 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.

Despite the low follow-up ratio compared to the sector, the bank's asset quality was strengthened during the year, with a high reserve ratio of 80%.

It 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 949 billion. Ziraat Bank maintained its sector leadership in deposits in 2021 as well as in loans. Deposits and non-deposit sources account for 69% and 21% shares respectively of total liabilities. In keeping with the Bank's ongoing efforts to diversify and deepen its sources of funding, in 2021 Ziraat Bank continued to seek out and tap alternatives such as international agency and financial institution lines of credit, post-financing, syndicated loan, TL – FC repo, Eurobond issuance, funds obtained from domestic and foreign banks.

The Bank's most important income item in 2021 was interest income, which amounted to TL 102 billion. The share of interest received from loans in total interest income was 71% as a result of the credit activities carried out during the year. Net fee commission income-another important income item-was increased significantly in 2021 and the incomes were diversified.

RATIOS

(%)

Capital	**2020**	**2021**
Capital Adequacy Ratio	18.2	16.5
Shareholders' Equity/Total Assets	9.9	7.1
Shareholders' Equity/(Total Assets+Non-cash Loans)	8.6	5.9
Shareholders' Equity/(Deposits+Non-Deposit Sources)	11.5	7.9
Asset Quality	**2020**	**2021**
Cash Loans/Total Assets	63.7	56.8
NPL (Gross)/Cash Loans	2.3	1.9
NPL (Gross)/(Non-Cash Loans+Cash Loans)	1.9	1.5
Loans/Deposits	95.4	82.1
FC Assets/FC Liabilities	81.4	92.6
Liquidity	**2020**	**2021**
Liquid Assets/Total Assets	9.7	16.2
Liquid Assets/(Deposits+Non-Deposit Sources)	11.2	18.0
Profitability	**2020**	**2021**
Net Profit/Average Total Assets	1.0	0.6
Net Profit/Average Shareholders' Equity	9.7	6.9
Interest Income/Interest Expenses	199.3	163.9

INFORMATION ABOUT RISK MANAGEMENT POLICIES AND ACTIVITIES ACCORDING TO TYPE OF RISK

GRI 102-11

Risk management activities are carried out with the underlying approach of aligning the Bank's risk management functions with best practices by fostering a risk culture throughout the entire Bank and constantly improving system and human resources.

Risk management activities are conducted under the separate headings of "Credit Risk", "Market Risk", "Operational Risk", "Balance Sheet Risks" and "Credit Risk Control Unit and Validation". Policies, practices, and procedures concerning the management of these risks are governed by regulations and resolutions approved by the Board of Directors for dealing with each category of risk. All risk management system activities are carried out through the involved participation of all the units with which each type of risk is associated.

Ziraat Bank has formulated an "Intrinsic capital adequacy assessment process" as required by BRSA Regulation on banks' internal system and intrinsic capital adequacy assessment processes. The purpose of this process is to set up and maintain a system that will both determine the amounts of capital that are needed to cover the risks to which the Bank is or might be exposed and will ensure capital requirements and levels are used compatibly with the Bank's strategic objectives. 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 with the involvement of other appropriate units and are sent to BRSA with the approval of the Board of Directors.

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.

Credit risk management consists of discovering the credit risks to which the Bank is exposed and defining, measuring, monitoring, controlling, and reporting such risks.

According to BRSA Regulation on measurement and assessment of capital adequacy of banks, credit risk is to be measured using the Basel III Standardized Approach and the results of such measurements are to be included in one's mandatory reporting. In compliance with this requirement, Ziraat Bank's credit risk exposure on both a solo and a consolidated basis is reported monthly to BRSA. The measurement of the counterparty credit risk, which is considered in the framework of credit risk, is carried out by using the Reasonable Valuation Method.

Internal Rating Notifications are reported to Risk Center of Banks Association of Turkey on monthly basis, in accordance with Internal Rating Notification Circular which went into effect as of January 2014. Scenario analyses and stress tests are performed with the application of internal and external shocks to credit risk factors. A Credit Risk Management with Advanced Methods Project that permits the use of advanced methods in the calculation of the Bank's core credit risk exposure is carried out. The project includes model validations evaluating the compatibility, accuracy and durability of IRB model studies carried out within the framework of internal rating-based approach, creating macroeconomic models, making IRB models compatible with TFRS-9 and implementation of the results.

In the first quarter of 2021, a Credit Risk Control Unit was established under the Risk Management Department, and all activities managed based on Internal Rating were included within the scope of its duty of the relevant unit. After the model development activities were completed and the models passed through the validation processes, studies were initiated to calculate the amount subject to credit risk and expected credit loss with the newly created model parameters.

After the completion of all model outputs and IRB model validation tests, the amount based on credit risk calculated with the Basic and Advanced IRB methods could be retrieved from the system together with the results of the standard approach.

Both the Board of Directors approved customer-segment-based credit risk limits and trigger values and portfolio-based counterparty credit risk limits and trigger values arising respectively from banking accounts and from trading accounts have been calculated and monitored on a monthly basis. The risk-weighted assets which the Bank may hold on a segment and portfolio basis are subject to 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.

Risk measurement and monitoring is carried out in order to reveal the market risks to which the Bank may be exposed. The results of these activities are taken into account in the Bank's strategic decision-making processes.

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. The operational risk exposure is calculated using the Basic Indicator Approach methodology.

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.

BALANCE SHEET RISKS

"Balance sheet risks", which are risks that arise from the Bank's on- and off-balance sheet asset and liability accounts, are controlled so as to manage them in the most effective way possible. Risk measurement and monitoring is carried out in order to reveal the balance sheet risks to which the Bank may be exposed on account both of its liquidity risks and of its interest rate risks arising from its banking business accounts. The results of these activities are taken into account in the Bank's strategic decision-making processes.

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.

GRI 102-11

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.

Additionally, trigger values are monitored as part of the early-warning process and associated risk exposure levels are defined within limits in light of such considerations as liquidity, income level targets, and appetite for risk, and come into force upon the approval of the Board of Directors.

CREDIT RISK CONTROL UNIT

The Credit Risk Control Unit is responsible for the design or selection, implementation, supervision and performance of the Bank's rating systems, performing regular analysis of the results and reporting the results of the studies conducted, and the Bank's Probability of Default (PD) within the scope of TFRS 9 Expected credit risk loss calculation. The Unit carries out activities to develop internal models of Loss at Default (THK) and Amount of Default (TT), to monitor their performance, and to develop scenario-based macroeconomic models of parameters related to future expectations.

The PD, LGD, EAD modelling studies for the calculation of credit risk with an internal rating-based approach have been completed within the scope of the "Credit Risk Management Project with Advanced Methods", which will contribute positively to the determination of the Bank's credit policies and balance sheet management, as well as in determining customer-oriented strategies.

Work continues on TFRS-9 integration of newly developed macroeconomic modelling and IRB models to be used in TFRS-9 provision calculations.

VALIDATION

The validation unit is responsible for evaluating 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, as well as evaluating the stability of risk models and output (risk estimates, rating grades) performances, and the reporting of the results of the activities under its responsibility to the senior management at regular intervals.

In this context, the unit 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 İSEDES, operational risk and market risk models and to take necessary actions in view of the findings.

In validation activities, the process starting with data quality control consists of model initial validations and report preparation, evaluation of findings and the taking of necessary actions, final validation report and documentation, process validation and periodic validation studies.

Consultancy services were received for the validation of the developed IRB models, and the Bank's validation unit completed the initial validation study in 2021, taking into account the quantitative and qualitative control points. Process and periodic validation studies of the models for which initial validations were completed will also be carried out in the future.

31 DECEMBER 2017-31 DECEMBER 2021 SUMMARY BALANCE SHEET AND STATEMENT OF PROFIT OR LOSS

GRI 201-1

(TL million)

Assets	**2017**	**2018**	**2019**	**2020**	**2021**
Cash and Cash Equivalents	48,571	46,237	57,389	91,038	222,061
Securities Portfolio	70,628	88,681	130,335	225,621	341,401
Loans	302,807	379,331	447,983	600,660	778,404
Associates and Subsidiaries	5,312	7,603	7,602	14,326	20,988
Fixed Assets	5,241	5,045	5,479	6,748	6,655
Other Assets	1,716	10,259	968	4,208	1,381
Total	**434,275**	**537,156**	**649,756**	**942,601**	**1,370,890**

Liabilities	**2017**	**2018**	**2019**	**2020**	**2021**
Deposits	266,384	331,066	447,251	629,874	948,687
Money Markets	56,258	68,351	49,275	116,401	176,699
Loans Borrowed	29,065	34,172	34,528	36,950	59,317
Marketable Securities Issued	12,757	15,430	13,106	14,355	26,162
Funds	6,031	6,074	6,066	6,053	32
Provisions	8,519	2,832	3,819	7,059	9,060
Subordinated Debt	-	-	9,566	13,048	21,428
Other Liabilities	8,251	21,830	16,080	25,583	32,405
Shareholders' Equity	47,010	57,401	70,065	93,278	97,100
Total	**434,275**	**537,156**	**649,756**	**942,601**	**1,370,890**

Statement of Profit or Loss	**2017**	**2018**	**2019**	**2020**	**2021**
Interest Income	35,463	53,054	65,602	69,476	101,998
Interest Expense	18,561	31,138	40,290	34,862	62,230
Net Interest Income	16,902	21,916	25,312	34,615	39,768
Fees and Commissions Income (Net)	2,217	2,638	3,590	3,093	5,451
Dividend Income	285	291	1,060	1,119	138
Trading Profit/Loss (Net)	-814	-3,834	-7,817	-7,743	-11,044
Other Operating Income	1,378	1,434	1,614	5,182	4,444
Expected Loss and Other Provision Expenses	3,191	4,719	6,425	13,339	15,330
Other Operating Expenses	6,490	7,692	9,685	12,092	14,513
Pretax Profit	10,287	10,034	7,648	10,834	8,913
Tax Provision	2,347	2,073	1,461	3,009	2,622
Net Profit for the Period	**7,940**	**7,961**	**6,187**	**7,825**	**6,291**

* Excluding expected losses

CREDIT RATINGS ASSIGNED BY RATING AGENCIES

Following the revision of Turkey's long-term rating outlook from Stable to Negative on 2 December, 2021, Fitch Ratings revised Ziraat Bank's long-term local currency rating outlook from Stable to Negative on 10 December, 2021. On the other hand, as a result of the methodological change conducted by the organization, the Support Rating and Support Rating Base were abolished and replaced by the Government Support Rating, with this rating determined as "b". Other ratings have been confirmed.

On 7 January, 2022, JCR Eurasia Rating determined Ziraat Bank's Long-Term International Foreign Currency and Long-Term International Local Currency rating as BB with a "Stable" outlook in line with the country rating ceiling. It maintained the Long Term National Rating "AAA (Trk)", Short Term National Rating "A -1+ (Trk)" and outlook as "Stable".

The current credit rating scores of Ziraat Bank are listed in the table below.

Rating Agency	Category	Rating	Revision Date
Fitch Ratings	Foreign Currency Long-Term IDR	B+	December 2021
	Outlook	Negative	
	Foreign Currency Short-Term IDR	B	
	Local Currency Long-Term IDR	BB-	
	Outlook	Negative	
	Local Currency Short-Term IDR	B	
	National Long-Term Rating	AA (tur)	
	Outlook	Stable	
	Government Support Rating	b	
	Viability Rating	b+	
Moody's	Outlook	Negative	December 2020
	Long-Term Bank Deposit Foreign Currency	B2	
	Short-Term Bank Deposit Foreign Currency	Not-Prime	
	Long-Term Bank Deposit Domestic Currency	B2	
	Short-Term Bank Deposit Domestic Currency	Not-Prime	
	Long-Term Bonds Foreign Currency	B2	
	Long-Term Bonds Domestic Currency	B2	
	Baseline Credit Assessment	caa1	
	Adjusted Baseline Credit Assessment	caa1	
JCR Eurasia	Long-Term International Foreign Currency	BB	January 2022
	Outlook	Stable	
	Long-Term International Local Currency	BB	
	Outlook	Stable	
	Long-Term National Local Rating	AAA (Trk)	
	Outlook	Stable	
	Short-Term International Foreign Currency	B	
	Outlook	Stable	
	Short-Term International Local Currency	B	
	Outlook	Stable	
	Short-Term National Local Rating	A-1+ (Trk)	
	Sponsor Support	1	
	Stand Alone	A	

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

UNCONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED 31 DECEMBER 2021 WITH INDEPENDENT AUDITORS' REPORT THEREON

(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 A.Ş.:

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 2021, unconsolidated income statement, unconsolidated statement of income and expense items under shareholders' equity, 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 described in the Basis for Qualified Opinion section of our report, the unconsolidated financial statements present fairly, in all material respects, the unconsolidated financial position of the Bank as at 31 December 2021, 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 Reporting Legislation" which includes the "Regulation on Accounting Applications for Banks and Safeguarding of Documents" published in the Official Gazette No. 26333 dated 1 November 2006, and other regulations on accounting records of banks published by Banking Regulation and Supervision Board and circulars and interpretations published by BRSA and requirements of Turkish Financial Reporting Standards for the matters not regulated by the aforementioned legislations.

2. **Basis for Qualified Opinion**

Explanations and Disclosures Related to the Unconsolidated Financial Statements Section Five II. As stated in Section 9.3, in the accompanying unconsolidated financial statements prepared as of 31 December 2021, the Bank's management has allocated TL 3.460.000 in previous periods and 250. TL 000 thousand in the current year, excluding the requirements of the BRSA Accounting and Financial Reporting Legislation. There is a free provision amounting to a total of TL 3.710.000 thousand.

We conducted our audit in accordance with the "Regulation on Independent Audit of the Banks" ("BRSA Auditing Regulation") published in the Official Gazette No.29314 dated 2 April 2015 by BRSA and Standards on Auditing which is a component of the Turkish Auditing Standards issued by the Public Oversight Accounting and Auditing Standards Authority ("POA") ("Standards on Auditing issued by POA"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements section of our report. We declare that we are independent of the Bank in accordance with the Code of Ethics for Auditors issued by POA (POA's Code of Ethics) and the ethical requirements in the regulations issued by POA that are relevant to audit of unconsolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with the POA's Code of Ethics and regulations. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

3. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the unconsolidated financial statements of the current period. These matters were addressed in the context of our 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 29.072.369 thousand in respect to total loans amounting to TL 778.403.889 thousand which represent a significant portion of the Bank's total assets in its unconsolidated financial statements as at 31 December 2021. Explanations and notes related to expected credit losses for loans are presented Section Three VII, Section Three VIII, Section Four II, Section Five I.7 and Section Five II-9 in the accompanying unconsolidated financial statements as at 31 December 2021. 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. The effects of the COVID-19 outbreak increased the importance of these estimates and assumptions used by the Bank's management in determining the loan loss provisions as of 31 December 2021, and the uncertainties caused by these effects were taken into account in the calculation of expected credit loss using expert opinion. The Bank uses complex models derived from more than one system to detect a significant increase in credit risk and to calculate the expected loan loss allowance. Information including past events, current conditions and macroeconomic estimates taken into account in expected loss allowance accounting should be reasonable and supportable. Our audit was focused on this area due to existence of complex estimates and information used in the impairment assessment such as macro-economic expectations, current conditions, historical loss experiences; the significance of the loan balances; the classification of loans as per their credit risk (staging) and the importance of determination of the associated expected credit loss. Timely and correct identification of default event and significant increase in credit risk and level of judgements and estimations made by the management have significant impacts on the amount of impairment provisions for loans. Therefore, this area is considered as key audit matter.	With respect to stage classification of loans and calculation of expected credit losses in accordance with their staging, we have assessed policy, procedure and management principles of the Bank within the scope of our audit, including the effects of the COVID-19 outbreak.We tested the design and the operating effectiveness of relevant controls implemented in accordance with these principles. For important loan portfolios, we checked appropriateness of matters considered in methodology applied by the Bank for staging of loans and calculation of the provision amount. For forward looking assumptions by the Bank's management in its expected credit losses calculations, we held discussions with management, evaluated the assumptions using publicly available information including the effects of the COVID-19 outbreak. Regarding expected credit losses methodology; we have assessed and tested appropriateness of model segmentation, lifetime probability of default model, exposure at default model, loss given default model, and approaches in relation to projection of macroeconomic expectations with our financial risk experts. We have assessed expert judgment utilized in interpretation of supportable forward looking expectations (including macroeconomic factors). Our procedures also included the following: Together with our financial risk experts, we evaluated and tested reasonableness of the changes in the expected credit loss allowance methodology and the performance of the impairment models used. We have checked selected models used in determination of provisions for various credit portfolios with our financial risk experts by reperforming on a sample selection basis. 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 the areas affected by the uncertainties caused by COVID-19 within the framework of interviews with the Bank 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. In order to determine whether it is reasonable to classify the loans according to credit risk within the framework of current regulations, whether they are impaired and whether the provision for the impairment of the receivable has been established in a timely and appropriate manner, we have conducted a loan review process for the loan set that we have selected on a sample basis. We evaluated the adequacy of the disclosures made in the unconsolidated financial statements regarding the impairment provisions of loans.

Key Audit Matters	*How the key audit matter was addressed in the audit*
Pension Plans Explanations on Valuation of Pension Obligations are presented in the Section Three XVI in the accompanying unconsolidated financial statements as at 31 December 2021. T.C. Ziraat Bankası ve T. Halk Bankası Mensupları Emekli ve Yardım Sandığı Vakfı ("Emekli Sandığı) (Pension Fund) is established in accordance with the Social Security Law numbered 506 article No 20 and is within the scope of Funds to be transferred to the Social Security Institution (SSI). The President is authorized to determine the transfer date. The total obligation of the fund is estimated using separate methods and assumption 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. Evaluation of Pension Fund liabilities include uncertainty of estimates and 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 Pension Fund obligations. During our audit, above mentioned fundamental assumption and estimates used in calculations of Pension Fund obligations, uncertainty of the transfer date, technical interest rate determined by the law 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 employee data supplied by the Bank management to the external actuary firm for the purpose of evaluation pension obligation. In addition, we verified the existence and values of the Pension 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 tested 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, we have checked the footnotes regarding the Pension Fund in the unconsolidated financial statements of the Bank.

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.

INDEPENDENT AUDITOR'S REPORT

As part of an independent audit conducted in accordance with "Regulation on Independent Audit of Banks" published by the BRSA on the Official Gazette No.29314 dated 2 April 2015 and SIA, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

Identify and assess the risks of material misstatement in the unconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Assess the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.?

Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the unconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our independent auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the unconsolidated financial statements, including the disclosures, and whether the unconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence. We also communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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 2021 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.

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

Didem Demer Kaya, SMMM
Partner

Istanbul, 15 February 2022

THE UNCONSOLIDATED FINANCIAL REPORT OF TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş. AS OF 31 DECEMBER 2021

(Convenience translation of publicly announced unconsolidated financial statements and related disclosures with auditor's report originally issued in Turkish, see note I. of section three)

The Bank's Headquarter Address	: Hacıbayram Mahallesi Atatürk Bulvarı No: 8 06050-Altındağ/ANKARA
Phone	: (312) 584 20 00
Facsimile	: (312) 584 49 63
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
Mahmut KAÇAR Member of the Board, Member of the Audit Committee	Emrah GÜNDÜZ Assistant General Manager for Banking Operations and Corporate Communications	Rehber BİRKAN Senior Vice President of Financial Coordination

For the questions regarding this financial report, contact details of the personnel in charge are presented below:

Name/Title	: Serkan ÖZKAN/Financial Statements and Budget Analysis Manager
Telephone Number	: 0312 584 59 32
Fax Number	: 0312 584 59 38

CONTENTS

(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 Turkey Prime Ministry Undersecretariat of Treasury ("Treasury") transfered to the Turkish 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 Ankara.

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 13.100.000. This capital is divided into 13.100.000.000 registered share with a nominal value of TL 1 each and is fully paid. The Bank's sole shareholder is the Turkish Wealth Fund.

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 [1]	Chairman
Alpaslan ÇAKAR [2]	CEO and Member
Veysi KAYNAK	Vice Chairman and Member
Dr. Ahmet GENÇ	Member
Faruk ÇELİK	Member
Fazlı KILIÇ [3]	Member
Feyzi ÇUTUR	Member
Mahmut KAÇAR	Member
Serruh KALELİ	Member
Audit Committee Members	
Fazlı KILIÇ [4]	Member
Mahmut KAÇAR	Member
Executive Vice Presidents	
Cüneyt SAĞLIK [5]	Payment Systems and Credit Processes
Emrah GÜNDÜZ [5]	Banking Operations and Corporate Communications
Ferhat PİŞMAF [5]	Corporate Banking
Mehmet Şükrü TAŞCI [5]	Credit Allocation and Management
Recep TÜRK [5]	Credit Risk Monitoring and Liquidation
Yüksel CESUR	Retail Banking

[1] At the Bank's Ordinary General Assembly meeting held on 26 March 2021, he was elected to the Board of Directors to replace Yusuf Bilmez, was appointed as the Chairman of the Board of Directors to replace Dr. Ahmet Genç, and started his duty as of 29 March 2021.

[2] In the Ordinary General Assembly meeting of the Bank held on 26 March 2021, he was appointed as the General Manager instead of Hüseyin Aydın.

[3] He was appointed to replace Mehmet Nihat Ömeroğlu at the Ordinary General Assembly Meeting of the Bank held on 26 March 2021 and commenced his duty as of 29 March 2021.

[4] He was appointed on 25 April 2021 and commenced his duty on the same date.

[5] He was appointed on 9 April 2021 and commenced his duty on the same date.

The Bank's Chairman and Members of the Board of Directors, Members of the Audit Committee, General Manager and Deputy General Managers do not own any shares of the Bank.

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

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 Share	Unpaid Shares
Turkish Wealth Fund	13.100.000	100	13.100.000	-

The Bank's sole shareholder is the Turkish Wealth Fund.

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 2021, Bank carries its activities with a grand total of 1.727 branches; 1.639 domestic branches including 17 corporate branches, 61 commercial branches, 1.639 branches and 10 mobile branches (31 December 2020: 1.728 domestic branches including 1.639 branches, 19 corporate branches, 65 entrepreneurial branches, 5 mobile branches) and 24 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. In addition to 25 branches and a total of 1,752 branches, The Bank also has 1 representative office in Tehran, Iran. As of 31 December 2021, the Bank's number of employee is 24.607. (31 December 2020: 24.673).

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., 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 one of the 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. Moreover, Platform Ortak Kartlı Sistemler A.Ş. and Bileşim Finansal Teknolojiler ve Ödeme Sistemleri A.Ş. are non-financial associates of the Bank which are kept at cost value are not consolidated in the consolidated financial statements. Central Oto Kiralama A.Ş., ZG Tarım Piyasaları A.Ş., ZG Tarım ve Hayvancılık Yatırımları 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. Rinerji Rize Elektrik Üretim A.Ş., which was previously included in subsidiaries, and Keskinoğlu Tavukçuluk ve Damızlık İşl. San. Tic. A.Ş., which was included in the affiliates, are classified under the fixed assets held for sale in the current period within the scope of the BRSA's Uniform Chart of Accounts amendments.

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

None.

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

NOTES TO THE UNCONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION) AS OF 31 DECEMBER 2021

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish)

	I- BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)	Note (Section	Current Period 31 December 2021			Prior Period 31 December 2020		
	ASSETS	Five I)	TL	FC	Total	TL	FC	Total
I.	**FINANCIAL ASSETS (Net)**		**156.891.377**	**374.035.478**	**530.926.855**	**115.996.922**	**176.002.569**	**291.999.491**
1.1	**Cash and Cash Equivalents**		**24.359.462**	**197.701.960**	**222.061.422**	**8.737.466**	**82.300.443**	**91.037.909**
1.1.1	Cash and Balances with Central Bank	(1)	23.319.411	185.466.575	208.785.986	7.954.069	80.089.730	88.043.799
1.1.2	Banks	(4)	761.150	12.236.212	12.997.362	578.131	2.210.866	2.788.997
1.1.3	Money Markets Receivables		281.931	-	281.931	206.435	-	206.435
1.1.4	Expected Loss Provision (-)		3.030	827	3.857	1.169	153	1.322
1.2	**Financial Assets at Fair Value Through Profit or Loss**	**(2)**	**1.936.236**	**24.723.476**	**26.659.712**	**13.769.083**	**536.369**	**14.305.452**
1.2.1	Government Debt Securities		131.441	23.766.048	23.897.489	13.769.083	9.300	13.778.383
1.2.2	Equity Instruments		-	-	-	-	527.069	527.069
1.2.3	Other Financial Assets		1.804.795	957.428	2.762.223	-	-	-
1.3	**Financial Assets at Fair Value Through Other Comprehensive Income**	**(5),(6)**	**120.157.761**	**149.999.396**	**270.157.157**	**90.571.073**	**91.057.857**	**181.628.930**
1.3.1	Government Debt Securities		119.331.986	149.301.458	268.633.444	89.811.384	90.687.150	180.498.534
1.3.2	Equity Instruments		301.892	46.511	348.403	230.206	28.445	258.651
1.3.3	Other Financial Assets		523.883	651.427	1.175.310	529.483	342.262	871.745
1.4	**Derivative Financial Assets**	**(3)**	**10.437.918**	**1.610.646**	**12.048.564**	**2.919.300**	**2.107.900**	**5.027.200**
1.4.1	Derivative Financial Assets at Fair Value Through Profit or Loss		10.437.918	1.610.646	12.048.564	2.919.300	2.107.900	5.027.200
1.4.2	Derivative Financial Assets at Fair Value Through Other Comprehensive Income		-	-	-	-	-	-
II.	**FINANCIAL ASSETS MEASURED AT AMORTISED COST (Net)**		**522.895.453**	**271.013.864**	**793.909.317**	**456.101.932**	**155.487.998**	**611.589.930**
2.1	**Loans**	**(7)**	**537.517.822**	**240.886.067**	**778.403.889**	**462.338.413**	**138.321.547**	**600.659.960**
2.2	**Lease Receivables**	**(12)**	**-**	**-**	**-**	**-**	**-**	**-**
2.3	**Factoring Receivables**		**-**	**-**	**-**	**-**	**-**	**-**
2.4	**Other Financial Assets Measured at Amortized Cost**	**(8)**	**14.359.307**	**30.224.509**	**44.583.816**	**12.466.614**	**17.220.082**	**29.686.696**
2.4.1	Government Debt Securities		14.243.051	29.999.817	44.242.868	12.379.588	17.161.348	29.540.936
2.4.2	Other Financial Assets		116.256	224.692	340.948	87.026	58.734	145.760
2.5	**Expected Credit Loss (-)**		**28.981.676**	**96.712**	**29.078.388**	**18.703.095**	**53.631**	**18.756.726**
III.	**NON-CURRENT ASSETS OR DISPOSAL GROUPS "HELD FOR SALE" AND "HELD FROM DISCOUNTINUED OPERATIONS" (Net)**	**(15)**	**5.118.932**	**-**	**5.118.932**	**5.260.879**	**-**	**5.260.879**
3.1	Held for Sale Purpose		5.118.932	-	5.118.932	5.260.879	-	5.260.879
3.2	Held from Discontinued Operations		-	-	-	-	-	-
IV.	**EQUITY INVESTMENTS**		**14.964.022**	**6.023.868**	**20.987.890**	**10.939.778**	**3.386.144**	**14.325.922**
4.1	**Investments in Associates (Net)**	**(9)**	**152.904**	**-**	**152.904**	**152.904**	**-**	**152.904**
4.1.1	Associates Valued Based on Equity Method		-	-	-	-	-	-
4.1.2	Unconsolidated Associates		152.904	-	152.904	152.904	-	152.904
4.2	**Subsidiaries (Net)**	**(10)**	**14.811.118**	**5.799.195**	**20.610.313**	**10.786.874**	**3.280.399**	**14.067.273**
4.2.1	Unconsolidated Financial Subsidiaries		14.759.292	5.799.195	20.558.487	10.621.479	3.280.399	13.901.878
4.2.2	Unconsolidated Non-Financial Subsidiaries		51.826	-	51.826	165.395	-	165.395
4.3	**Entities under Common Control (Joint Ventures) (Net)**	**(11)**	**-**	**224.673**	**224.673**	**-**	**105.745**	**105.745**
4.3.1	Joint Ventures Valued Based on Equity Method		-	-	-	-	-	-
4.3.2	Unconsolidated Joint Ventures		-	224.673	224.673	-	105.745	105.745
V.	**PROPERTY AND EQUIPMENT (Net)**	**(16)**	**6.593.997**	**60.795**	**6.654.792**	**6.710.643**	**37.712**	**6.748.355**
VI.	**INTANGIBLE ASSETS (Net)**	**(19)**	**1.328.388**	**36.707**	**1.365.095**	**984.261**	**17.945**	**1.002.206**
6.1	Goodwill		-	-	-	-	-	-
6.2	Other		1.328.388	36.707	1.365.095	984.261	17.945	1.002.206
VII.	**INVESTMENT PROPERTY (Net)**	**(14)**	-	-	-	**-**	**-**	**-**
VIII.	**CURRENT TAX ASSET**		**-**	**-**	**-**	**1.322**	**-**	**1.322**
IX.	**DEFERRED TAX ASSET**	**(20)**	**1.519.079**	**-**	**1.519.079**	**247.408**	**-**	**247.408**
X.	**OTHER ASSETS (Net)**	**(22)**	**8.116.674**	**2.291.634**	**10.408.308**	**8.389.443**	**3.036.308**	**11.425.751**
	TOTAL ASSETS		**717.427.922**	**653.462.346**	**1.370.890.268**	**604.632.588**	**337.968.676**	**942.601.264**

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

NOTES TO THE UNCONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION) AS OF 31 DECEMBER 2021

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish)

	II- BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)	Note (Section	Current Period 31 December 2021			Prior Period 31 December 2020		
	LIABILITIES	Five II)	TL	FC	Total	TL	FC	Total
I.	**DEPOSITS**	**(1)**	**380.837.924**	**567.848.691**	**948.686.615**	**306.746.336**	**323.127.872**	**629.874.208**
II.	**FUNDS BORROWED**	**(3)**	**394.280**	**58.922.381**	**59.316.661**	**1.291.482**	**35.658.731**	**36.950.213**
III.	**MONEY MARKETS BORROWINGS**	**(4)**	**139.646.059**	**37.053.037**	**176.699.096**	**92.831.730**	**23.569.739**	**116.401.469**
IV.	**SECURITIES ISSUED (Net)**	**(5)**	**1.010.690**	**25.151.351**	**26.162.041**	**1.010.690**	**13.343.843**	**14.354.533**
4.1	Bills		-	97.988	97.988	-	-	-
4.2	Asset Backed Securities		-	-	-	-	-	-
4.3	Bonds		1.010.690	25.053.363	26.064.053	1.010.690	13.343.843	14.354.533
V.	**FUNDS**		**31.956**	**-**	**31.956**	**6.053.060**	**-**	**6.053.060**
5.1	Borrower Funds		-	-	-	-	-	-
5.2	Other		31.956	-	31.956	6.053.060	-	6.053.060
VI.	**FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS**		**-**	**-**	**-**	**-**	**-**	**-**
VII.	**DERIVATIVE FINANCIAL LIABILITIES**	**(2)**	**1.202.899**	**2.388.020**	**3.590.919**	**1.464.562**	**2.023.090**	**3.487.652**
7.1	Derivative Financial Liabilities at Fair Value Through Profit or Loss		1.202.899	2.388.020	3.590.919	1.464.562	2.023.090	3.487.652
7.2	Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income		-	-	-	-	-	-
VIII.	**FACTORING LIABILITIES**		**-**	**-**	**-**	**-**	**-**	**-**
IX.	**LEASE LIABILITIES (Net)**	**(7)**	**747.354**	**42.129**	**789.483**	**763.681**	**58.304**	**821.985**
X.	**PROVISIONS**	**(9)**	**9.042.970**	**17.042**	**9.060.012**	**7.048.154**	**10.480**	**7.058.634**
10.1	Restructuring Provisions		-	-	-	-	-	-
10.2	Reserve for Employee Benefits		1.723.250	-	1.723.250	1.509.040	-	1.509.040
10.3	Insurance Technical Provisions (Net)		-	-	-	-	-	-
10.4	Other Provisions		7.319.720	17.042	7.336.762	5.539.114	10.480	5.549.594
XI.	**CURRENT TAX LIABILITY**	**(10)**	**1.259.239**	**13.192**	**1.272.431**	**1.655.923**	**4.594**	**1.660.517**
XII.	**DEFERRED TAX LIABILITY**	**(10)**	**-**	**-**	**-**	**-**	**-**	**-**
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)**	**-**	**21.427.601**	**21.427.601**	**-**	**13.048.197**	**13.048.197**
14.1	Loans		-	-	-	-	-	-
14.2	Other Debt Instruments		-	21.427.601	21.427.601	-	13.048.197	13.048.197
XV.	**OTHER LIABILITIES**	**(6)**	**22.674.910**	**4.078.784**	**26.753.694**	**15.000.491**	**4.612.045**	**19.612.536**
XVI.	**SHAREHOLDERS' EQUITY**	**(13)**	**108.064.597**	**(10.964.838)**	**97.099.759**	**93.291.545**	**(13.285)**	**93.278.260**
16.1	Paid-in capital		13.100.000	-	13.100.000	13.100.000	-	13.100.000
16.2	Capital Reserves		-	-	-	(17.745)	-	(17.745)
16.2.1	Share Premium		-	-	-	-	-	-
16.2.2	Share Cancellation Profits		-	-	-	-	-	-
16.2.3	Other Capital Reserves		-	-	-	(17.745)	-	(17.745)
16.3	Accumulated Other Comprehensive Income or Expense Not Reclassified Through Profit or Loss		17.819.572	(1.966.165)	15.853.407	10.575.764	(969.601)	9.606.163
16.4	Accumulated Other Comprehensive Income or Expense Reclassified Through Profit or Loss		3.162.858	(8.998.673)	(5.835.815)	(108.006)	956.316	848.310
16.5	Profit Reserves		67.627.159	-	67.627.159	58.398.544	-	58.398.544
16.5.1	Legal Reserves		5.463.080	-	5.463.080	5.000.726	-	5.000.726
16.5.2	Status Reserves		-	-	-	-	-	-
16.5.3	Extraordinary Reserves		62.164.079	-	62.164.079	53.397.818	-	53.397.818
16.5.4	Other Profit Reserves		-	-	-	-	-	-
16.6	Profit or (Loss)		6.355.008	-	6.355.008	11.342.988	-	11.342.988
16.6.1	Prior Periods' Profit or (Loss)		63.699	-	63.699	3.517.969	-	3.517.969
16.6.2	Current Period Profit or (Loss)		6.291.309	-	6.291.309	7.825.019	-	7.825.019
	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**664.912.878**	**705.977.390**	**1.370.890.268**	**527.157.654**	**415.443.610**	**942.601.264**

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

NOTES TO THE UNCONSOLIDATED STATEMENT OF OFF BALANCE SHEET COMMITMENTS AS OF 31 DECEMBER 2021

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL")
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish)

	III. STATEMENT OF OFF-BALANCE SHEET COMMITMENTS	Note (Section Five III)	Current Period 31 December 2021 TL	FC	Total	Prior Period 31 December 2020 TL	FC	Total
A.	**BALANCE SHEET COMMITMENTS (I+II+III)**		**237.933.561**	**657.847.925**	**895.781.486**	**192.229.287**	**407.385.776**	**599.615.063**
I.	**GUARANTEES AND WARRANTIES**	(1),(3)	**56.163.538**	**206.409.718**	**262.573.256**	**43.026.229**	**99.712.498**	**142.738.727**
1.1	Letters of Guarantee		53.164.164	131.292.450	184.456.614	41.847.184	68.894.235	110.741.419
1.1.1	Guarantees Subject to State Tender Law		1.725.374	24.260.049	25.985.423	1.272.900	14.813.606	16.086.506
1.1.2	Guarantees Given for Foreign Trade Operations		44.923.837	76.456.270	121.380.107	35.485.457	37.881.934	73.367.391
1.1.3	Other Letters of Guarantee		6.514.953	30.576.131	37.091.084	5.088.827	16.198.695	21.287.522
1.2	Bank Acceptances		211.032	11.723.519	11.934.551	122.254	7.079.894	7.202.148
1.2.1	Import Letter of Acceptance		211.032	11.720.128	11.931.160	122.254	7.079.001	7.201.255
1.2.2	Other Bank Acceptances		-	3.391	3.391	-	893	893
1.3	Letters of Credit		845.948	59.326.676	60.172.624	957.791	22.316.906	23.274.697
1.3.1	Documentary Letters of Credit		845.948	59.296.678	60.142.626	957.791	22.300.016	23.257.807
1.3.2	Other Letters of Credit		-	29.998	29.998	-	16.890	16.890
1.4	Prefinancing Given as Guarantee		-	-	-	-	-	-
1.5	Endorsements		1.942.394	4.067.073	6.009.467	99.000	1.421.463	1.520.463
1.5.1	Endorsements to the Central Bank of Turkey		1.942.394	4.067.073	6.009.467	99.000	1.421.463	1.520.463
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**		**112.493.520**	**25.614.771**	**138.108.291**	**77.686.779**	**21.081.703**	**98.768.482**
2.1	Irrevocable Commitments	(1),(3)	112.493.520	25.614.771	138.108.291	77.686.779	21.081.703	98.768.482
2.1.1	Asset Purchase Commitments		5.931.540	18.329.423	24.260.963	38.855	14.044.527	14.083.382
2.1.2	Deposit Purchase and Sales Commitments		-	-	-	-	-	-
2.1.3	Share Capital Commitments to Associates and Subsidiaries		3.150	-	3.150	3.150	-	3.150
2.1.4	Loan Granting Commitments		22.868.861	19.212	22.888.073	14.666.903	2.087	14.668.990
2.1.5	Securities Issue Brokerage Commitments		-	-	-	-	-	-
2.1.6	Commitments for Reserve Requirements		-	-	-	-	-	-
2.1.7	Commitments for Cheque Payments		6.609.633	-	6.609.633	4.830.167	-	4.830.167
2.1.8	Tax and Fund Liabilities from Export Commitments		-	-	-	-	-	-
2.1.9	Commitments for Credit Card Limits		61.707.772	-	61.707.772	44.590.857	-	44.590.857
2.1.10	Commitments for Credit Cards and Banking Services Promotions		101.762	-	101.762	68.631	-	68.631
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		15.270.802	7.266.136	22.536.938	13.488.216	7.035.089	20.523.305
2.2	Revocable Commitments		-	-	-	-	-	-
2.2.1	Revocable Loan Granting Commitments		-	-	-	-	-	-
2.2.2	Other Revocable Commitments		-	-	-	-	-	-
III.	**DERIVATIVE FINANCIAL INSTRUMENTS**	(2)	**69.276.503**	**425.823.436**	**495.099.939**	**71.516.279**	**286.591.575**	**358.107.854**
3.1	Hedging Derivative Financial Instruments		-	-	-	-	-	-
3.1.1	Transactions for Fair Value Hedge		-	-	-	-	-	-

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

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED STATEMENT OF OFF BALANCE SHEET COMMITMENTS AS OF 31 DECEMBER 2021

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL")
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish)

	III. STATEMENT OF OFF-BALANCE SHEET COMMITMENTS	Note (Section Five III)	Current Period 31 December 2021 TL	FC	Total	Prior Period 31 December 2020 TL	FC	Total
3.1.2	Transactions for Cash Flow Hedge		-	-	-	-	-	-
3.1.3	Transactions for Foreign Net Investment Hedge		-	-	-	-	-	-
3.2	Trading Derivative Financial Instruments		69.276.503	425.823.436	495.099.939	71.516.279	286.591.575	358.107.854
3.2.1	Forward Foreign Currency Buy/Sell Transactions		4.835.428	7.257.118	12.092.546	2.339.701	4.721.385	7.061.086
3.2.1.1	Forward Foreign Currency Transactions-Buy		2.421.698	3.628.653	6.050.351	1.513.056	2.052.594	3.565.650
3.2.1.2	Forward Foreign Currency Transactions-Sell		2.413.730	3.628.465	6.042.195	826.645	2.668.791	3.495.436
3.2.2	Swap Transactions Related to Foreign Currency and Interest Rates		64.441.075	408.569.888	473.010.963	68.512.430	281.234.260	349.746.690
3.2.2.1	Foreign Currency Swap-Buy		4.980.360	193.274.290	198.254.650	3.546.255	144.492.912	148.039.167
3.2.2.2	Foreign Currency Swap-Sell		59.090.715	131.020.654	190.111.369	63.436.175	83.846.042	147.282.217
3.2.2.3	Interest Rate Swap-Buy		185.000	42.137.472	42.322.472	765.000	26.447.653	27.212.653
3.2.2.4	Interest Rate Swap-Sell		185.000	42.137.472	42.322.472	765.000	26.447.653	27.212.653
3.2.3	Foreign Currency, Interest rate and Securities Options		-	9.996.430	9.996.430	-	-	-
3.2.3.1	Foreign Currency Options-Buy		-	4.998.463	4.998.463	-	-	-
3.2.3.2	Foreign Currency Options-Sell		-	4.997.967	4.997.967	-	-	-
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		-	-	-	664.148	635.930	1.300.078
3.2.4.1	Foreign Currency Futures-Buy		-	-	-	-	635.930	635.930
3.2.4.2	Foreign Currency Futures-Sell		-	-	-	664.148	-	664.148
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)**		**1.952.713.000**	**584.318.513**	**2.537.031.513**	**2.514.798.633**	**307.290.933**	**2.822.089.566**
IV.	**ITEMS HELD IN CUSTODY**		**263.653.975**	**121.563.137**	**385.217.112**	**1.174.846.935**	**62.800.731**	**1.237.647.666**
4.1	Customer Fund and Portfolio Balances		-	-	-	-	-	-
4.2	Investment Securities Held in Custody		14.933.991	53.322.559	68.256.550	13.994.359	31.286.338	45.280.697
4.3	Cheques Received for Collection		23.819.347	5.134.211	28.953.558	16.337.960	2.323.861	18.661.821
4.4	Commercial Notes Received for Collection		21.450.680	1.632.830	23.083.510	14.290.083	1.139.348	15.429.431
4.5	Other Assets Received for Collection		8.816	-	8.816	8.816	-	8.816
4.6	Assets Received for Public Offering		178.476.218	811.746	179.287.964	1.100.163.673	2.864	1.100.166.537
4.7	Other Items Under Custody		24.963.274	60.661.791	85.625.065	30.050.395	28.048.320	58.098.715
4.8	Custodians		1.649	-	1.649	1.649	-	1.649
V.	**PLEDGES RECEIVED**		**1.687.499.546**	**454.506.906**	**2.142.006.452**	**1.338.428.515**	**240.139.806**	**1.578.568.321**
5.1	Marketable Securities		2.699.422	2.790.764	5.490.186	2.552.857	1.488.478	4.041.335
5.2	Guarantee Notes		23.434.768	5.116.179	28.550.947	15.030.031	2.143.619	17.173.650
5.3	Commodity		919.910	205.378	1.125.288	919.910	119.673	1.039.583
5.4	Warranty		-	-	-	-	-	-
5.5	Immovable		1.362.885.844	281.957.707	1.644.843.551	1.072.212.605	154.124.910	1.226.337.515
5.6	Other Pledged Items		297.554.393	164.388.763	461.943.156	247.707.903	82.235.495	329.943.398
5.7	Pledged Items-Depository		5.209	48.115	53.324	5.209	27.631	32.840
VI.	**ACCEPTED BILL, GUARANTEES AND WARRANTEES**		**1.559.479**	**8.248.470**	**9.807.949**	**1.523.183**	**4.350.396**	**5.873.579**
	TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)		**2.190.646.561**	**1.242.166.438**	**3.432.812.999**	**2.707.027.920**	**714.676.709**	**3.421.704.629**

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

NOTES TO THE UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS AS OF 31 DECEMBER 2021

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

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish)

	IV. STATEMENT OF PROFIT OR LOSS INCOME AND EXPENSE ITEMS	Note (Section Five IV)	Current Period 1 January-31 December 2021	Prior Period 1 January-31 December 2020
I.	**INTEREST INCOME**	**(1)**	**101.997.560**	**69.476.028**
1.1	Interest on Loans		72.794.604	52.330.087
1.2	Interest on Reserve Requirements		1.380.521	229.750
1.3	Interest on Banks		136.647	58.101
1.4	Interest on Money Market Transactions		1.785	33
1.5	Interest on Marketable Securities Portfolio		27.440.109	16.695.965
1.5.1	Fair Value Through Profit or Loss		341.089	173.658
1.5.2	Fair Value Through Other Comprehensive Income		23.592.214	14.268.773
1.5.3	Measured at Amortised Cost		3.506.806	2.253.534
1.6	Financial Lease Interest Income		-	-
1.7	Other Interest Income		243.894	162.092
II.	**INTEREST EXPENSE (-)**	**(2)**	**62.229.826**	**34.861.528**
2.1	Interest on Deposits		41.199.247	22.812.078
2.2	Interest on Funds Borrowed		1.169.834	1.191.042
2.3	Interest Expense on Money Market Transactions		17.261.237	5.728.076
2.4	Interest on Securities Issued		2.118.052	1.595.972
2.5	Interest on Leases		113.971	100.242
2.6	Other Interest Expenses		367.485	3.434.118
III.	**NET INTEREST INCOME (I - II)**		**39.767.734**	**34.614.500**
IV.	**NET FEES AND COMMISSIONS INCOME**		**5.450.874**	**3.092.735**
4.1	Fees and Commissions Received		7.697.860	4.816.628
4.1.1	Non-cash Loans		1.267.429	969.668
4.1.2	Other		6.430.431	3.846.960
4.2	Fees and Commissions Paid (-)		2.246.986	1.723.893
4.2.1	Non-cash Loans		731	971
4.2.2	Other		2.246.255	1.722.922
V.	**DIVIDEND INCOME**	**(3)**	**137.900**	**1.119.253**
VI.	**TRADING PROFIT/(LOSS) (Net)**	**(4)**	**(11.043.777)**	**(7.743.467)**
6.1	Trading Gains/(Losses) on Securities		649.507	3.971.898
6.2	Gains/(Losses) on Derivative Financial Transactions		(11.746.582)	(5.137.039)
6.3	Foreign Exchange Gains/(Losses)		53.298	(6.578.326)
VII.	**OTHER OPERATING INCOME**	**(5)**	**4.444.305**	**5.181.957**
VIII.	**GROSS OPERATING INCOME (III+IV+V+VI+VII)**		**38.757.036**	**36.264.978**
IX.	**EXPECTED CREDIT LOSS (-)**	**(6)**	**14.956.143**	**10.690.951**
X.	**OTHER PROVISION EXPENSES (-)**	**(6)**	**374.148**	**2.648.397**
XI.	**PERSONNEL EXPENSE (-)**		**5.195.130**	**4.396.112**
XII.	**OTHER OPERATING EXPENSES (-)**	**(7)**	**9.318.173**	**7.695.395**
XIII.	**NET OPERATING PROFIT/(LOSS) (VIII-IX-X-XI-XII)**		**8.913.442**	**10.834.123**
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 (XII+...+XV)**	**(9)**	**8.913.442**	**10.834.123**
XVIII.	**TAX PROVISION FOR CONTINUED OPERATIONS (±)**	**(10)**	**(2.622.133)**	**(3.009.104)**
18.1	Current Tax Provision		(2.793.348)	(3.189.501)
18.2	Deferred Tax Expense Effect (+)		(3.449.154)	(6.178.034)
18.3	Deferred Tax Income Effect (-)		3.620.369	6.358.431
XIX.	**CURRENT PERIOD PROFIT/LOSS FROM CONTINUED OPERATIONS (XVI±XVII)**	**(11)**	**6.291.309**	**7.825.019**
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 (XIX-XX)**		-	-
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 REPIOD PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XXII±XXIII)**		-	**-**
XXV.	**NET PROFIT/(LOSS) (XVIII+XXIII)**	**(12)**	**6.291.309**	**7.825.019**
	Earnings/(Loss) per share (in TL full)		0,480	0,752

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

NOTES TO THE UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021

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

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish)

	V. STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	Current Period 1 January-31 December 2021	Prior Period 1 January-31 December 2020
I.	**PROFIT (LOSS)**	**6.291.309**	**7.825.019**
II.	**OTHER COMPREHENSIVE INCOME**	**(2.551.255)**	**4.960.006**
2.1	Other Comprehensive Income That will Not Be Reclassified To Profit or Loss	4.132.870	3.753.808
2.1.1	Gains (Losses) on Revaluation of Property, Plant and Equipment	(98.994)	1.215.617
2.1.2	Gains (losses) on revaluation of Intangible Assets	-	-
2.1.3	Gains (losses) on remeasurements of defined benefit plans	270.098	86.170
2.1.4	Other Components of Other Comprehensive Income That Will Not Be Reclassified to Profit Or Loss	4.525.995	3.242.666
2.1.5	Taxes Relating To Components Of Other Comprehensive Income That Will Not Be Reclassified To Profit Or Loss	(564.229)	(790.645)
2.2	Other Comprehensive Income That Will Be Reclassified to Profit or Loss	(6.684.125)	1.206.198
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	(8.348.810)	1.497.153
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	1.664.685	(290.955)
III.	**TOTAL COMPREHENSIVE INCOME (I+II)**	**3.740.054**	**12.785.025**

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

NOTES TO THE UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL")
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish)

						Accumulated Other Comprehensive Income or Expense Not Reclassified through Profit or Loss			Accumulated Other Comprehensive Income or Expense Reclassified through Profit or Loss						
	VI. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY	**Paid-in Capital**	**Share Premiums**	**Share Cancellation Reserves**	**Other Capital Reserves**	**1**	**2**	**3(*)**	**4**	**5**	**6**	**Profit Reserves**	**Prior Period Net Profit/(Loss)**	**Current Period Net Profit/(loss)**	**Total Equity**
	CURRENT PERIOD														
	31 December 2021														
I.	**Prior Period End Balance**	**13.100.000**	**-**	**-**	**(17.745)**	**4.849.771**	**(12.616)**	**4.769.008**	**-**	**848.310**	**-**	**58.398.544**	**11.342.988**	**-**	**93.278.260**
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.	**Adjusted Beginning Balance (I+II)**	**13.100.000**	**-**	**-**	**(17.745)**	**4.849.771**	**(12.616)**	**4.769.008**	**-**	**848.310**	**-**	**58.398.544**	**11.342.988**	**-**	**93.278.260**
IV.	**Total comprehensive income (loss)**	**-**	**-**	**-**	**-**	**(89.000)**	**216.078**	**4.005.792**	**-**	**(6.684.125)**	**-**	**-**	**-**	**6.291.309**	**3.740.054**
V.	**Capital increase by cash**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
VI.	**Capital increase by internal sources**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
VII.	**Paid-in capital inflation adjustment difference**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
VIII.	**Convertible bonds to shares**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
IX.	**Subordinated debt instruments**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
X.	**Increase (decrease) by other changes**	**-**	**-**	**-**	**17.745**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**63.700**	**-**	**81.445**
XI.	**Profit distribution**	**-**	**-**	**-**	**-**	**-**	**-**	**2.114.374**	**-**	**-**	**-**	**9.228.615**	**(11.342.989)**	**-**	**-**
11.1	Dividends paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2	Transfers to reserves	-	-	-	-	-	-	-	-	-	-	8.577.454	(8.577.454)	-	-
11.3	Other	-	-	-	-	-	-	2.114.374	-	-	-	651.161	(2.765.535)	-	-
	Balance at the end of the period (III+IV+……+X+XI)	**13.100.000**	**-**	**-**	**-**	**4.760.771**	**203.462**	**10.889.174**	**-**	**(5.835.815)**	**-**	**67.627.159**	**63.699**	**6.291.309**	**97.099.759**

1. Increases and decreases in Tangible and Intangible Assets Revaluation Reserve

2. Accumulated Gains/Losses on Remeasurements of Defined Benefit Plans,

3. Other (Other Comprehensive Income of Associates and Joint Ventures Accounted for Using Equity Method that will not be Reclassified 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)

(*) Corporate Tax Law, 5. 1. e. The exemption amounts of the gains arising from the sale of immovables and affiliate shares amounting to TL 2.114.374 related to the article are followed.

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

NOTES TO THE UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL")
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish)

						Accumulated Other Comprehensive Income or Expense Not Reclassified through Profit or Loss			Accumulated Other Comprehensive Income or Expense Reclassified through Profit or Loss						
	VI. STATEMENT OF CHANGES INSHAREHOLDERS' EQUITY	**Paid-in Capital**	**Share Premiums**	**Share Cancellation Profit**	**Other Capital Reserves**	**1**	**2**	**3**	**4**	**5**	**6**	**Profit Reserves**	**Prior Period Net Profit/(Loss)**	**Current Period Net Profit/(loss)**	**Total Equity**
	PRIOR PERIOD														
	31 December 2020														
I.	**Prior Period End Balance**	**6.100.000**	**-**	**-**	**(571)**	**3.748.812**	**(81.552)**	**2.185.095**	**-**	**(357.888)**	**-**	**52.110.376**	**6.360.270**	**-**	**70.064.542**
II.	**Corrections and Accounting Policy Changes Made According to TAS 8**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1	Effects of Corrections	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2	Effects of the Changes in Accounting Policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	**Adjusted Beginning Balance (I+II)**	**6.100.000**	**-**	**-**	**(571)**	**3.748.812**	**(81.552)**	**2.185.095**	**-**	**(357.888)**	**-**	**52.110.376**	**6.360.270**	**-**	**70.064.542**
IV.	**Total comprehensive income**	-	-	-	-	**1.100.959**	**68.936**	**2.583.913**	**-**	**1.206.198**	-	-	-	**7.825.019**	**12.785.025**
V.	**Capital increase by cash**	**7.000.000**	-	-	-	-	-	-	-	-	-	-	-	-	**7.000.000**
VI.	**Capital increase by internal sources**	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
VII.	**Paid-in capital inflation adjustment difference**	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
VIII	**Convertible bonds to shares**	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
IX.	**Subordinated debt instruments**	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
X.	**Increase (decrease) by other changes**	-	-	-	**(17.174)**	**-**	-	-	-	-	-	-	**3.445.867**	**-**	**3.428.693**
XI.	**Profit distribution**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**6.288.168**	**(6.288.168)**	**-**	**-**
11.1	Dividends paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2	Transfers to reserves	-	-	-	-	-	-	-	-	-	-	6.137.985	(6.137.985)	-	-
11.3	Other	-	-	-	-	-	-	-	-	-	-	150.183	(150.183)	-	-
	Balance at the end of the period (III+IV+......+X+XI)	**13.100.000**	**-**	**-**	**(17.745)**	**4.849.771**	**(12.616)**	**4.769.008**	**-**	**848.310**	**-**	**58.398.544**	**3.517.969**	**7.825.019**	**93.278.260**

1. Increases and decreases in Tangible and Intangible Assets Revaluation Reserve
2. Accumulated Gains/Losses on Remeasurements of Defined Benefit Plans
3. Other (Other Comprehensive Income of Associates and Joint Ventures Accounted for Using Equity Method that will not be Reclassified 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.

NOTES TO THE UNCONSOLIDATED STATEMENT OF CASH FLOWS AS OF 31 DECEMBER 2021

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

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish)

	VII. STATEMENT OF CASH FLOWS	Note (Section Five)	Current Period 1 January-31 December 2021	Prior Period 1 January-31 December 2020
A.	**CASH FLOWS FROM BANKING OPERATIONS**			
1.1	Operating Profit Before Changes in Operating Assets and Liabilities		8.923.763	14.474.641
1.1.1	Interest Received		87.832.669	65.352.951
1.1.2	Interest Paid		(60.537.999)	(34.636.969)
1.1.3	Dividend Received		137.900	1.119.253
1.1.4	Fees and Commissions Received		7.969.148	5.655.572
1.1.5	Other Income		1.886.653	5.952.590
1.1.6	Collections from Previously Written-off Loans and Other Receivables		3.872.985	2.274.824
1.1.7	Cash Payments to Personnel and Service Suppliers		(5.847.526)	(4.995.077)
1.1.8	Taxes Paid		(3.577.299)	(3.505.624)
1.1.9	Other		(22.812.768)	(22.742.879)
1.2	Changes in Operating Assets and Liabilities		78.572.840	54.512.138
1.2.1	Net (Increase)/Decrease in Financial Assets At Fair Value Through Profit Or Loss		(3.457.057)	(8.707.973)
1.2.2	Net (Increase)/Decrease in Due From Banks And Other Financial Institutions		(67.748.522)	(29.163.414)
1.2.3	Net (Increase)/Decrease in Loans		(96.586.900)	(123.060.931)
1.2.4	Net (Increase)/Decrease in Other Assets		22.801	(6.779.884)
1.2.5	Net Increase/(Decrease) in Bank Deposits		15.745.502	2.666.179
1.2.6	Net Increase/(Decrease) in Other Deposits		168.851.070	151.128.952
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		(3.970.974)	(5.134.167)
1.2.9	Net Increase/(Decrease) in Payables		-	-
1.2.10	Net Increase/(Decrease) in Other Liabilities		65.716.920	73.563.376
I.	**Net Cash Provided from Banking Operations**		**87.496.603**	**68.986.779**
B.	**CASH FLOWS FROM INVESTING ACTIVITIES**			
II.	**Net Cash Provided from Investing Activities**		**(27.431.826)**	**(67.434.305)**
2.1	Cash Paid For Acquisition of Investments, Associates, Subsidiaries and Entities under Common Control (Joint Venture)		(910.404)	(1.118.431)
2.2	Cash Obtained From Disposal of Investments, Associates, Subsidiaries and Entities under Common Control (Joint Venture)		-	-
2.3	Purchases of Property and Equipment		(806.841)	(612.547)
2.4	Disposals of Property and Equipment		1.320.001	1.059.375
2.5	Purchase of Financial Assets at Fair Value Through Other Comprehensive Income		(64.365.341)	(106.216.722)
2.6	Sale of Financial Assets at Fair Value Through Other Comprehensive Income		38.092.046	47.372.661
2.7	Purchase of Financial Assets Measured at Amortized Cost		(3.551.118)	(8.771.752)
2.8	Sale of Financial Assets Measured at Amortized Cost		2.789.831	853.111
2.9	Other		-	-
C.	**CASH FLOWS FROM FINANCING ACTIVITIES**			
III.	**Net Cash Provided from Financing Activities**		**(476.871)**	**5.543.638**
3.1	Cash Obtained from Funds Borrowed and Securities Issued		5.634.457	4.241.178
3.2	Cash Used for Repayment of Funds Borrowed and Securities Issued		(5.818.042)	(5.439.618)
3.3	Issued Equity Instruments		-	7.000.000
3.4	Dividends Paid		-	-
3.5	Payments for Finance Leases		(293.286)	(257.922)
3.6	Other		-	-
IV.	**Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents**	**(1)**	**1.232.458**	**(411.229)**
V.	**Net Increase in Cash and Cash Equivalents (I+II+III+IV)**		**60.820.364**	**6.684.883**
VI.	**Cash and Cash Equivalents at Beginning of the Period**	**(1)**	**34.847.422**	**28.162.539**
VII.	**Cash and Cash Equivalents at End of the Period**	**(1)**	**95.667.786**	**34.847.422**

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

NOTES TO THE UNCONSOLIDATED STATEMENT OF PROFIT DISTRIBUTION AS OF 31 DECEMBER 2021

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

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish)

	VIII. PROFIT DISTRIBUTION STATEMENT (*)	Current Period 31 December 2021	Prior Period 31 December 2020
I.	**DISTRIBUTION OF CURRENT YEAR INCOME**		
1.1	Current Year Income	8.913.442	10.834.123
1.2	Taxes And Duties Payable (-)	(2.622.133)	(3.009.104)
1.2.1	Corporate Tax (Income tax)	(2.793.348)	(3.189.501)
1.2.2	Income withholding tax	-	-
1.2.3	Other taxes and duties	171.215	180.397
A.	**NET INCOME FOR THE YEAR (1.1-1.2)**	**6.291.309**	**7.825.019**
1.3	Prior Year Losses (-)	-	-
1.4	First Legal Reserves (-)	-	391.251
1.5	Other Statutory Reserves (-)	-	-
B.	**NET INCOME AVAILABLE FOR DISTRIBUTION [(A-(1.3+1.4+1.5)]**	**-**	**7.433.768**
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	-	7.433.768
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	-	0,5973
3.2	To Owners of Ordinary Shares (%)	-	59,73
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 2021 has not been held yet.

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

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").

The 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 COVID-19 pandemic, which has emerged in China, has spread to various countries around the world, causing potentially fatal respiratory infections, affects both regional and global economic conditions negatively, as well as causing malfunctions in operations, especially in countries exposed to the pandemic. As a result of the spread of COVID-19 around the world, various measures have been taken in our country as well as in the world in order to prevent the transmission of the virus and it is still being taken. In addition to these measures, economic measures are also taken to minimize the economic impact of the virus outbreak on individuals and businesses in our country and worldwide.

While preparing the financial statements dated 31 December 2021, the Bank reflected the possible effects of the COVID-19 outbreak on the estimates and judgments used in the preparation of the financial statements. Fair value measurements are revised within the scope of TFRS 13 Fair Value Measurement standard, with the expected credit loss provisions reflected in the financial statements and the assumptions and judgments used in estimating these losses.

As of 31 December 2021, due to the adverse effects of the COVID-19 pandemic, the Bank reviewed the valuation of financial assets whose fair value difference was reflected to other comprehensive income and whose fair value difference was reflected to profit or loss and as of the reporting date, corrections have been taken into account. The fair values were determined and accounted for as of the valuation date with the valuation reports prepared for the entity under common control monitored with their fair values, the entity under common control and the securities representing a share in the capital. On the other hand, the Bank evaluated the effects of the COVID-19 pandemic with regard to the financial instruments whose fair value hierarchy was determined as Level 3 due to the fact that it involves significant estimates and judgments and there are no changes that require any correction as of the reporting date. As of 31 December 2021, the Bank does not have any assets or liabilities in the fair value hierarchy that would require any adjustment due to COVID-19.

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 2021, 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. The Bank increased the weight of the adverse scenario in the expected credit loss calculation.

On 20 January 2022, the Public Oversight Authority made a statement on the Implementation of Financial Reporting in High Inflation Economies within the Scope of Turkish Financial Reporting Standards. Accordingly, it has been stated that companies applying TFRS are not required to make any adjustments in their financial statements for 2021 within the scope of TAS 29 Financial Reporting in High Inflation Economies.

Changes in Accounting Policies

The Benchmark Interest Rate Reform, which brings amendments to TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16, effective from 1 January 2021, has been implemented. With the amendments made, certain exceptions are provided for the basis used in determining contractual cash flows and hedge accounting provisions. The Bank has participated in international protocols within the scope of IBOR transformation. The Benchmark Interest Rate Reform process continues and the Bank has been continuing to work within the scope of adaptation to the changes.

a. Explanation for convenience translation to English:

The differences between accounting principles, as described in these preceding paragraphs and accounting principles generally accepted in countries in which unconsolidated financial statements are to be distributed and International Financial Reporting Standards ("IFRS") have not been quantified in these unconsolidated financial statements. Accordingly, these unconsolidated financial statements are not intended to present the financial position, results of operations and changes in financial position and cash flows in accordance with the accounting principles generally accepted in such countries and IFRS.

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 denominated in Turkish Lira, 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 Turkey, 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.

Cost and return of foreign currency assets are subject to a close follow up. Positive margin of profit is sustained by adjusting deposit interest rates in line with the market interest rates.

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 on fair value hedge accounting applied in order to hedge the said total capital amount of EUR 288.527 thousand (31 December 2020: EUR 268.075 thousand), which is associated with this purpose, from exchange rate risk effects arising from changes in foreign exchange rates, is presented in Section Four, article no VIII. Assets and liabilities of the overseas branches of the Bank are converted into Turkish Lira with the Bank's prevailing counter currency buying rates at the balance sheet date.

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 Turkey 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 INSTRUMENT

The Bank's derivative transactions include cross currency swaps, interest rate swaps, currency and precious metal swaps, long-term financing transactions, full indemnity 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.

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021
(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL")
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish)

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 consumer, corporate and entrepreneurial 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 Amortized 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 by;

"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

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

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 Turkey, 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 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 finansial 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.

The Bank also updates the estimated inflation rate used throughout the year in case of necessity. At the end of the year, the actual inflation rate is used.

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. Foreign exchange indexed loans are used as TL by the valid counter foreign exchange buying rate of the Bank at usage date. The repayments of foreign exchange indexed loans, which were extended in TL at the Bank's counter foreign exchange buying rate valid on the date of use, are collected in TL equivalents calculated over the Bank's counter foreign exchange selling rate valid on the installment collection date.

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.

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, using expert opinion, the Bank has made provision on the model outputs for customer groups that it believed that the model did not statistically respond to credit risk factors and/or were affected by the COVID-19 outbreak. The reserve will be reviewed in the following reporting periods, considering the impact of the pandemic, 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 that are not measured at fair value through profit or loss, 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.

Significant Increase in Credit Risk (Stage 2)

Financial assets are transferred to stage 2 if there is a significant increase in credit risk. While 1-year expected credit, loss is calculated for at stage 1, all remain maturity expected credit loss is calculated for loans at stage 2.

The main criteria taken into consideration in determining the credit risk of the financial asset to be significantly increased and transferred to the stage 2 are, having day-past-due more than and equal to 30 days, and the Bank's internal early warning system note.

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 this estimation are the Gross Domestic Product (GDP) and the consumer price index (CPI), and risk parameters are updated if deemed necessary, taking into account their compatibility with the portfolio. In addition to macroeconomic indicators, the Bank takes into account the future expectations of its portfolio and the possible effects of COVID-19 in its models by using its best estimations in the presence of model variables and taking expert opinion.

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 on the Principles and Procedures Regarding the Classification of Loans and Reserves Set Aside for These Loans entered into force with its publication in the Official Gazette No.30961 on 27 November 2019. 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) if it cannot reasonably be expected to be recovered. Since the reporting period, it can be written-off from the records under TFRS 9. The write-off is an accounting policy and does not result in the waiver of the right to receivable. Within the scope of this amendment, no credit has been written-off by the Bank as of the reporting date.

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

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.

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. Valuation differences arising as a result of the valuation made by independent expertise firms for real estates are accounted under the tangible and intangible fixed asset revaluation differences account under 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	3-25	4%-33,33%
Assets held under leases	4-5	20%-25%

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.

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

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.

Leases in TFRS 16

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.

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 2021, retirement benefit obligation is TL 1.355.145 (31 December 2020: TL 1.230.590).

	Current Period	Prior Period
Discount Rate	19,20%	12,96%
Inflation	14,30%	9,37%

Communiqué on "Turkish Accounting Standard ("TAS19") about Benefits for Employee (No: 9)" published in Official Gazette by Public Oversight Accounting and Auditing Standards Authority ("POA") on 12 March 2013 numbered 28585, was entered into force for the account periods starting after 31 December 2012 on accounting treatment of actuarial profit and loss resulting from changes in actuarial assumptions or differences between actual and actuarial assumptions. Actuarial gain amounting to TL 203.462 was classified under shareholders' equity in the financials. (31 December 2020: TL 12.616 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 (TZHEMSAN)

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. As of 31 December 2021, the number of people benefiting from the Fund is 24.973 (31 December 2020: 24.212), excluding dependents. 20.978 of these people are active and 3.995 of them are passive members (31 December 2020: 20.297 active members, 3.915 passive members).

With the publication of the reasoning of the decision, the Grand National Assembly of Turkey ("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.

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021
(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL")
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish)

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 2021 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. (between 1 January 2018-31 December 2020 it was applied as 22% according to law No. 7061.) The Corporate Tax rate, which is 20% in accordance with Article 11 of the Law on the Procedure of Collection of Public Receivables and the Law on the Amendment of Certain Laws, published in the Official Gazette on 22 April 2021, and the Provisional Article 13 added to the Corporate Tax Law, 25% for the corporate earnings for the period will be applied as 23% for 2022. In accordance with Article 14 of the Law, the rate to be applied for the year 2021 has started with the second corporate tax declaration period and has been valid for the corporate earnings for the taxation period starting from 1 January 2021.

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 Turkey 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 (It was changed with 89th article of code 7061 that entries into force in 5 December 2017).

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).

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 2023 financial statements 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.

Deferred Tax

In accordance with TAS 12 "Turkish Accounting Standards Relating to Income Tax" and taking into account the additional regulation introduced by the Law No. 7316 of 22 April 2021, the Bank calculates and recognizes deferred tax for temporary differences between the bases calculated based on the accounting policies used and valuation principles and that calculated under the tax legislation. In accordance with the relevant law, the Corporate Tax rate has been increased to 25% for the taxation period starting from 1 January 2021, starting with the declarations that must be submitted as of 1 July 2021, and this rate will be applied as 23% for the period of 2022. As of 31 December 2020, deferred tax is calculated over 20%.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and are accounted for using the balance sheet liability method. In the deferred tax calculation, the Bank estimates the time when temporary differences will be taxable/deductible and uses the legal tax rates valid as of the balance sheet date in accordance with the current tax legislation. As deferred tax assets or liabilities within the scope of TAS 12 are calculated based on the tax rates (and tax laws) effective or almost certain to come into effect 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, the Bank has as of 31 December 2021, deferred tax calculations were made based on rates varying between 20% and 23% on assets and liabilities. While deferred tax liabilities are calculated for all taxable temporary differences, deferred tax assets consisting of deductible temporary differences are calculated provided that it is highly probable to benefit from these differences by generating taxable profit in the future. Except for goodwill or business combinations, deferred tax liability or asset is not calculated for temporary timing differences arising from the initial recognition of assets or liabilities and which do not affect both commercial and financial profit or loss.

The carrying amount of a deferred tax asset is reviewed at each balance sheet date. Carrying amount of a deferred tax asset can be reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to be applied in the period in which the liability is settled, or the asset realized and reflected in the statement of income as expense or income. Moreover, if the deferred tax is related with items directly recorded under the equity in the same or different period, deferred tax is associated directly with equity.

Deferred tax asset and deferred tax liability are presented as net in these unconsolidated financial statements.

According to 8 December 2004 BRSA.DZM.2/13/1-a-3 notice, there is no deferred tax assets on general provision and free provision. In addition to this, deferred tax asset calculation has started to be measured over temporary expected provision losses differences according to TFRS 9 articles, beginning from 1 January 2018. Deferred rate calculation for free provisions is not calculated.

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.

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

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 IX of Section Four.

XXIV. EXPLANATIONS ON OTHER MATTERS

None.

SECTION FOUR

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

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 the calculation of the amount subject to credit risk within the framework of the regulation dated 16 September 2021 and numbered 9795; When calculating the valued amounts in foreign currency, the simple arithmetic average of the Central Bank's foreign exchange buying rates for the last 252 business days before the calculation date can be used.

- 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 2021, Bank's total regulatory capital has been calculated as TL 131.051.873 (31 December 2020: TL 111.583.042), capital adequacy ratio is 16,52% (31 December 2020: 18,22%). This ratio is well above the minimum ratio required by the legislation.

1. Information Related to The Components of Shareholders' Equity

	Current Period 31 December 2021	Amount as per the regulation before 01/01/2014*
COMMON EQUITY TIER 1 CAPITAL		
Paid-in capital following all debts in terms of claim in liquidation of the Bank	13.100.000	-
Share issue premiums	-	-
Reserves	67.627.159	-
Gains recognized in equity as per TAS	21.005.831	-
Profit	6.355.008	-
Current Period Profit	6.291.309	-
Prior Period Profit	63.699	-
Shares acquired free of charge from subsidiaries, affiliates and entities under common control and cannot be recognized within profit for the period	138.703	-
Common Equity Tier 1 Capital Before Deductions	108.226.701	-
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	5.329.097	-
Improvement costs for operating leasing	10.219	-
Goodwill (net of related tax liability)	-	-
Other intangibles other than mortgage-servicing rights (net of related tax liability)	1.365.095	1.365.095
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	-	-

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2021

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish)

	Current Period 31 December 2021	Amount as per the regulation before 01/01/2014*
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	**6.704.411**	**-**
Total Common Equity Tier I Capital	**101.522.290**	**-**
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	20.710.200	-
Debt instruments and premiums approved by BRSA (Temporary Article 4)	-	-
Additional Tier I Capital before Deductions	**20.710.200**	**-**
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	**20.710.200**	**-**
Total Tier I Capital (Tier I Capital= Common Equity Tier I Capital + Additional Tier I Capital)	**122.232.490**	**-**
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)	8.833.639	-
Tier II Capital Before Deductions	**8.833.639**	**-**
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	**8.833.639**	**-**
Total Capital (The sum of Tier I Capital and Tier II Capital)	**131.066.129**	**-**

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2021

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish)

	Current Period 31 December 2021	Amount as per the regulation before 01/01/2014*
Total Capital (The sum of Tier I Capital and Tier II Capital)	**131.066.129**	**-**
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	**14.256**	-
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)	131.051.873	-
Total Risk Weighted Assets	793.370.100	-
CAPITAL ADEQUACY RATIOS		
CET 1 Capital Ratio (%)	12,80	-
Tier I Capital Ratio (%)	15,41	-
Capital Adequacy Ratio (%)	16,52	-
BUFFERS		
Total additional core capital requirement ratio (a+b+c)	2,538	-
a) Capital conservation buffer requirement (%)	2,50	-
b) Bank specific countercyclical buffer requirement (%)	0,038	-
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	8,30	-
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	255.802	-
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	95.387	-
Remaining Mortgage Servicing Rights	-	-
Net Deferred Tax Assets arising from Temporary Differences	1.519.079	-
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	18.998.909	-
General Loan Provisions for Exposures in Standard Approach Limited by 1.25% of Risk Weighted Assets	8.833.639	-
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	-	-

(*) Amounts considered within transition provisions.

(**) 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".

	Current Period 31 December 2020	Amount as per the regulation before 01/01/2014*
COMMON EQUITY TIER 1 CAPITAL		
Paid-in capital following all debts in terms of claim in liquidation of the Bank	13.100.000	-
Share issue premiums	-	-
Reserves	58.398.544	-
Gains recognized in equity as per TAS	11.472.959	-
Profit	11.342.988	-
Current Period Profit	7.825.019	-
Prior Period Profit	3.517.969	-
Shares acquired free of charge from subsidiaries, affiliates and entities under common control and cannot be recognized within profit for the period	17.388	-
Common Equity Tier 1 Capital Before Deductions	**94.331.879**	**-**
Deductions from Common Equity Tier 1 Capital		
Common Equity as per the 1st clause of Provisional Article 9 of the Regulation on the Equity of Banks	-	-
Portion of the current and prior periods' losses which cannot be covered through reserves and losses reflected in equity in accordance with TAS	1.003.700	-
Improvement costs for operating leasing	10.044	-
Goodwill (net of related tax liability)	-	-
Other intangibles other than mortgage-servicing rights (net of related tax liability)	1.002.206	1.002.206
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	-	-
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	-	-

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021
(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL")
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish)

	Prior Period 31 December 2020	Amount as per the regulation before 01/01/2014*
Excess amount arising from deferred tax assets based on temporary differences	-	-
Other items to be Defined by the BRSA (-)	-	-
Deductions to be made from common equity due to insufficient Additional Tier I Capital or Tier II Capital	-	-
Total Deductions from Common Equity Tier I Capital	**2.015.950**	**-**
Total Common Equity Tier I Capital	**92.315.929**	**-**
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	12.611.340	-
Debt instruments and premiums approved by BRSA (Temporary Article 4)	-	-
Additional Tier I Capital before Deductions	**12.611.340**	**-**
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	**12.611.340**	**-**
Total Tier I Capital (Tier I Capital= Common Equity Tier I Capital + Additional Tier I Capital)	**104.927.269**	**-**
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)	6.675.614	-
Tier II Capital Before Deductions	**6.675.614**	**-**
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	**6.675.614**	**-**
Total Capital (The sum of Tier I Capital and Tier II Capital)	**111.602.883**	**-**

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2021

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish)

	Prior Period 31 December 2020	Amount as per the regulation before 01/01/2014*
Total Capital (The sum of Tier I Capital and Tier II Capital)	**111.602.883**	**-**
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 (-)	19.841	-
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)	111.583.042	-
Total Risk Weighted Assets	612.418.790	-
CAPITAL ADEQUACY RATIOS		
CET 1 Capital Ratio (%)	15,07	-
Tier I Capital Ratio (%)	17,13	-
Capital Adequacy Ratio (%)	18,22	-
BUFFERS		
Total additional core capital requirement ratio (a+b+c)	2,53	-
a) Capital conservation buffer requirement (%)	2,50	-
b) Bank specific countercyclical buffer requirement (%)	0,032	-
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	10,57	-
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	199.294	-
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	54.586	-
Remaining Mortgage Servicing Rights	-	-
Net Deferred Tax Assets arising from Temporary Differences	247.408	-
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)	9.697.213	-
General Loan Provisions for Exposures in Standard Approach Limited by 1.25% of Risk Weighted Assets	6.675.614	-
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 01 January 2018-01 January 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	-	-

(*) Amounts considered within transition provision.

(**) She 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".

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2021

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish)

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 vb.)	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)	20.710
Nominal value of instrument (TL million)	20.710
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.

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

3. Necessary Explanations in order to Reach an Agreement Between the Statement of Shareholders' Equity and Balance-Sheet Amounts

	Current Period	Prior Period
Balance Sheet - Equity	**97.099.759**	**93.278.260**
Operational Leasing Development Costs	(10.219)	(10.044)
Goodwill and Other Intangible Assets and Related Deferred Taxes Liabilities	(1.365.095)	(1.002.206)
TIER 2 Capital (Provisions)	8.833.639	6.675.614
Debt Instruments and the Related Issuance Premiums Defined by the BRSA TIER 2 Capital (Provisions)	20.710.200	12.611.340
Other deductions from common equity	(14.256)	(19.841)
Other regulations	5.797.845	49.919
Amount recognized in regulatory capital	**131.051.873**	**111.583.042**

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 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.

After the opening of the lines of the commercial loans, the firms are continued to be monitored and the changes at the financial structures and market relations of the credit firms are followed. The credit limits are identified and approved for one year and renewed in case of no negative change in the situation of the customer (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 32% and 37% respectively (31 December 2020: 25% and 29%).

The percentage of top 100 and top 200 non-cash loans in the total non-cash loan portfolio is 56% and 68% respectively (31 December 2020: 53% and 65%).

The percentage of top 100 and top 200 cash and non-cash loans in the total cash and non-cash loan portfolio is 33% and 41% respectively (31 December 2020: 26% and 32%).

TFRS 9 expected loss provisions for the loans for the Stage 1 and Stage 2 are amounted TL 18.949.601 (31 December 2020: 9.632.189).

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2021

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

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish)

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	Condi- tional and unconditional corporate receivables	Conditional and unconditional retail receivables	Conditional and unconditional receivables secured by mortgages	Past due receivables	Receivables defined in high risk category by BRSA	Securities collateralised by mortgages	Securitisation positions	Short-term receivables from banks, brokerage houses and corporates	Investments similar to collective investment funds	Investments in Equity Instruments	Other receivables	Total
Current Period																		
Domestic	445.768.541	463.257	5.739.677	-	-	21.632.241	398.190.634	274.052.661	99.577.244	2.889.710	12.533.001	-	-	-	1.073.762	300.920	28.146.108	1.290.367.756
European Union Countries	403.034	-	-	-	-	52.338.879	2.414.749	289.379	145.032	6.269	33.953	-	-	-	-	15	-	55.631.310
OECD Countries [1]	-	-	-	-	-	1.058.287	90.061	37.947	17.369	477	4.295	-	-	-	-	-	-	1.208.436
Off-shore Banking Regions	37	-	-	-	-	1.202.275	-	850	2.557	4	134	-	-	-	-	-	-	1.205.857
USA, Canada	-	-	-	-	-	1.420.052	434.135	24.952	17.271	487	1.356	-	-	-	-	-	-	1.898.253
Other Countries	2.078.183	17.051	24	-	-	5.043.391	4.461.284	828.170	204.785	3.795	2.394.577	-	-	-	-	32.322	16.630	15.080.212
Subsidiaries, Associates and Joint Ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10.346.317	9.593.380	-	19.939.697
Unallocated Assets/Liabilities [2]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	**448.249.795**	**480.308**	**5.739.701**	**-**	**-**	**82.695.125**	**405.590.863**	**275.233.959**	**99.964.258**	**2.900.742**	**14.967.316**	**-**	**-**	**-**	**11.420.079**	**9.926.637**	**28.162.738**	**1.385.331.521**

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	Condi- tional and unconditional corporate receivables	Conditional and unconditional retail receivables	Conditional and unconditional receivables secured by mortgages	Past due receivables	Receivables defined in high risk category by BRSA	Securities collateralised by mortgages	Securitisation positions	Short-term receivables from banks, brokerage houses and corporates	Investments similar to collective investment funds	Investments in Equity Instruments	Other receivables	Total
Prior Period																		
Domestic	218.424.011	536.900	495.327	-	-	28.878.040	295.396.657	246.334.699	96.464.471	2.977.102	30.829	-	-	-	2.077.864	228.992	32.582.882	924.427.774
European Union Countries	324.326	-	-	-	-	47.174.552	1.970.782	281.617	151.392	4.665	286	-	-	-	-	12	21.546	49.929.178
OECD Countries [1]	-	-	-	-	-	559.428	6.588	16.867	10.761	107	4	-	-	-	-	-	574	594.329
Off-shore Banking Regions	10	-	-	-	-	423.837	-	250	1.607	2	-	-	-	-	-	-	6	425.712
USA, Canada	-	-	-	-	-	685.270	510.295	25.237	18.363	682	-	-	-	-	-	-	357	1.240.204
Other Countries	1.447.401	11.170	26	-	-	2.178.448	2.842.748	761.953	192.906	78.242	1.443.487	-	-	-	-	134.896	9.045	9.100.322
Subsidiaries, Associates and Joint Ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6.295.527	7.898.409	-	14.193.936
Unallocated Assets/Liabilities [2]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	**220.195.748**	**548.070**	**495.353**	**-**	**-**	**79.899.575**	**300.727.070**	**247.420.623**	**96.839.500**	**3.060.800**	**1.474.606**	**-**	**-**	**-**	**8.373.391**	**8.262.309**	**32.614.410**	**999.911.455**

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.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2021

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish)

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	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
Sectors/Counter Parties																				
Agriculture	82	1.078	10.880	-	-	-	14.349.978	88.015.250	5.241.046	262.916	1.938	-	-	-	-	-	-	107.270.485	612.683	107.883.168
Farming and Stockbreeding	5	1.078	10.880	-	-	-	13.735.564	87.639.819	5.216.572	261.428	1.846	-	-	-	-	-	-	106.644.189	223.003	106.867.192
Forestry	77	-	-	-	-	-	47.659	295.242	14.275	407	2	-	-	-	-	-	-	344.130	13.532	357.662
Fishing	-	-	-	-	-	-	566.755	80.189	10.199	1.081	90	-	-	-	-	-	-	282.166	376.148	658.314
Manufacturing	1.608.905	585	7.707	-	-	-	163.405.542	21.735.411	934.618	311.435	11.431	-	-	-	-	-	-	89.033.741	98.981.893	188.015.634
Mining and Quarrying	-	-	-	-	-	-	8.581.238	322.201	17.617	3.724	28	-	-	-	-	-	-	1.832.799	7.092.009	8.924.808
Production	1.608.897	7	5	-	-	-	116.651.262	21.214.076	903.418	304.222	11.383	-	-	-	-	-	-	79.028.012	61.665.258	140.693.270
Electric, Gas and Water	8	578	7.702	-	-	-	38.173.042	199.134	13.583	3.489	20	-	-	-	-	-	-	8.172.930	30.224.626	38.397.556
Construction	-	-	-	-	-	-	52.386.108	7.647.554	988.322	166.047	36.906	-	-	-	216.669	-	-	29.505.648	31.935.958	61.441.606
Services	243.991.187	18.767	388.257	-	-	82.602.802	159.913.080	50.241.106	3.197.297	488.726	1.580.794	-	-	-	11.203.369	9.757.512	28.162.738	241.769.617	349.776.018	591.545.635
Wholesale and Retail Trade	-	20	7.423	-	-	-	38.755.050	36.482.739	2.176.737	363.652	6.700	-	-	-	-	-	-	65.791.808	12.000.513	77.792.321
Hotel Food and Beverage Services	6.711	35	1.256	-	-	-	11.800.613	3.382.396	285.618	40.292	3.301	-	-	-	-	-	-	5.602.371	9.917.851	15.520.222
Transportation and Telecommunication	-	25	328.705	-	-	-	56.318.074	4.668.385	304.968	31.124	1.683	-	-	-	-	-	-	9.333.122	52.319.842	61.652.964
Financial Institutions	243.669.268	-	9.769	-	-	78.410.985	2.993.501	24.526	-	3	1.567.413	-	-	-	10.862.532	8.221.808	28.162.738	130.497.340	243.425.203	373.922.543
Real Estate and Leasing Services	236.571	18.686	2.647	-	-	4.191.817	47.218.371	4.204.670	375.587	37.368	1.664	-	-	-	340.837	1.535.704	-	26.824.918	31.339.004	58.163.922
Self Employment Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Education Services	77.122	-	28.461	-	-	-	1.250.693	587.496	19.607	9.555	26	-	-	-	-	-	-	1.457.759	515.201	1.972.960
Health and Social Services	1.515	1	9.996	-	-	-	1.576.778	890.894	34.780	6.732	7	-	-	-	-	-	-	2.262.299	258.404	2.520.703
Other	202.649.621	459.878	5.332.857	-	-	92.323	15.536.155	107.594.638	89.602.975	1.671.618	13.336.247	-	-	-	41	169.125	-	301.208.455	135.237.023	436.445.478
Total	**448.249.795**	**480.308**	**5.739.701**	**-**	**-**	**82.695.125**	**405.590.863**	**275.233.959**	**99.964.258**	**2.900.742**	**14.967.316**	**-**	**-**	**-**	**11.420.079**	**9.926.637**	**28.162.738**	**768.787.946**	**616.543.575**	**1.385.331.521**

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

	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	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
Sectors/Counter Parties																				
Agriculture	92	356	4.612	-	-	-	6.861.007	64.227.579	15.883.177	310.323	1.050	-	-	-	-	-	1.823.019	88.592.183	519.032	89.111.215
Farming and Stockbreeding	5	356	4.612	-	-	-	6.210.002	63.266.262	15.672.055	303.515	280	-	-	-	-	-	1.805.739	87.022.180	240.646	87.262.826
Forestry	87	-	-	-	-	-	49.548	350.924	77.273	1.772	7	-	-	-	-	-	12.855	486.880	5.586	492.466
Fishing	-	-	-	-	-	-	601.457	610.393	133.849	5.036	763	-	-	-	-	-	4.425	1.083.123	272.800	1.355.923
Manufacturing	109.312	683	12.955	-	-	-	127.519.125	25.830.930	11.894.751	425.477	11.746	-	-	-	-	38.948	356.927	88.799.888	77.400.966	166.200.854
Mining and Quarrying	-	-	2.736	-	-	-	6.819.619	318.817	112.733	2.193	45	-	-	-	-	-	134	1.703.772	5.552.505	7.256.277
Production	109.305	4	1.928	-	-	-	87.316.713	25.347.848	11.568.074	373.693	11.437	-	-	-	-	-	355.661	80.737.550	44.347.113	125.084.663
Electric, Gas and Water	7	679	8.291	-	-	-	33.382.793	164.265	213.944	49.591	264	-	-	-	-	38.948	1.132	6.358.566	27.501.348	33.859.914
Construction	-	-	71.547	-	-	-	39.513.369	7.017.198	4.585.850	811.905	198.123	-	-	-	243.923	-	32.507	29.813.984	22.660.438	52.474.422
Services	79.142.024	1.329	178.553	-	-	78.804.547	122.268.300	63.205.510	21.834.661	1.236.059	739.995	-	-	-	8.129.468	8.101.625	26.750.661	196.598.656	213.794.076	410.392.732
Wholesale and Retail Trade	4	20	8.098	-	-	-	34.796.016	44.348.295	13.558.575	703.046	7.472	-	-	-	-	69.981	95.061	83.409.629	10.176.939	93.586.568
Hotel Food and Beverage Services	5.800	35	1.676	-	-	-	8.981.673	4.917.249	2.424.068	123.948	260	-	-	-	-	-	17.096	8.850.659	7.621.146	16.471.805
Transportation and Telecommunication	4.226	163	105.714	-	-	-	41.028.167	7.180.201	3.050.681	80.950	136	-	-	-	-	-	38.513	12.485.584	39.003.167	51.488.751
Financial Institutions	78.628.423	-	6.088	-	-	69.939.763	1.974.150	14.003	1.823	13	730.535	-	-	-	6.617.821	6.808.100	26.592.322	57.650.345	133.662.696	191.313.041
Real Estate and Leasing Services	423.838	1.089	2.827	-	-	8.864.784	33.240.319	4.950.745	2.249.920	280.676	1.529	-	-	-	1.511.647	1.223.544	6.413	30.034.739	22.722.592	52.757.331
Self Employment Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Education Services	78.241	-	38.632	-	-	-	793.446	631.094	156.023	19.308	43	-	-	-	-	-	599	1.297.878	419.508	1.717.386
Health and Social Services	1.492	22	15.518	-	-	-	1.454.529	1.163.923	393.571	28.118	20	-	-	-	-	-	657	2.869.822	188.028	3.057.850
Other	140.944.320	545.702	227.686	-	-	1.095.028	4.565.269	87.139.406	42.641.061	277.036	523.692	-	-	-	-	121.736	3.651.296	214.907.531	66.824.701	281.732.232
Total	**220.195.748**	**548.070**	**495.353**	**-**	**-**	**79.899.575**	**300.727.070**	**247.420.623**	**96.839.500**	**3.060.800**	**1.474.606**	**-**	**-**	**-**	**8.373.391**	**8.262.309**	**32.614.410**	**618.712.242**	**381.199.213**	**999.911.455**

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

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2021

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

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish)

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	107.918.975	7.932.960	3.126.402	17.839.512	311.431.946
Conditional and unconditional exposures to regional governments or local authorities	7.863	1.839	9.991	91.227	369.388
Conditional and unconditional receivables from administrative units and non-commercial enterprises	6.957	3.194	506.657	39.393	5.183.500
Conditional and unconditional exposures to multilateral development banks	-	-	-	-	-
Conditional and unconditional exposures to international organisations	-	-	-	-	-
Conditional and unconditional exposures to banks and brokerage houses	32.168.691	14.850.932	3.821.060	2.632.186	29.222.256
Conditional and unconditional exposures to corporates	9.553.107	25.673.411	25.447.574	94.313.464	250.603.307
Conditional and unconditional retail exposures	2.990.690	9.500.834	10.322.280	84.069.990	168.350.165
Conditional and unconditional exposures secured by real estate property	143.280	546.484	700.697	5.039.352	93.534.445
Past due receivables	566.757	100.478	94.399	166.813	1.972.295
Receivables defined in high risk category by BRSA	735.540	97.660	1.060.931	1.372.828	11.700.357
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	-	68.611	-	89.640	11.261.828
Investments in Equity Instruments	-	-	-	-	9.926.637
Grand Total	**154.091.860**	**58.776.403**	**45.089.991**	**205.654.405**	**893.556.124**

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2021

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

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish)

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

Prior Period	Term to Maturity				
	1 Month	1-3 Months	3-6 Months	6-12 Months	Over 1 Year
Exposure Classifications:					
Conditional and unconditional exposures to central governments or central banks	3.908.743	3.658.163	3.596.356	6.358.039	202.674.447
Conditional and unconditional exposures to regional governments or local authorities	3.611	6.970	22.078	22.473	492.938
Conditional and unconditional receivables from administrative units and non-commercial enterprises	11.701	1.589	1.463	104.307	376.293
Conditional and unconditional exposures to multilateral development banks	-	-	-	-	-
Conditional and unconditional exposures to international organisations	-	-	-	-	-
Conditional and unconditional exposures to banks and brokerage houses	47.086.540	9.535.956	1.655.089	681.672	20.940.318
Conditional and unconditional exposures to corporates	8.263.595	15.085.585	15.220.764	51.055.562	211.101.564
Conditional and unconditional retail exposures	3.552.279	5.884.584	7.268.438	50.672.452	180.042.870
Conditional and unconditional exposures secured by real estate property	435.815	977.208	1.115.129	9.611.155	84.700.193
Past due receivables	1.055.468	52.610	75.175	112.406	1.765.141
Receivables defined in high risk category by BRSA	654.355	6.494	17.894	31.655	764.208
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	28.760	54.334	398.802	248.402	7.643.093
Investments in Equity Instruments	-	-	-	-	8.262.309
Grand Total	**65.000.867**	**35.263.493**	**29.371.188**	**118.898.123**	**718.763.374**

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.

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:

Credit Quality Grade	Fitch Ratings Long Term Credit Rating	Exposure to Banks and Brokerage Houses: Exposures with Original Maturities Less Than 3 Months	Exposure to Banks and Brokerage Houses: 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	457.650.614	-	26.461.893	-	-	66.549.351	338.419.070	466.670.826	14.958.246	-	14.621.521	1.389.570
2	Exposures after Credit Risk Mitigation	542.451.633	-	10.925.059	-	67.433.214	67.098.685	243.695.409	437.738.924	14.861.274	-	1.127.323	1.389.570

Prepared with the numbers after conversion rate to credit

Prior Period

	Risk Weights	0%	2%(*)	10%	20%	35%	50%	75%	100%	150%	200%	1250%	Deductions from Equity
1	Exposures before Credit Risk Mitigation	237.078.387	21.067.850	-	23.164.974	-	34.775.574	334.467.738	347.904.991	1.451.941	-	-	1.032.091
2	Exposures after Credit Risk Mitigation	332.945.771	1.581.631	-	11.732.817	68.654.475	53.102.842	215.060.782	315.383.210	1.449.927	-	-	1.032.091

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.

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021
(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL")
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish)

6. Information in terms of major sectors and type of counterparties

Current Period	Loans: Impaired (TFRS 9): Significant Increase in Credit Risk (Stage 2)	Loans: Impaired (TFRS 9): Non-performing loans (Stage 3)	Provisions: Provisions for Expected Credit Loss (TFRS)
Agriculture	**6.074.157**	**1.215.883**	**1.121.100**
Farming and Stockbreeding	6.048.428	1.203.780	1.110.151
Forestry	15.727	5.715	5.541
Fishery	10.002	6.388	5.408
Manufacturing	**27.854.774**	**2.257.735**	**10.986.178**
Mining and Quarrying	37.009	24.633	21.572
Production	23.028.819	2.006.337	9.641.240
Electricity, Gas and Water	4.788.946	226.765	1.323.366
Construction	**8.567.566**	**2.831.458**	**4.531.229**
Services	**24.007.396**	**4.884.961**	**7.510.888**
Wholesale and Retail Trade	6.891.231	2.937.089	2.662.642
Accommodation and Dining	5.394.559	349.715	1.003.543
Transportation and Telecom.	950.901	172.218	150.279
Financial Institutions	21.548	6.518	5.229
Real Estate and Rental Services	9.215.940	1.301.381	3.337.717
Professional Services	-	-	-
Educational Services	556.663	81.944	74.958
Health and Social Services	976.554	36.096	276.520
Other	**13.438.558**	**3.950.594**	**2.763.874**
Total	**79.942.451**	**15.140.631**	**26.913.269**

Prior Period	Loans: Impaired (TFRS 9): Significant Increase in Credit Risk (Stage 2)	Loans: Impaired (TFRS 9): Non-performing loans (Stage 3)	Provisions: Provisions for Expected Credit Loss (TFRS)
Agriculture	**2.706.356**	**1.978.838**	**1.210.344**
Farming and Stockbreeding	2.691.307	1.959.833	1.194.518
Forestry	4.590	8.443	7.419
Fishery	10.459	10.562	8.407
Manufacturing	**16.529.626**	**2.286.024**	**5.841.766**
Mining and Quarrying	17.134	22.656	21.402
Production	13.350.077	2.030.137	5.151.020
Electricity, Gas and Water	3.162.415	233.231	669.344
Construction	**4.371.157**	**2.847.696**	**2.542.556**
Services	**9.502.630**	**5.204.123**	**4.953.801**
Wholesale and Retail Trade	3.255.516	3.015.631	2.611.077
Accommodation and Dining	2.708.036	405.318	401.869
Transportation and Telecom.	206.203	264.089	201.441
Financial Institutions	7.278	6.091	5.391
Real Estate and Rental Services	2.388.685	1.354.029	1.362.558
Professional Services	-	-	-
Educational Services	38.421	89.097	72.353
Health and Social Services	898.491	69.868	299.112
Other	**4.828.521**	**1.578.438**	**1.677.320**
Total	**37.938.290**	**13.895.119**	**16.225.787**

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2021

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL")
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish)

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	10.264.236	4.305.116	(2.420.591)	-	12.148.761
2	Stage 1 and 2 Expected Loss Provisions	8.488.482	9.178.605	(743.479)	-	16.923.608

	Prior Period	Opening Balance	Provision for Period	Provision Reversals	Other Adjustments	Closing Balance
1	Stage 3 Expected Loss Provisions	8.264.044	3.562.300	(1.562.108)	-	10.264.236
2	Stage 1 and 2 Expected Loss Provisions	4.744.208	6.060.919	(2.316.645)	-	8.488.482

8. Risks Included Capital Capacity Buffer Calculations

Current Period

Country	Banking Accounts RWA	Trading Accounts RWA	Total
Bosnia and Herzegovina	2.358.063	-	2.358.063
Turkish Republic of Northern Cyprus	2.307.722	-	2.307.722
Germany	2.242.136	-	2.242.136
Azerbaijan	1.436.524	-	1.436.524
Holland	1.230.351	-	1.230.351
Iraq	1.130.892	422.709	1.553.601
Uzbekistan	853.583	-	853.583
Kazakhstan	828.168	-	828.168
Kosovo	723.870	155.577	879.447
Russia	640.660	-	640.660
Other	2.924.331	957.428	3.881.759

Prior Period

Country	Banking Accounts RWA	Trading Accounts RWA	Total
Bosnia and Herzegovina	1.858.760	-	1.858.760
Germany	1.683.550	-	1.683.550
Turkish Republic of Northern Cyprus	1.592.874	-	1.592.874
Holland	900.983	-	900.983
Azerbaijan	833.729	-	833.729
Iraq	676.683	190.941	676.683
Italy	474.833	-	474.833
Kosovo	470.667	92.763	470.667
Kazakhstan	437.796	-	437.796
USA	428.515	527.070	428.515
Other	2.023.507	-	2.023.507

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2021

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL")
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish)

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 Group 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
24.12.2021	11,6027	13,1354	8,3830	1,7669	1,2743	12,6295	9,0547	1,3132	15,5569	3,0899	10,1467
27.12.2021	11,3014	12,7989	8,1687	1,7215	1,2396	12,3123	8,8217	1,2761	15,1744	3,0097	9,8496
28.12.2021	11,7363	13,2608	8,4959	1,7838	1,2943	12,7832	9,1704	1,3327	15,7712	3,1250	10,2205
29.12.2021	12,5456	14,2342	9,0893	1,9150	1,3890	13,7155	9,7905	1,4270	16,9039	3,3428	10,9339
30.12.2021	12,9903	14,7271	9,4465	1,9809	1,4387	14,2219	10,1653	1,4768	17,5538	3,4606	11,2880
31.12.2021	13,0427	14,7930	9,4690	1,9897	1,4374	14,2745	10,2803	1,4770	17,6193	3,4745	11,3326

5. Simple Arithmetic Average of The Bank's Current Foreign Exchange Bid Rates for The Last 30 Days Prior to The Balance Sheet Date

USD	EUR	AUD	DKK	SEK	CHF	CAD	NOK	GBP	SAR	100 JPY
13,5272	15,2892	9,6790	2,0565	1,4878	14,6958	10,5750	1,5067	17,9950	3,6048	11,8897

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 Turkey	70.229.311	90.797.839	24.439.425	185.466.575
Banks [6]	3.796.066	4.916.351	3.522.968	12.235.385
Financial Assets at Fair Value Through Profit and Loss	-	971.696	23.751.780	24.723.476
Money Markets Receivables	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	10.716.180	139.081.799	201.417	149.999.396
Loans[1]	102.895.758	137.613.425	320.275	240.829.458
Subsidiaries, Associates, Entities Under Common Control (Joint Ventures)	3.532.107	2.491.761	-	6.023.868
Financial Assets Measured at Amortised Cost	23.709.041	6.460.590	54.878	30.224.509
Derivative Financial Assets for Hedging Purposes	-	-	-	-
Tangible Fixed Assets	27.029	4.561	29.205	60.795
Intangible Assets	9.245	6.660	20.802	36.707
Other Assets [3]	1.402.282	2.328.786	159.807	3.890.875
Total Assets [4]	**216.317.019**	**384.673.468**	**52.500.557**	**653.491.044**
Liabilities				
Interbank Deposits	23.083.172	2.660.059	790.577	26.533.808
Foreign Currency Deposits	248.966.345	211.475.906	80.872.632	541.314.883
Money Market Borrowings	-	37.053.037	-	37.053.037
Funds Provided from Other Financial Institutions	18.871.849	39.015.702	1.034.830	58.922.381
Issued Marketable Securities[5]	21.427.602	25.151.350	-	46.578.952
Miscellaneous Payables	1.364.842	708.535	21.077	2.094.454
Derivative Financial Liabilities for Hedging Purposes	-	-	-	-
Other Liabilities	1.146.966	2.991.883	305.864	4.444.713
Total Liabilities	**314.860.776**	**319.056.472**	**83.024.980**	**716.942.228**
Net Balance Sheet Position	**(98.543.757)**	**65.616.996**	**(30.524.423)**	**(63.451.184)**
Net Off-Balance Sheet Position [2]	**100.143.416**	**(69.826.336)**	**31.937.240**	**62.254.320**
Financial Derivative Assets	113.697.053	92.098.223	38.243.602	244.038.878
Financial Derivative Liabilities	13.553.637	161.924.559	6.306.362	181.784.558
Non-Cash Loans	**71.771.602**	**118.836.410**	**15.801.706**	**206.409.718**
Prior Period				
Total Assets	116.710.858	204.482.758	30.538.370	351.731.986
Total Liabilities	173.493.271	190.527.094	51.436.530	415.456.895
Net Balance Sheet Position	**(56.782.413)**	**13.955.664**	**(20.898.160)**	**(63.724.909)**
Net Off-Balance Sheet Position [2]	**57.139.395**	**(22.147.912)**	**25.675.120**	**60.666.603**
Financial Derivative Assets	65.979.466	80.811.919	26.837.704	173.629.089
Financial Derivative Liabilities	8.840.071	102.959.831	1.162.584	112.962.486
Non-Cash Loans	**41.442.739**	**50.275.804**	**7.993.955**	**99.712.498**

[1] TL 26.812 (31 December 2020: TL 26.213) equivalent of loans granted is USD and TL 13.291 (31 December 2020: TL 9.709) equivalent of EUR balance is caused by foreign currency indexed loans

[2] Indicates the net balance of receivables and payables on derivative financial instruments.

[3] Prepared expenses in other assets amounting to TL 11.405 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.

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2021
(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL")
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish)

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 year ending on 31 December 2021 and 31 December 2020 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 2021		Prior Period - 31 December 2020	
	Profit/Loss Statement	Equity [*]	Profit/Loss Statement	Equity [*]
USD	(284.757)	(533.933)	(320.959)	(447.442)
EUR	(61.023)	(414.234)	15.858	(196.273)
Other currencies	32.427	32.427	60	60
Total (Net) [**]	**(313.353)**	**(915.740)**	**(305.041)**	**(643.655)**

[*] Equity effect also includes the effect of the profit or loss to occur due to the 10% depreciation of the TL 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 year ending on 31 December 2021 and 31 December 2020 is shown in the table below:

	Current Period - 31 December 2021		Prior Period - 31 December 2020	
	Profit/Loss Statement	Equity [*]	Profit/Loss Statement	Equity [*]
USD	284.757	533.933	320.959	447.442
EUR	61.023	414.234	(15.858)	196.273
Other currencies	(32.427)	(32.427)	(60)	(60)
Total (Net) [**]	**313.353**	**915.740**	**305.041**	**643.655**

[*] Equity effect also includes the effect of the profit or loss to occur due to the 10% appreciation of the TL 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.

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

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 Turkey	20.747.759	-	-	-	-	188.035.974	208.783.733
Banks (7)	3.304.258	66.892	197.651	26.674	-	9.400.283	12.995.758
Financial Assets at Fair Value Through Profit and Loss	52.804	6.091.471	3.044.935	14.694.397	13.883	2.762.222	26.659.712
Money Markets Receivables	281.931	-	-	-	-	-	281.931
Financial Assets at Fair Value Through Other Comprehensive Income	42.215.186	18.916.429	58.076.657	89.769.490	60.482.373	697.022	270.157.157
Loans Given (3)	250.585.887	76.865.425	146.926.458	213.152.913	58.808.968	2.991.869	749.331.520
Financial Assets Measured at Amortised Cost	813.083	1.110.034	10.183.161	26.068.356	6.403.163	-	44.577.797
Other Assets (2)	4.467.502	4.321.012	2.853.665	563.769	357.272	45.539.440	58.102.660
Total Assets (1) (5)	**322.468.410**	**107.371.263**	**221.282.527**	**344.275.599**	**126.065.659**	**249.426.810**	**1.370.890.268**
Liabilities							
Interbank Deposits	30.528.589	5.066.998	16.050.940	-	-	3.708.562	55.355.089
Other Deposits	367.327.135	116.204.261	70.541.419	2.277.210	1.804	336.979.697	893.331.526
Money Market Borrowings	149.756.072	21.374.101	2.553.454	3.015.469	-	-	176.699.096
Miscellaneous Payables	-	-	-	-	-	17.351.965	17.351.965
Issued Marketable Securities (6)	97.988	231.881	8.629.634	38.630.139	-	-	47.589.642
Funds Provided from Other Financial Institutions	2.548.228	21.139.126	24.584.477	10.468.740	576.090	-	59.316.661
Other Liabilities (4)	338.368	804.943	1.964.271	668.174	636.602	116.833.931	121.246.289
Total Liabilities (1)	**550.596.380**	**164.821.310**	**124.324.195**	**55.059.732**	**1.214.496**	**474.874.155**	**1.370.890.268**
Balance Sheet Long Position	**-**	**-**	**96.958.332**	**289.215.867**	**124.851.163**	**-**	**511.025.362**
Balance Sheet Short Position	**(228.127.970)**	**(57.450.047)**	**-**	**-**	**-**	**(225.447.345)**	**(511.025.362)**
Off-Balance Sheet Long Position	7.299.963	2.263.522	-	10	-	-	9.563.495
Off-Balance Sheet Short Position	-	-	(408.869)	-	(1.015.345)	-	(1.424.214)
Total Position	**(220.828.007)**	**(55.186.525)**	**96.549.463**	**289.215.877**	**123.835.818**	**(225.447.345)**	**8.139.281**

(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.

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 Turkey	5.830.015	-	-	-	-	82.212.849	88.042.864
Banks	1.079.605	104.894	112.877	-	-	1.491.234	2.788.610
Financial Assets at Fair Value Through Profit and Loss	250.900	4.396.058	6.723.384	2.398.967	9.077	527.066	14.305.452
Money Markets Receivables	206.435	-	-	-	-	-	206.435
Financial Assets at Fair Value Through Other Comprehensive Income	26.009.961	16.164.458	38.157.150	58.375.032	42.531.283	391.046	181.628.930
Loans Given (3)	122.011.018	71.398.275	119.619.314	212.051.697	53.196.055	3.630.883	581.907.242
Financial Assets Measured at Amortised Cost	2.778.965	60.954	7.786.418	15.217.930	3.838.421	-	29.682.688
Other Assets (2)	830.466	2.178.911	964.216	138.986	1.135.581	38.790.883	44.039.043
Total Assets (1)(5)	**158.997.365**	**94.303.550**	**173.363.359**	**288.182.612**	**100.710.417**	**127.043.961**	**942.601.264**
Liabilities							
Interbank Deposits	21.112.800	5.321.633	5.335.367	-	-	2.224.762	33.994.562
Other Deposits	257.500.079	91.543.192	48.934.500	1.783.318	1.136	196.117.421	595.879.646
Money Market Borrowings	109.114.222	5.135.012	849.452	1.302.783	-	-	116.401.469
Miscellaneous Payables	-	-	-	-	-	13.178.530	13.178.530
Issued Marketable Securities (6)	-	54.086	4.197.437	23.151.207	-	-	27.402.730
Funds Provided from Other Financial Institutions	2.505.516	13.857.820	13.773.586	6.268.843	544.448	-	36.950.213
Other Liabilities (4)	1.838.258	683.454	924.266	1.137.094	5.779.625	108.431.417	118.794.114
Total Liabilities (1)	**392.070.875**	**116.595.197**	**74.014.608**	**33.643.245**	**6.325.209**	**319.952.130**	**942.601.264**
Balance Sheet Long Position	**-**	**-**	**99.348.751**	**254.539.367**	**94.385.208**	**-**	**448.273.326**
Balance Sheet Short Position	**(233.073.510)**	**(22.291.647)**	**-**	**-**	**-**	**(192.908.169)**	**(448.273.326)**
Off-Balance Sheet Long Position	-	2.499.236	94.500	-	-	-	2.593.736
Off-Balance Sheet Short Position	(779.445)	-	-	-	(1.015.345)	-	(1.794.790)
Total Position	**(233.852.955)**	**(19.792.411)**	**99.443.251**	**254.539.367**	**93.369.863**	**(192.908.169)**	**798.946**

(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.

2. Average Interest Rate Applied to the Monatery Financial Instruments (%)

	EUR	USD	JPY	TL
Current Period [4]				
Assets				
Cash (Cash in Vault, Effectives, Money in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey[1]	-	-	-	8,50
Banks	4,30	-	-	17,63
Financial Assets at Fair Value Through Profit or Loss	-	5,36		-
Money Market Receivables	-	-	-	17,31
Financial Assets at Fair Value Through Other Comprehensive Income	3,72	4,83	-	14,70
Loans Given [2]	4,74	5,68	6,00	13,42
Financial Assets Measured at Amortised Cost	4,76	7,47	-	14,33
Liabilities				
Interbank Deposits	0,22	0,25	-	14,14
Other Deposits	0,27	0,93	-	14,15
Money Market Borrowings	-	1,78	-	14,22
Miscellaneous Payables	-	-	-	-
Issued Marketable Securities [3]	5,08	5,05	-	16,99
Funds Provided from Other Financial Institutions	1,69	2,38	-	15,67

[1] The rate on TL column denotes the interest rates applied for required reserve at CBRT.
[2] Credit card loan balances are not included.
[3] Subordinated debt instruments are included.
[4] Foreign branches are excluded

	EUR	USD	JPY	TL
Prior Period [4]				
Assets				
Cash (Cash in Vault, Effectives, Money in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey[1]	-	-	-	12,00
Banks	1,79	-	-	18,02
Financial Assets at Fair Value Through Profit or Loss	-	5,36	-	11,88
Money Market Receivables	-	-	-	15,89
Financial Assets at Fair Value Through Other Comprehensive Income	2,86	4,76	-	11,17
Loans Given [2]	4,70	5,93	5,95	11,03
Financial Assets Measured at Amortised Cost	4,87	7,47	-	15,86
Liabilities				
Interbank Deposits	0,20	0,26	-	17,94
Other Deposits	0,56	1,91	-	13,73
Money Market Borrowings	-	2,34	-	17,25
Miscellaneous Payables	-	-	-	-
Issued Marketable Securities [3]	5,08	4,87	-	16,99
Funds Provided from Other Financial Institutions	1,61	2,57	-	14,90

[1] The rate on TL column denotes the interest rates applied for required reserve at CBRT.
[2] Credit card loan balances are not included.
[3] Subordinated debt instruments are included.
[4] Foreign branches are excluded

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021
(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL")
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish)

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	1.742.260	1.742.260	1.742.260
Traded on Stock Exchange	-	-	-
2. Investment in Equity Instruments Group B	7.538.625	7.538.625	7.538.625
Traded on Stock Exchange	7.538.625	7.538.625	7.538.625
3. Investment in Equity Instruments Group C	-	-	-
Traded on Stock Exchange	-	-	-
4. Investment in Equity Instruments Group Other	-	-	-
Other (*)	347.431	347.431	-

[1] Ziraat Gayrimenkul Yatırım Ortaklığı A.Ş., one of the subsidiaries of the Bank was offered to the public and its shares started to be traded on Borsa İstanbul AŞ on 6 May 2021.
[2] The said 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 (*)	257.435	257.435	-

[1] The said 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 347.431 and all of them are 100% risk weighted (31 December 2020: are amounted TL 257.435 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 Supplemantary Capital**	**Total**	**Included in Supplemantary Capital**	**Included in Contribution Capital**
1. Private Capital Investments	-	-	-	-	-	-
2. Publicly Traded Stocks	-	5.017.395	5.017.395	-	-	-
3. Other Stocks	-	89.973	89.973	-	-	-
Total	-	5.107.368	5.107.368	-	-	-

VI. EXPLANATIONS ON THE 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 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 thriugh 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 procuders are moderated by Treasury Management and International Banking Group Presidency in order to manage liquidity need and surplus in effective way.

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021
(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL")
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish)

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.

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. Within the last 3 months the unconsolidated lowest ratios are as follows: For FC 360,79 in the week of 19 November 2021; and for the total 164,49 in the week of 5 November 2021. The highest ratios that took place were for FC as 590,73 in the week of 15 October 2021 and for the total as 211,97 in the week of 17 December 2021 (31 December 2020: Within the last 3 months the unconsolidated lowest ratios are as follows: For FC as 300,59 in the week of 30 October 2020; and for the total 128,26 in the week of 27 November 2020. As for the highest ratios that took place were for FC as 494,83 in the week of 27 November 2020 and for the total as 145,69 in the week of 30 October 2020.)

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2021

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish)

	Total Unweighted Value (Average) (*)		Total Weighted Value (Average) (*)	
Current Period	**TL+FC**	**FC**	**TL+FC**	**FC**
HIGH QUALITY LIQUID ASSETS				
High Quality Liquid Assets			300.736.856	200.714.763
CASH OUTFLOWS				
Retail and Small Business Customers, of which;	581.812.451	332.382.725	51.406.715	33.238.272
Stable deposits	135.490.601	-	6.774.530	-
Less stable deposits	446.321.850	332.382.725	44.632.185	33.238.272
Unsecured wholesale funding, of which;	282.060.859	128.934.723	131.806.306	63.046.713
Operational deposit	21.302.776	1.054.124	5.325.694	263.531
Non-operational deposits	211.440.349	115.759.087	96.058.640	50.798.731
Other unsecured funding	49.317.734	12.121.512	30.421.972	11.984.451
Secured funding			-	-
Other cash outflows, of which;	122.992.761	21.838.758	12.973.546	12.897.830
Derivatives cash outflow and liquidity needs related to market valuation changes on derivatives or other transactions	3.394.483	9.552.971	3.394.483	9.552.971
Obligations related to structured financial products	-	-	-	-
Commitments related to debts to financial markets and other off-balance sheet obligations	119.598.278	12.285.787	9.579.063	3.344.859
Other revocable off-balance sheet commitments and contractual obligations	-	-	-	-
Other irrevocable or conditionally revocable off-balance sheet obligations	72.709.422	52.737.203	4.156.946	2.636.860
TOTAL CASH OUTFLOWS			**200.343.513**	**111.819.675**
CASH INFLOWS				
Secured lending	-	-	-	-
Unsecured lending	53.225.618	24.182.269	32.425.321	15.797.790
Other cash inflows	3.807.508	50.122.404	3.807.508	50.122.404
Total Cash Inflows	**57.033.126**	**74.304.673**	**36.232.829**	**65.920.194**
			Upper Limit Applied Amounts	
TOTAL HQLA STOCK			**300.736.856**	**200.714.763**
TOTAL NET CASH OUTFLOWS			**164.110.684**	**45.960.150**
LIQUIDITY COVERAGE RATIO (%)			**183,25**	**436,71**

(*) The average of last three months' liquidity coverage ratio calculated by weekly simple averages.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2021

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish)

	Total Unweighted Value (Average)(*)		Total Weighted Value (Average) (*)	
Prior Period	**TL+FC**	**FC**	**TL+FC**	**FC**
HIGH QUALITY LIQUID ASSETS				
High Quality Liquid Assets			176.160.109	94.505.452
CASH OUTFLOWS				
Retail and Small Business Customers, of which;	421.696.662	232.573.780	36.591.414	23.257.378
Stable deposits	111.565.029	-	5.578.251	-
Less stable deposits	310.131.633	232.573.780	31.013.163	23.257.378
Unsecured wholesale funding, of which;	220.191.646	80.840.972	101.957.530	40.475.036
Operational deposit	14.973.485	508.825	3.743.371	127.206
Non-operational deposits	182.217.900	71.969.102	81.687.319	32.046.125
Other unsecured funding	23.000.261	8.363.045	16.526.840	8.301.705
Secured funding				
Other cash outflows, of which;	88.521.841	12.494.819	11.819.381	6.084.029
Derivatives cash outflow and liquidity needs related to market valuation changes on derivatives or other transactions	4.619.402	3.255.634	4.619.402	3.255.634
Obligations related to structured financial products	-	-	-	-
Commitments related to debts to financial markets and other off-balance sheet obligations	83.902.439	9.239.185	7.199.979	2.828.395
Other revocable off-balance sheet commitments and contractual obligations	-	-	-	-
Other irrevocable or conditionally revocable off-balance sheet obligations	50.702.605	34.645.449	3.004.196	1.732.272
TOTAL CASH OUTFLOWS			**153.372.521**	**71.548.715**
CASH INFLOWS				
Secured lending	-	-	-	-
Unsecured lending	38.144.659	15.775.744	24.364.039	12.321.110
Other cash inflows	1.465.124	38.153.600	1.465.124	38.153.600
Total Cash Inflows	**39.609.783**	**53.929.344**	**25.829.163**	**50.474.710**
			Upper Limit Applied Amounts	
TOTAL HQLA STOCK			**176.160.109**	**94.505.452**
TOTAL NET CASH OUTFLOWS			**127.543.358**	**23.781.414**
LIQUIDITY COVERAGE RATIO (%)			**138,12**	**397,39**

(*) The average of last three months' liquidity coverage ratio calculated by weekly simple averages.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2021

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

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish)

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 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.

T***he 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.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2021

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

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish)

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 Turkey	88.439.263	120.344.470	-	-	-	-	-	208.783.733
Banks [4]	9.400.283	3.304.258	66.892	197.651	26.674	-	-	12.995.758
Financial Assets at Fair Value Through Profit and Loss	-	52.804	6.091.471	3.044.935	14.694.397	13.883	2.762.222	26.659.712
Money Market Receivables	-	281.931	-	-	-	-	-	281.931
Financial Assets at Fair Value Through Other Comprehensive Income	-	9.533.960	5.446.574	33.519.274	136.123.868	85.185.078	348.403	270.157.157
Loans Given	-	32.092.477	73.985.897	297.711.411	266.006.819	76.543.047	2.991.869	749.331.520
Investments Held-to-Maturity	-	280.189	167.106	2.694.296	23.680.990	17.755.216	-	44.577.797
Other Assets	6.446.955	4.169.878	4.433.510	2.751.142	563.769	644.922	39.092.484	58.102.660
Total Assets[2]	**104.286.501**	**170.059.967**	**90.191.450**	**339.918.709**	**441.096.517**	**180.142.146**	**45.194.978**	**1.370.890.268**
Liabilities								
Interbank Deposits	3.708.562	30.528.589	5.066.998	16.050.940	-	-	-	55.355.089
Other Deposits	336.979.697	367.317.828	116.186.479	70.459.594	2.382.117	5.811	-	893.331.526
Funds Provided from Other Financial Institutions	-	539.631	1.253.517	24.259.636	27.368.658	5.895.219	-	59.316.661
Money Market Borrowings	-	149.756.072	21.374.101	2.553.454	3.015.469	-	-	176.699.096
Issued Marketable Securities [3]	-	97.988	231.881	8.629.634	38.630.139	-	-	47.589.642
Miscellaneous Payables	3.480.268	13.871.697	-	-	-	-	-	17.351.965
Other Liabilities	8.910.297	1.464.601	883.321	2.032.092	668.174	2.359.850	104.927.954	121.246.289
Total Liabilities	**353.078.824**	**563.576.406**	**144.996.297**	**123.985.350**	**72.064.557**	**8.260.880**	**104.927.954**	**1.370.890.268**
Liquidity Gap	**(248.792.323)**	**(393.516.439)**	**(54.804.847)**	**215.933.359**	**369.031.960**	**171.881.266**	**(59.732.976)**	**-**
Net Off-Balance Sheet Position	-	6.986.546	307.117	(408.868)	10	1.267.128	-	8.151.933
Financial Derivative Assets	-	148.284.721	33.587.880	23.589.508	1.558.882	2.282.473	-	209.303.464
Financial Derivative Liabilities	-	141.298.175	33.280.763	23.998.376	1.558.872	1.015.345	-	201.151.531
Non-cash Loans	80.872.752	10.955.329	32.527.108	83.606.042	46.844.385	7.767.640	-	262.573.256
Prior Period								
Total Assets	40.060.689	85.495.268	63.937.326	194.530.140	360.683.190	161.273.133	36.621.518	942.601.264
Total Liabilities	209.261.081	400.550.856	107.927.866	74.104.310	40.521.416	11.067.335	99.168.400	942.601.264
Liquidity Gap	**(169.200.392)**	**(315.055.588)**	**(43.990.540)**	**120.425.830**	**320.161.774**	**150.205.798**	**(62.546.882)**	**-**
Net Off-Balance Sheet Position	**-**	**(963.027)**	**1.397.741**	**94.499**	**-**	**269.733**	**-**	**798.946**
Financial Derivative Assets	-	110.395.898	32.821.678	7.736.121	1.972	1.285.078	-	152.240.747
Financial Derivative Liabilities	-	111.358.925	31.423.937	7.641.622	1.972	1.015.345	-	151.441.801
Non-cash Loans	**45.889.502**	**5.141.023**	**12.280.900**	**40.839.942**	**32.670.733**	**5.916.627**	**-**	**142.738.727**

[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.

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

5. Presentation of Liabilities According to Their Remaining Maturities

Current Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Total
Bank deposits	34.264.005	5.154.651	16.198.252	-	-	55.616.908
Other deposits	705.211.430	117.597.035	71.683.234	2.434.178	9.938	896.935.815
Funds borrowed from other financial institutions	545.387	1.343.834	25.016.138	28.677.604	6.425.511	62.008.474
Funds borrowed from Interbank money market	149.998.075	21.574.464	2.564.750	3.024.105	-	177.161.394
Total	**890.018.897**	**145.669.984**	**115.462.374**	**34.135.887**	**6.435.449**	**1.191.722.591**
Prior Period						
Bank deposits	23.366.698	5.329.325	5.384.479	-	-	34.080.502
Other deposits	454.420.735	92.431.719	49.879.163	2.006.588	6.693	598.744.898
Funds borrowed from other financial institutions	1.987.808	4.431.903	14.492.862	14.410.459	4.490.189	39.813.221
Funds borrowed from Interbank money market	109.266.494	5.153.953	849.585	1.303.700	-	116.573.732
Total	**589.041.735**	**107.346.900**	**70.606.089**	**17.720.747**	**4.496.882**	**789.212.353**

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 6,70% (31 December 2020: 8,43%). The decrease on leverage results occurs from the increase in Tier 1 capital amount. The regulation sentenced the minimum leverage as 3%.

Balance sheet assets	Current Period (*)	Prior Period (*)
On-balance sheet items (excluding derivative financial instruments and credit derivatives but including collateral)	1.270.737.165	944.433.692
(Assets deducted in determining Tier 1 capital)	(10.259.737)	(3.944.023)
Total on-balance sheet risks (sum of lines 1 and 2)	1.260.477.428	940.489.669
Derivative financial instruments and credit derivatives		
Replacement cost associated with all derivative financial instruments and credit derivatives	10.774.720	6.430.645
Add-on amounts for PFE associated with all derivative financial instruments and credit derivatives	2.681.655	1.955.716
Total risks of derivative financial instruments and credit derivatives	13.456.375	8.386.361
Securities or commodity financing transactions (SCFT)		
Risks from SCFT assets	18.956.230	15.485.935
Risks from brokerage activities related exposures	-	-
Total risks related with securities or commodity financing transactions	18.956.230	15.485.935
Other off-balance sheet transactions		
Gross notional amounts of off-balance sheet transactions	364.362.353	231.183.107
(Adjustments for conversion to credit equivalent amounts)	-	-
Total risks of off-balance sheet items	364.362.353	231.183.107
Capital and total risks		
Tier 1 capital	110.958.241	100.839.255
Total risks	1.657.252.386	1.195.545.072
Leverage ratio		
Leverage ratio %	6,70	8,43

(*) Three-month average of the amounts in the table are taken into account.

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 Processes of Banks, issued by the BRSA, within the scope of Regulation on Risk Management, Stress Test Program and the Bank's Internal Capital Adequacy Assessment Process ("ICAAP") approved by the Bank's Board of Directors.

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.

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021
(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL")
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish)

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 behavioral 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 behavioral 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 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 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.

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021
(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL")
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish)

Overview of Risk Weighted Amounts

		Risk Weighted Amount		Minimum capital Requirement
		Current Period	**Prior Period**	**Current Period**
1	Credit Risk (excluding counterparty credit risk)	684.077.782	515.397.894	54.726.223
2	Standardised approach	684.077.782	515.397.894	54.726.223
3	Internal rating-based approach	-	-	-
4	Counterparty credit risk	11.260.224	10.286.294	900.818
5	Standardised approach for counterparty credit risk	11.260.224	10.286.294	900.818
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	11.353.137	8.364.963	908.251
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	39.765.354	38.928.246	3.181.228
17	Standardised approach	39.765.354	38.928.246	3.181.228
18	Internal model approaches	-	-	-
19	Operational risk	46.913.603	39.441.393	3.753.088
20	Basic Indicator approach	46.913.603	39.441.393	3.753.088
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)**	**793.370.100**	**612.418.790**	**63.469.608**

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	208.783.733	208.783.733	-	-	-	-
Banks	12.995.758	12.995.758	-	-	-	-
Receivables from Money Markets	281.931	281.931	-	-	-	-
Financial Assets Measured at Fair Value to Profit or Loss	26.659.712	-	-	-	26.659.712	-
Financial Assets Measured at Fair Value to Other Comprehensive İncome	270.157.157	200.944.032	170.822.248	-	69.213.060	-
Financial Assets Measured at Amortized Cost	44.577.797	44.577.797	4.600.734	-	-	-
Derivative Financial Assets	12.048.564	-	12.048.564	-	-	-
Loans (Net)	749.331.520	766.240.872	-	-	-	14.256
Investments in Associates (Net)	152.904	152.904	-	-	-	-
Investments in Subsidiaries (Net)	20.610.313	20.610.313	-	-	-	-
Jointly Controlled Partnerships (Joint Ventures) (Net)	224.673	224.673	-	-	-	-
Receivables Form Leasing Transactions	-	-	-	-	-	-
Tangible Assets (Net)	6.654.792	6.644.573	-	-	-	10.219
Intangible Assets (Net)	1.365.095	-	-	-	-	1.365.095
Investment Properties (Net)	-	-	-	-	-	-
Tax Asset	1.519.079	1.519.079	-	-	-	-
Non-Currents Assets or Disposal Groups "Held for Sale" And "From Discontinued Operations (Net)	5.118.932	5.118.932	-	-	-	-
Other Assets	10.408.308	10.408.308	-	-	-	-
Total Assets	**1.370.890.268**	**1.278.502.905**	**187.471.546**	**-**	**95.872.772**	**1.389.570**
Liabilities						
Deposits	948.686.615	-	-	-	-	-
Funds Borrowed	59.316.661	-	11.795.858	-	-	-
Money Markets	176.699.096	-	157.258.969	-	-	-
Securities Issued (Net)	26.162.041	-	-	-	-	-
Funds	31.956	-	-	-	-	-
Derivative Financial Liabilities	3.590.919	-	-	-	-	-
Factoring Liabilities	-	-	-	-	-	-
Other Liabilities	26.753.694	-	-	-	-	-
Factoring Liabilities	789.483	-	-	-	-	-
Provisions	9.060.012	-	-	-	-	-
Tax Liability	1.272.431	-	-	-	-	-
Non-Currents Liabilities or Disposal Groups "Held For Sale" And "From Discontinued Operations (Net)	-	-	-	-	-	-
Subordinated Debt Instruments	21.427.601	-	-	-	-	-
Equity	97.099.759	-	-	-	-	-
Total Liabilities	**1.370.890.268**	**-**	**169.054.827**	**-**	**-**	**-**

(*) It represents the Bank's unconsolidated financial statements.

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021
(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL")
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish)

	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	88.042.864	88.042.864	-	-	-	-
Banks	2.788.610	2.788.610	-	-	-	-
Receivables from Money Markets	206.435	206.435	-	-	-	-
Financial assets measured at fair value to profit or loss	14.305.452	-	-	-	14.305.452	-
Financial assets measured at fair value to other comprehensive income	181.628.930	115.192.656	52.130.594	-	66.436.253	-
Financial assets measured at amortized cost	29.682.688	29.682.688	5.118.323	-	-	-
Derivative financial assets	5.027.200	-	5.027.200	-	-	-
Loans (Net)	581.907.242	590.375.883	-	-	-	19.841
Investments in associates (Net)	152.904	152.904	-	-	-	-
Investments in subsidiaries (Net)	14.067.273	14.067.273	-	-	-	-
Jointly Controlled Partnerships (Joint Ventures) (Net)	105.745	105.745	-	-	-	-
Receivables Form Leasing Transactions	-	-	-	-	-	-
Tangible Assets (net)	6.748.355	6.738.311	-	-	-	10.044
Intangible Assets (net)	1.002.206	-	-	-	-	1.002.206
Investment Properties (Net)	-	-	-	-	-	-
Tax Asset	248.730	248.730	-	-	-	-
Non-Currents Assets or Disposal Groups "Held for Sale" And "From Discontinued Operations (Net)	5.260.879	5.260.879	-	-	-	-
Other Assets	11.425.751	11.425.751	-	-	-	-
Total Assets	**942.601.264**	**864.288.729**	**62.276.117**	**-**	**80.741.705**	**1.032.091**
Liabilities						
Deposits	629.874.208	-	-	-	-	-
Funds Borrowed	36.950.213	-	6.096.622	-	-	-
Money Markets	116.401.469	-	46.280.017	-	-	-
Securities Issued (Net)	14.354.533	-	-	-	-	-
Funds	6.053.060	-	-	-	-	-
Derivative Financial Liabilities	3.487.652	-	-	-	-	-
Factoring Liabilities	-	-	-	-	-	-
Other Liabilities	19.612.536	-	-	-	-	-
Factoring Liabilities	821.985	-	-	-	-	-
Provisions	7.058.634	-	-	-	-	-
Tax Liability	1.660.517	-	-	-	-	-
Non-Currents Liabilities or Disposal Groups "Held for Sale" And "From Discontinued Operations (Net)	-	-	-	-	-	-
Subordinated Debt Instruments	13.048.197	-	-	-	-	-
Equity	93.278.260	-	-	-	-	-
Total Liabilities	**942.601.264**	**-**	**52.376.639**	**-**	**-**	**-**

(*) It represents the Bank's unconsolidated financial statements.

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

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	**1.370.890.268**	**1.278.512.781**	**187.471.546**	**95.872.772**
Liabilities carrying value amount under regulatory scope of consolidation	-	-	169.054.827	-
Total net amount under regulatory scope of consolidation	**1.370.890.268**	**1.278.512.781**	**18.416.719**	**95.872.772**
Differences in valuations	640.240.343	165.871.734	263.807.849	-
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	**2.011.130.611**	**1.444.384.515**	**282.224.568**	**95.872.772**

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	**942.601.264**	**864.288.729**	**62.276.117**	**80.741.705**
Liabilities carrying value amount under regulatory scope of consolidation	-	-	52.376.639	-
Total net amount under regulatory scope of consolidation	**942.601.264**	**864.288.729**	**9.899.478**	**80.741.705**
Differences in valuations	413.922.509	90.277.256	186.498.675	-
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	**1.356.523.773**	**954.565.985**	**196.398.153**	**80.741.705**

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 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 unfavorable 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 in place, indicating that credit risk limits are almost reached because of internal and external developments. Parameters for signal and limit structure and limit values of parameters are determined by risk management by consulting the relevant units. The approval of Audit Committee and Board of Directors is sought in order to implement parameters and signal/limit threshold values within the Bank. It is ensured that risk signal and limit structure is forwarded to relevant units in the Bank and the structure is understood by the relevant staff. Actual values are monitored closely by the risk management. Actual values regarding signal and limit parameters are reported to the Bank's Top 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, including the validation studies, 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.

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

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

Current Period	Defaulted	Non-defaulted	Allowances/Amortization and impairments	Net values
Loans	15.140.631	763.263.258	29.072.369	749.331.520
Debt Securities	-	255.715.754	8.388.604	247.327.150
Off-balance sheet explosures	1.222.526	399.459.021	3.285.225	397.396.322
Total	**16.363.157**	**1.418.438.033**	**40.746.198**	**1.394.054.992**

Prior Period	Defaulted	Non-defaulted	Allowances/Amortization and impairments	Net values
Loans	13.895.119	586.764.841	18.752.718	581.907.242
Debt Securities	-	148.406.416	921.721	147.484.695
Off-balance sheet explosures	690.362	240.816.847	1.852.945	239.654.264
Total	**14.585.481**	**975.988.104**	**21.527.384**	**969.046.201**

3.7. Changes on Defaulted Loans and Debt Securities

Current Period

1	**Defaulted loans and debt securities at end of the previous reporting period**	**13.895.119**
2	Loans and debt securities that have defaulted since the last reporting period	6.433.514
3	Returned to non-defaulted status	1.053.332
4	Amounts written off	-
5	Other changes	(4.134.670)
6	**Defaulted loans and debt securities at end of the reporting period (1+2-3-4±5) (*) definitions**	**15.140.631**

(*) Provisions for non-cash loans are not included in the table.

Prior Period

1	**Defaulted loans and debt securities at end of the previous reporting period**	**12.690.487**
2	Loans and debt securities that have defaulted since the last reporting period	4.061.472
3	Returned to non-defaulted status	582.016
4	Amounts written off	-
5	Other changes	(2.274.824)
6	**Defaulted loans and debt securities at end of the reporting period (1+2-3-4±5) (*) definitions**	**13.895.119**

(*) 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. The Bank has not set aside any provision for expected loss for funds originating loans that were classified as "Non-Performing Receivables" in the previous period, in accordance with Article 13 of the Provisions Regulation titled "Exceptions" and since the said risk does not belong to the Bank. Fund originating loans classified as "Non-Performing Receivables" in accordance with the Uniform Chart of Accounts amendment of the BRSA started to be monitored off-balance sheet in the current period.

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

	Loans and Receivables	Non-Preforming Loans	Expected Loss Provisions	Total
Domestic	755.441.797	15.046.116	28.932.632	741.555.281
European Union Countries	1.261.063	47.919	52.539	1.256.443
USA, Canada	7.738	4.239	4.273	7.704
OECD Countries [1]	867.770	-	1.081	866.689
Off-Shore Banking Regions	-	-	-	-
Other	5.684.890	42.357	81.844	5.645.403
Total	**763.263.258**	**15.140.631**	**29.072.369**	**749.331.520**

[1] OECD countries other than EU countries, USA, and Canada.

	Loans and Receivables	Non-Preforming Loans	Expected Loss Provisions	Total
Agriculture	124.879.765	1.215.883	1.362.308	124.733.340
Farming and Stockbreeding	124.110.691	1.203.780	1.349.866	123.964.605
Forestry	314.241	5.715	6.460	313.496
Fishing	454.833	6.388	5.982	455.239
Manufacturing	166.528.292	2.257.735	11.431.122	157.354.905
Mining and Quarrying	11.196.061	24.633	50.378	11.170.316
Production	110.976.105	2.006.337	9.873.148	103.109.294
Electric, Gas and Water	44.356.126	226.765	1.507.596	43.075.295
Construction	89.246.535	2.831.458	4.716.905	87.361.088
Services	184.835.190	4.884.961	8.572.584	181.147.567
Wholesale and Retail Trade	68.298.304	2.937.089	2.819.304	68.416.089
Hotel Food and Beverage Services	19.553.619	349.715	1.305.445	18.597.889
Transportation and Telecommunication	20.600.295	172.218	192.807	20.579.706
Financial Institutions	8.033.416	6.518	15.631	8.024.303
Real Estate and Leasing Services	64.114.275	1.301.381	3.862.075	61.553.581
Self-Employment Services	-	-	-	-
Education Services	1.996.996	81.944	98.421	1.980.519
Health and Social Services	2.238.285	36.096	278.901	1.995.480
Other	197.773.476	3.950.594	2.989.450	198.734.620
Total	**763.263.258**	**15.140.631**	**29.072.369**	**749.331.520**

Information regarding breakdown of receivables according to remaining maturities is given in Note II-4.

Aging Analysis for Overdue Receivables

Day Past Due	Current Period	Prior Period
1-30 Days	3.410.714	820.464
31-60 Days	2.227.979	747.871
61-90 Days	1.054.843	746.327
90 +	165.405	2.182.795
Total	**6.858.941**	**4.497.457**

Loans under close monitoring amounting to TL 73.083.510 (31 December 2020: TL 33.440.833) are not overdue.

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021
(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL")
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish)

Breakdown of restructured receivables by allocation of provision

Out of the Bank's total restructured loans amounting to TL 56.682.835, a portion of TL 54.595.239 consists of performing loans and remaining portion of TL 2.087.596 consists of non-performing loans. The total amount of first and second stage expected loss provision allocated for structured loans is TL 13.532.973 and third stage expected loss provision amount allocated for non-performing loans is TL 1.580.914. (31 December 2020: Out of the Bank's total restructured loans amounting to TL 18.801.914, a portion of TL 17.675.031 consists of performing loans and remaining portion of TL 1.126.883 consists of non-performing loans. The total amount of first and second stage expected loss provision allocated for structured loans is TL 2.473.158 and third stage expected loss provision amount allocated for non-performing loans is TL 558.700. No expected loss provision is reserved for non-performing loans amounting to TL 65.200 whose risk does not belong to the Bank.).

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	538.224.704	153.309.865	52.175.656	145.862.713	49.627.733	-	-
Debt Securities	200.984.844	-	-	-	-	-	-
Total	**739.209.548**	**153.309.865**	**52.175.656**	**145.862.713**	**49.627.733**	**-**	**-**
Of which defaulted	14.129.917	990.865	281.821	973.812	280.901	-	-

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	442.585.377	137.829.011	63.999.252	133.793.943	61.864.854	-	-
Debt Securities	140.154.459	-	-	-	-	-	-
Total	**582.739.836**	**137.829.011**	**63.999.252**	**133.793.943**	**61.864.854**	**-**	**-**
Of which defaulted	13.003.112	887.419	247.846	881.293	247.239	-	-

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.

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

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.

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	On-balance sheet amount	Risk Weighted Amount	Risk Weighted Amount Density
Exposures to sovereigns and their central banks	448.448.814	513.114	496.650.060	665.485	9.543.672	1,9%
Exposures to regional and local governments	485.866	74.499	421.360	104.362	234.769	44,7%
Exposures to administrative bodies and non-commercial entities	5.817.265	566.846	5.159.064	566.846	5.704.900	99,6%
Exposures to multilateral development banks	-	-	-	-	-	-
Exposures to international organizations	-	-	-	-	-	-
Exposures to banks and brokerage houses	82.505.805	9.057.008	74.259.520	10.138.734	16.432.472	19,5%
Exposures to corporates	379.851.827	100.591.550	281.490.310	99.441.099	378.199.467	99,3%
Retail exposures	360.370.732	11.630.728	238.056.751	11.517.405	186.524.904	74,7%
Exposures secured by residential property	67.845.397	477.136	66.963.648	477.136	23.602.123	35,0%
Exposures secured by commercial property	31.527.592	1.922.107	30.405.544	1.922.107	18.867.278	58,4%
Past-due items	2.900.742	-	2.619.845	-	2.191.142	83,6%
Exposures in high-risk categories	14.975.081	32.426	14.934.885	32.238	22.304.678	149,0%
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	11.420.172	75.916	11.339.832	75.916	11.353.137	99,5%
Other exposures	28.162.738	-	28.162.737	-	21.459.602	76,2%
Equity share investments	9.926.637	-	9.926.637	-	5.742.774	57,9%
Total	1.444.238.668	124.941.330	1.260.390.193	124.941.328	702.160.918	50,7%

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	On-balance sheet amount	Risk Weighted Amount	Risk Weighted Amount Density
Exposures to sovereigns and their central banks	219.764.031	971.770	280.720.393	629.214	8.100.952	2,9%
Exposures to regional and local governments	512.473	76.717	546.847	52.924	289.778	48,3%
Exposures to administrative bodies and non-commercial entities	273.604	544.063	252.292	221.750	455.801	96,2%
Exposures to multilateral development banks	-	-	-	-	-	-
Exposures to international organizations	-	-	-	-	-	-
Exposures to banks and brokerage houses	73.308.862	15.265.210	74.135.136	7.297.190	12.792.804	15,7%
Exposures to corporates	231.391.436	121.009.420	203.352.407	68.560.875	269.777.426	99,2%
Retail exposures	240.188.677	78.056.528	209.766.226	7.096.140	161.445.182	74,4%
Exposures secured by residential property	68.384.435	931.854	68.287.311	373.123	24.029.916	35,0%
Exposures secured by commercial property	27.304.024	1.414.687	24.321.461	769.143	16.580.085	66,1%
Past-due items	3.060.800	-	2.813.566	-	2.054.051	73,0%
Exposures in high-risk categories	1.304.451	307.414	1.304.447	168.195	2.186.159	148,5%
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	8.308.004	131.594	8.300.709	65.388	8.364.963	100,0%
Other exposures	32.614.409	-	32.614.409	-	21.849.821	67,0%
Equity share investments	8.262.309	-	8.262.309	-	3.885.432	47,0%
Total	**914.677.515**	**218.709.257**	**914.677.513**	**85.233.942**	**531.812.370**	**53,2%**

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

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	479.872.931	-	270.902	-	-	-	15.364.442	-	1.807.270	-	-	-	497.315.545
Exposures to regional and local government	58.780	-	24.081	-	-	-	425.818	-	17.043	-	-	-	525.722
Exposures to administrative bodies and non-commercial entities	20.841	-	212	-	-	-	-	-	5.704.857	-	-	-	5.725.910
Exposures to multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-	-
Exposures to international organizations	-	-	-	-	-	-	-	-	-	-	-	-	-
Exposures to banks and brokerage houses	48.262.942	-	9.185.815	-	-	-	22.501.096	-	3.322.238	-	-	1.126.163	84.398.254
Exposures to corporates	1.602.202	-	783.308	-	-	-	1.003.914	-	377.540.825	-	-	1.160	380.931.409
Retail exposures	1.599.739	-	654.718	-	-	-	3.772	243.695.409	3.620.518	-	-	-	249.574.156
Exposures secured by residential property	5.075	-	2.495	-	67.433.214	-	-	-	-	-	-	-	67.440.784
Exposures secured by commercial property	-	-	-	-	-	26.920.745	-	-	5.406.906	-	-	-	32.327.651
Past-due items	797	-	21	-	-	-	855.778	-	1.763.249	-	-	-	2.619.845
Exposures in high-risk categories	78.736	-	3.482	-	-	-	23.120	-	511	14.861.274	-	-	14.967.123
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	62.611	-	-	-	-	-	-	-	11.353.137	-	-	-	11.415.748
Equity share investments	4.183.863	-	-	-	-	-	-	-	5.742.774	-	-	-	9.926.637
Other exposures	6.703.116	-	25	-	-	-	-	-	21.459.596	-	-	-	28.162.737
Total	**542.451.633**	**-**	**10.925.059**	**-**	**67.433.214**	**26.920.745**	**40.177.940**	**243.695.409**	**437.738.924**	**14.861.274**	**-**	**1.127.323**	**1.385.331.521**

(*) 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%	35% secured by property mortgage	50% secured by property mortgage	50% (*)	75%	100%	150%	200%	Other	Total risk amount (post-CCF and CRM)
Exposures to sovereigns and their central banks	266.172.918	-	263.864	-	-	13.729.292	-	1.183.533	-	-	-	281.349.607
Exposures to regional and local government	31.359	-	34	-	-	557.217	-	11.161	-	-	-	599.771
Exposures to administrative bodies and non-commercial entities	18.194	-	58	-	-	-	-	455.790	-	-	-	474.042
Exposures to multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-
Exposures to international organizations	-	-	-	-	-	-	-	-	-	-	-	-
Exposures to banks and brokerage houses	49.437.564	-	10.060.548	-	-	19.207.182	-	1.145.472	-	-	1.581.560	81.432.326
Exposures to corporates	1.047.989	-	639.747	-	-	1.152.138	-	269.073.408	-	-	-	271.913.282
Retail exposures	1.059.620	-	737.840	-	-	4.053	215.060.782	-	-	-	71	216.862.366
Exposures secured by residential property	1.711	-	4.248	68.654.475	-	-	-	-	-	-	-	68.660.434
Exposures secured by commercial property	32.912	-	26.454	-	16.912.887	-	-	8.118.351	-	-	-	25.090.604
Past-due items	551	-	9	-	-	1.517.914	-	1.295.092	-	-	-	2.813.566
Exposures in high-risk categories	361	-	7	-	-	22.159	-	188	1.449.927	-	-	1.472.642
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	1.134	-	-	-	-	-	-	8.364.963	-	-	-	8.366.097
Equity share investments	4.376.876	-	-	-	-	-	-	3.885.433	-	-	-	8.262.309
Other exposures	10.764.582	-	8	-	-	-	-	21.849.819	-	-	-	32.614.409
Total	**332.945.771**	**-**	**11.732.817**	**68.654.475**	**16.912.887**	**36.189.955**	**215.060.782**	**315.383.210**	**1.449.927**	**-**	**1.581.631**	**999.911.455**

(*) 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 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 Turkey 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.

Amount subject to counter party credit risk is calculated with appraisal method based on its fair value in accordance with the Communiqué on Measurement and Assessment of Capital Adequacy of Banks and provisions in Appendix-2 and reported on a monthly basis. Accordingly, replacement cost and potential counter party credit risk amounts are calculated. Furthermore, capital obligation is also calculated for credit appraisal adjustment for all derivatives.

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.

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021
(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL")
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish)

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
	Valuation Method according to fair value - CCR (for derivatives)	7.543.403	1.966.845			9.510.248	2.292.993
1	Standardized approach - CCR (for derivatives)	-	-		1,4	-	-
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)					121.364.657	3.246.183
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)					20.922.022	1.168.277
5	Commodity lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit					-	-
6	**Total**						**6.707.453**

(*) Effective Expected Positive Exposure

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2021

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL")
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish)

	Prior Period	Replacement cost	Potential future exposure	EEPE (Effective Expected Positive Exposure) (*)	Alpha used for computing regulatory EAD	Exposure at default post CRM	RWA
	Valuation Method according to fair value - CCR (for derivatives)	4.223.311	1.820.676			6.043.987	2.402.773
1	Standardised approach - CCR (for derivatives)	-	-		1,4	-	-
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)					39.380.821	2.774.808
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)					8.292.166	2.840.299
5	Commodity lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit					-	-
6	**Total**						**8.017.880**

(*) 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	9.510.248	4.510.541
4	**Total subject to the CVA capital charge**	**9.510.248**	**4.510.541**

	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	6.043.987	2.236.781
4	**Total subject to the CVA capital charge**	**6.043.987**	**2.236.781**

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2021

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL")
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish)

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)
Claims from central governments and central banks	98.780.005	-	-	-	-	-	-	-	98.780.005
Claims from regional and local governments	3.736	-	-	215	-	-	-	-	3.951
Claims from administration and non-commercial entity	6.272	-	-	-	-	393	-	-	6.665
Claims from multilateral development banks	-	-	-	-	-	-	-	-	-
Claims from international organizations	-	-	-	-	-	-	-	-	-
Claims from institutions	35.725.103	-	8.256.265	6.343.737	-	222.724	-	1.126.163	51.673.992
Corporates	778.467	-	-	-	-	1.651.846	-	1.160	2.431.473
Retail portfolios	15.817	-	-	-	12.347	-	-	-	28.164
Other claims (2)	-	-	-	-	-	-	-	-	-
Total	**135.309.400**	**-**	**8.256.265**	**6.343.952**	**12.347**	**1.874.963**	**-**	**1.127.323**	**152.924.250**

(1) Total credit exposure: the amount relevant for the capital requirements calculation, having applied CRM techniques.
(2) Other assets: the amount excludes exposures to "Central counterparty" which are reported in Counterparty credit.

Prior Period Risk Weight/Regulatory portfolio	0%	10%	20%	50%	75%	100%	150%	Other	Total credit exposure (1)
Claims from central governments and central banks	1.492.436	-	-	-	-	-	-	-	1.492.436
Claims from regional and local governments	1.819	-	-	-	-	-	-	-	1.819
Claims from administration and non-commercial entity	7.319	-	-	-	-	-	-	-	7.319
Claims from multilateral development banks	-	-	-	-	-	-	-	-	-
Claims from international organizations	-	-	-	-	-	-	-	-	-
Claims from institutions	31.697.068	-	9.118.589	9.367.950	-	118.886	-	1.581.560	51.884.053
Corporates	510.104	-	-	-	-	1.389.997	-	-	1.900.101
Retail portfolios	11.066	-	-	-	1.740	-	-	71	12.877
Other claims (2)	-	-	-	-	-	-	-	-	-
Total	**33.719.812**	**-**	**9.118.589**	**9.367.950**	**1.740**	**1.508.883**	**-**	**1.581.631**	**55.298.605**

(1) Total credit exposure: the amount relevant for the capital requirements calculation, having applied CRM technique
(2) Other assets: 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		Collateral received	Collateral given
Current Period	Segregated	Unsegregated	Segregated	Unsegregated		
Cash-domestic currency	-	-	-	-	14.321.418	-
Cash-foreign currency	-	-	-	-	34.393.015	-
Domestic sovereign debts	-	-	-	-	-	-
Other sovereign debts	-	-	-	-	-	-
Government agency debts	-	-	-	-	-	-
Corporate Debts	-	-	-	-	-	-
Equity Securities	-	-	-	-	-	-
Other collateral	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**48.714.433**	**-**

	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	-	-	-	-	22.778.687	-
Cash-foreign currency	-	-	-	-	28.022.665	-
Domestic sovereign debts	-	-	-	-	-	-
Other sovereign debts	-	-	-	-	-	-
Government agency debts	-	-	-	-	-	-
Corporate debts	-	-	-	-	-	-
Equity securities	-	-	-	-	-	-
Other collateral	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**50.801.352**	**-**

Credit Derivatives

None.

Risk Weight changes under CCR on the Internal Modeling Management Methods.

None.

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021
(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL")
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish)

Risks Related with Central Counterparties

		Exposure at default (post-CRM)	RWA
1	**Exposure to Qualified Central Counterparties (QCCPs) (total)**	**2.111.507**	**42.230**
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	-	-
3	(i) OTC Derivatives	5.122	102
4	(ii) Exchange-traded Derivatives	-	-
5	(iii) Securities financing transactions	1.122.201	22.444
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	984.184	19.684
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

For the purposes of market risk aversion in line with financial risk management, the Bank has identified market risk management activities in accordance with the Communiqué on Measurement and Assessment of Capital Adequacy of Banks and the Regulation on the Internal Systems and Internal Capital Adequacy Assessment Processes of Banks and has taken required precautions.

The Bank's market risk management policies and implementation procedures have been specified in the scope of the Regulation on Risk Management, Stress Test Program and ICAAP 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 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 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		**Current Period**	**Prior Period**
	Outright products		
1	Interest rate risk (general and specific)	30.809.989	32.070.975
2	Equity risk (general and specific)	4.312.614	1.056.572
3	Foreign exchange risk	4.642.751	5.800.699
4	Commodity risk	-	-
	Options		
5	Simplified approach	-	-
6	Delta-plus method	-	-
7	Scenario approach	-	-
8	Securitization	-	-
9	**Total**	**39.765.354**	**38.928.246**

Standard method is being used by the Bank to calculate the risk of the sector.

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.

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021
(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL")
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish)

Current Period	**31.12.2018**	**31.12.2019**	**31.12.2020**	**Total/Number of Positive GI years**	**Ratio (%)**	**Total**
Gross Income	21.442.915	22.554.539	31.064.310	25.020.588	15	3.753.088
Amount Subject to Operational Risk (Total*12,5)						**46.913.603**

Prior Period	**31.12.2017**	**31.12.2018**	**31.12.2019**	**Total/Number of Positive GI years**	**Ratio (%)**	**Total**
Gross Income	19.108.775	21.442.915	22.554.539	21.035.410	15	3.155.311
Amount Subject to Operational Risk (Total*12,5)						**39.441.393**

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	(11.867.872)	(9,48%)
2. TL	(400)	11.154.863	8,91%
3. EUR	200	3.274.065	2,61%
4. EUR	(200)	(3.384.407)	(2,70%)
5. USD	200	(6.087.622)	(4,86%)
6. USD	(200)	7.760.534	6,20%
Total (for negative shocks)		**15.530.990**	**12,40%**
Total (for positive shocks)		**(14.681.429)**	**(11,72%)**

Type of Currency-Prior Period	**Shock Applied (+/- x basis point)**	**Gains/(Losses)**	**Gains/Equity-(Losses)/Equity**
1. TL	500	(19.609.423)	(17,63%)
2. TL	(400)	19.212.179	17,28%
3. EUR	200	2.430.904	2,19%
4. EUR	(200)	(2.346.330)	(2,11%)
5. USD	200	(3.826.830)	(3,44%)
6. USD	(200)	4.724.669	4,25%
Total (for negative shocks)		**21.590.518**	**19,42%**
Total (for positive shocks)		**(21.005.349)**	**(18,89%)**

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 2021, the following notes to be presented on a quarterly and semi-annually 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. Changes in the fair value of the hedged item, changes in the exchange rate risk arising from the capital amounts allocated to foreign partnerships of the Bank are recognized in profit or loss, as long as the hedging is effective.

The efficiency test is performed using the "Dollar off-set method" to compare the changes in fair value of the hedging instrument and the item subject to financial risk. 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
FX Deposit (EUR)	EUR Capital Amounts Allocated to Foreign Partnerships	Foreign exchange rate risk	(2.195.068)	2.195.068	-

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.

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021
(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL")
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish)

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 Turkey, 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 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 another 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.

As of 31 December 2021, 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/ Undistributed	Total
OPERATING INCOME/EXPENSE						
Interest Income	**19.848.170**	**32.488.730**	**13.153.152**	**36.263.614**	**243.894**	**101.997.560**
Interest Income from Loans	19.848.170	32.488.730	13.153.152	7.304.552	-	72.794.604
Interest Income from Banks	-	-	-	136.647	-	136.647
Interest Income from Securities	-	-	-	27.440.109	-	27.440.109
Other Interest Income	-	-	-	1.382.306	243.894	1.626.200
Interest Expense	**25.228.448**	**11.695.628**	**-**	**24.824.294**	**481.456**	**62.229.826**
Interest Expense on Deposits	25.228.448	11.695.628	-	4.275.171	-	41.199.247
Interest Expense on Funds Borrowed	-	-	-	1.169.834	-	1.169.834
Interest Expense on Money Market Transactions	-	-	-	17.261.237	-	17.261.237
Interest Expense on Securities Issued	-	-	-	2.118.052	-	2.118.052
Other Interest Expense	-	-	-	-	481.456	481.456
Net Interest Income/Expense	**(5.380.278)**	**20.793.102**	**13.153.152**	**11.439.320**	**(237.562)**	**39.767.734**
Net Fees and Commission Income	**3.720.547**	**3.156.865**	**190.337**	**(2.007.086)**	**390.211**	**5.450.874**
Fees and Commissions Received	3.720.547	3.156.865	190.337	17	630.094	7.697.860
Fees and Commissions Paid	-	-	-	2.007.103	239.883	2.246.986
Dividend Income	**-**	**-**	**-**	**137.900**	**-**	**137.900**
Trading Profit/Loss (Net)	**-**	**-**	**-**	**(11.043.777)**	**-**	**(11.043.777)**
Other Operating Income	**32.858**	**250.915**	**49.585**	**6.735**	**4.104.212**	**4.444.305**
Provision for Expected Loss (-)	**3.224.479**	**9.474.116**	**2.257.548**	**-**	**-**	**14.956.143**
Other Provision Expense	**-**	**-**	**-**	**2**	**374.146**	**374.148**
Personnel Expenses (-)	**-**	**-**	**-**	**-**	**5.195.130**	**5.195.130**
Other Operating Expense	**4.079.235**	**94.600**	**114.590**	**-**	**5.029.748**	**9.318.173**
Net Operating Profit/Loss	**(8.930.587)**	**14.632.166**	**11.020.936**	**(1.466.910)**	**(6.342.163)**	**8.913.442**
Profit/Loss on Equity Method Applied Subsidiaries	**-**	**-**	**-**	**-**	**-**	**-**
Tax Provision	**-**	**-**	**-**	**-**	**(2.622.133)**	**(2.622.133)**
Net Profit/Loss	**(8.930.587)**	**14.632.166**	**11.020.936**	**(1.466.910)**	**(8.964.296)**	**6.291.309**
SEGMENT ASSETS						
Financial Assets at Fair Value Through Profit or Loss (Net)	-	-	-	26.659.712	-	26.659.712
Banks and Receivables from Money Markets	-	-	-	13.277.689	-	13.277.689
Financial Assets at Fair Value Through Other Comprehensive Income (Net)	-	-	-	270.157.157	-	270.157.157
Loans	165.351.499	452.349.808	116.303.978	15.326.235	-	749.331.520
Financial Assets Measured at Amortised Cost (Net)	-	-	-	44.577.797	-	44.577.797
Derivative Financial Assets	-	-	-	12.048.564	-	12.048.564
Associates, Subsidiaries and Entities under Common Control	-	-	-	20.987.890	-	20.987.890
Other Assets	7.334	4.806.870	121.636	200.444.597	28.469.502	233.849.939
Total Segment Assets	**165.358.833**	**457.156.678**	**116.425.614**	**603.479.641**	**28.469.502**	**1.370.890.268**
SEGMENT LIABILITIES						
Deposits	697.033.528	129.831.454	-	55.355.089	66.466.544	948.686.615
Derivative Financial Liabilities Held for Trading	-	-	-	3.590.919	-	3.590.919
Funds Borrowed	-	-	-	59.316.661	-	59.316.661
Money Markets Borrowing	13.812	120.192.120	-	56.493.164	-	176.699.096
Securities Issued (Net)	-	-	-	26.162.041	-	26.162.041
Provisions	-	3.285.225	-	-	5.774.787	9.060.012
Other Liabilities	-	-	-	-	50.275.165	50.275.165
Shareholders' Equity	-	-	-	-	97.099.759	97.099.759
Total Segment Liabilities	**697.047.340**	**253.308.799**	**-**	**200.917.874**	**219.616.255**	**1.370.890.268**

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2021

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish)

Prior Period – 31 December 2020	Retail Banking	Corporate/ Commercial Banking	Specialized Banking	Treasury/ Investment Banking	Other/ Undistributed	Total
OPERATING INCOME/EXPENSE						
Interest Income	**15.609.761**	**22.586.520**	**8.593.354**	**22.524.301**	**162.092**	**69.476.028**
Interest Income from Loans	15.609.761	22.586.520	8.593.354	5.540.452	-	52.330.087
Interest Income from Banks	-	-	-	58.101	-	58.101
Interest Income from Securities	-	-	-	16.695.965	-	16.695.965
Other Interest Income	-	-	-	229.783	162.092	391.875
Interest Expense	**13.415.612**	**7.514.616**	**-**	**10.396.940**	**3.534.360**	**34.861.528**
Interest Expense on Deposits	13.415.612	7.514.616	-	1.881.850	-	22.812.078
Interest Expense on Funds Borrowed	-	-	-	1.191.042	-	1.191.042
Interest Expense on Money Market Transactions	-	-	-	5.728.076	-	5.728.076
Interest Expense on Securities Issued	-	-	-	1.595.972	-	1.595.972
Other Interest Expense	-	-	-	-	3.534.360	3.534.360
Net Interest Income/Expense	**2.194.149**	**15.071.904**	**8.593.354**	**12.127.361**	**(3.372.268)**	**34.614.500**
Net Fees and Commission Income/Expense	**2.406.118**	**1.945.614**	**127.990**	**(1.153.164)**	**(233.823)**	**3.092.735**
Fees and Commissions Received	2.406.118	1.945.614	127.990	3.876	333.030	4.816.628
Fees and Commissions Paid	-	-	-	1.157.040	566.853	1.723.893
Dividend Income	**-**	**-**	**-**	**1.119.253**	**-**	**1.119.253**
Trading Profit/Loss (Net)	**-**	**-**	**-**	**(7.743.467)**	**-**	**(7.743.467)**
Other Operating Income	**54.387**	**221.912**	**29.260**	**5.465**	**4.870.933**	**5.181.957**
Provision for Expected Loss (-)	**3.109.215**	**6.029.234**	**1.552.502**	**-**	**-**	**10.690.951**
Other Provision Expense	**-**	**-**	**-**	**49**	**2.648.348**	**2.648.397**
Personnel Expenses (-)	**-**	**-**	**-**	**-**	**4.396.112**	**4.396.112**
Other Operating Expense	**3.374.073**	**80.814**	**77.763**	**-**	**4.162.745**	**7.695.395**
Net Operating Profit/Loss	**(1.828.634)**	**11.129.382**	**7.120.339**	**4.355.399**	**(9.942.363)**	**10.834.123**
Profit/Loss on Equity Method Applied Subsidiaries	**-**	**-**	**-**	**-**	**-**	**-**
Tax Provision	**-**	**-**	**-**	**-**	**(3.009.104)**	**(3.009.104)**
Net Profit/Loss	**(1.828.634)**	**11.129.382**	**7.120.339**	**4.355.399**	**(12.951.467)**	**7.825.019**
SEGMENT ASSETS 31 December 2020						
Financial Assets at Fair Value Through Profit or Loss (Net)	-	-	-	14.305.452	-	14.305.452
Banks and Money Markets	-	-	-	2.995.045	-	2.995.045
Financial Assets at Fair Value Through Other Comprehensive Income (Net)	-	-	-	181.628.930	-	181.628.930
Loans	173.129.897	314.637.857	85.643.924	8.495.564	-	581.907.242
Financial Assets Measured at Amortised Cost (Net)	-	-	-	29.682.688	-	29.682.688
Derivative Financial Assets	-	-	-	5.027.200	-	5.027.200
Associates, Subsidiaries and Entities under Common Control	-	-	-	14.325.922	-	14.325.922
Other Assets	8.689	5.128.416	122.567	83.076.640	24.392.473	112.728.785
Total Segment Assets	**173.138.586**	**319.766.273**	**85.766.491**	**339.537.441**	**24.392.473**	**942.601.264**
SEGMENT LIABILITIES 31 December 2020						
Deposits	433.056.944	118.847.626	-	33.994.562	43.975.076	629.874.208
Derivative Financial Liabilities Held for Trading	-	-	-	3.487.652	-	3.487.652
Funds Borrowed	-	-	-	36.950.213	-	36.950.213
Money Markets Borrowing	9.029	22.701.248	-	93.691.192	-	116.401.469
Securities Issued (Net)	-	-	-	14.354.533	-	14.354.533
Provisions	-	1.852.945	-	-	5.205.689	7.058.634
Other Liabilities	-	-	-	-	41.196.295	41.196.295
Shareholders' Equity	-	-	-	-	93.278.260	93.278.260
Total Segment Liabilities	**433.065.973**	**143.401.819**	**-**	**182.478.152**	**183.655.320**	**942.601.264**

(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	**1.106.424.155**	**1.069.235.349**
Due from Interbank Money Market	281.931	280.148
Banks	12.997.362	12.993.914
Financial Assets Measured at Fair Value Through Other Comprehensive Income	270.157.157	270.157.157
Financial Assets Measured at Amortised Cost	44.583.816	51.723.967
Loans	778.403.889	734.080.163
Financial Liabilities	**1.072.944.882**	**1.064.412.013**
Bank Deposits	55.355.089	55.094.669
Other Deposits	893.331.526	882.364.672
Funds Borrowed from Other Financial Institutions	59.316.661	59.871.440
Issued Marketable Securities	47.589.642	49.729.268
Miscellaneous Payables	17.351.964	17.351.964

Prior Period	Book Value	Fair Value
Financial Assets	**814.971.018**	**789.169.183**
Due from Interbank Money Market	206.435	204.891
Banks	2.788.997	2.780.486
Financial Assets Measured at Fair Value Through Other Comprehensive Income	181.628.930	181.628.930
Financial Assets Measured at Amortised Cost	29.686.696	27.058.644
Loans	600.659.960	577.496.232
Financial Liabilities	**707.405.681**	**709.536.965**
Bank Deposits	33.994.562	33.962.812
Other Deposits	595.879.646	596.031.999
Funds Borrowed from Other Financial Institutions	36.950.213	37.798.335
Issued Marketable Securities	27.402.730	28.565.289
Miscellaneous Payables	13.178.530	13.178.530

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.

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)	**183.412**	**26.476.300**	**-**	**26.659.712**
Government Debt Securities	14.268	23.883.221	-	23.897.489
Marketable Securities			-	-
Other Marketable Securities	169.144	2.593.079	-	2.762.223
Financial Assets at Fair Value Through Other Comprehensive Income	**268.634.416**	**1.175.310**	**303.025**	**270.112.751**
Government Debt Securities	268.633.444	-	-	268.633.444
Marketable Securities	972	-	303.025	303.997
Other Marketable Securities	-	1.175.310	-	1.175.310
Derivative Financial Assets	**-**	**12.048.564**	**-**	**12.048.564**
Subsidiaries and Joint Ventures	**-**	**-**	**20.834.986**	**20.834.986**
Total Assets	**268.817.828**	**39.700.174**	**21.138.011**	**329.656.013**
Derivative Financial Liabilities	-	3.590.919	-	3.590.919
Total Liabilities	**-**	**3.590.919**	**-**	**3.590.919**

Prior Period	Level 1	Level 2	Level 3	Total
Financial Assets at Fair Value Through Profit or (Loss)	**171.924**	**14.133.528**	**-**	**14.305.452**
Government Debt Securities	78.867	13.699.516	-	13.778.383
Marketable Securities	93.057	434.012	-	527.069
Other Marketable Securities	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	**180.499.751**	**871.745**	**226.364**	**181.597.860**
Government Debt Securities	180.498.534	-	-	180.498.534
Marketable Securities	1.217	-	226.364	227.581
Other Marketable Securities	-	871.745	-	871.745
Derivative Financial Assets	**-**	**5.027.200**	**-**	**5.027.200**
Subsidiaries and Joint Ventures	**-**	**-**	**14.173.018**	**14.173.018**
Total Assets	**180.671.675**	**20.032.473**	**14.399.382**	**215.103.530**
Derivative Financial Liabilities	-	3.487.652	-	3.487.652
Total Liabilities	**-**	**3.487.652**	**-**	**3.487.652**

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

The movement of financial assets in Level 3 is presented below:

	Current Period	Prior Period
Balances at Beginning of Period	**14.399.382**	**7.625.757**
Purchases	867.862	2.555.382
Disposals Through Sale/Redemptions	(69.981)	-
Valuation Effect	5.979.696	4.218.243
Transfers	(38.948)	-
Balances at the End of Period	**21.138.011**	**14.399.382**

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

INFORMATION AND DISCLOSURES 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 Turkey (the "CBRT")

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash in TL/Foreign Currency	2.631.639	5.664.428	2.202.449	2.594.570
Central Bank of the Republic of Turkey	20.687.772	179.575.342	5.751.620	77.325.020
Other	-	226.805	-	170.140
Total	**23.319.411**	**185.466.575**	**7.954.069**	**80.089.730**

Explanation on reserve requirements

Banks that are established in Turkey or performing their operations by opening branches in Turkey are subject to Communiqué on Required Reserves of Central Bank of the Republic of Turkey's numbered 2013/15. Based on accounting standards and registration layout for banks and financing companies, the items specified within the Communiqué, except from liabilities to Central Bank, Treasury, Domestic banks, and head offices and branches in Turkey of the banks established by international agreements, constitute required reserves liabilities.

Banks are required to maintain reserves with Central Bank of the Republic of Turkey for their TL and FC liabilities that are specified in the aforementioned Communique. Required reserves are calculated every two weeks as of Friday and established for 14-day intervals.

Required reserve rates vary according to the maturity structure of the liabilities and are applied between 3%-8% for TL deposits and other liabilities, 5%-26% for FX deposits and for other FC liabilities. Within the scope of the Communiqué No. 2021/14 on Supporting the Conversion of Turkish Lira Deposit and Participation Accounts, the conversion rate from foreign currency deposit accounts in US dollars, Euros and British Pounds and participation fund accounts in foreign currency to time deposits and participation funds in Turkish lira as of the obligation date of 15/4/2022 It has been decided not to apply an annual commission of 1.5% to the banks that have reached the 10% level and the 20% level as of the 8/7/2022 obligation date, up to the amount to be kept for their liabilities until the end of 2022.

Information on the account of the Central Bank of the Republic of Turkey

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted Demand Deposit	20.125.127	41.371.285	5.542.420	21.462.853
Unrestricted Time Deposit	-	18.403.250	-	-
Restricted Time Deposit	-	682	-	370
Other [1]	562.645	119.800.125	209.200	55.861.797
Total	**20.687.772**	**179.575.342**	**5.751.620**	**77.325.020**

[1] Includes required reserves and CBRT restricted electronic money funds amounting to TL 16.046. Required reserve of branches abroad amounting to TL 399.329 is presented in this line. TL 3.731.084 of the current period's FC required reserve is the part of the required reserves that are held in FC (31 December 2020: Includes required reserves and CBRT restricted electronic money funds amounting to TL 12.011. Required reserve of branches abroad amounting to TL 265.879 is presented in this line. TL 8.216.847 of the current period's FC required reserve is the part of the required reserves that are held in FC).

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	-	-
Assets Blocked/Given as Collateral	23.897.387	13.708.749
Total	**23.897.387**	**13.708.749**

3. Positive Differences Statement Regarding Trading Derivative Financial Asset

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	805.568	6.458	68.126	21.750
Swap Transactions	9.632.350	1.531.626	2.845.156	2.086.150
Futures Transactions	-	-	6.018	-
Options	-	72.562	-	-
Other	-	-	-	-
Total	**10.437.918**	**1.610.646**	**2.919.300**	**2.107.900**

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	-	156.451	-	39.671
Foreign Banks [*]	761.150	12.079.761	578.131	2.171.195
Foreign Head Office and Branches	-	-	-	-
Total	**761.150**	**12.236.212**	**578.131**	**2.210.866**

[*] In accordance with the Uniform Chart of Accounts that entered into force as of 1 January 2021, foreign bank derivative and repo transactions collaterals amounting to TL 5.800.233 as of the balance sheet date, which were included in the previous period's other assets, are reported in the foreign banks line in the current period.

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

4.2. Information on Foreign Bank Accounts

	Unrestricted Amount		Restricted Amount	
	Current Period	Prior Period	Current Period	Prior Period
European Union Countries	1.491.062	737.900	4.953.475	-
USA, Canada	685.659	160.242	715.740	-
OECD Countries [1]	181.959	48.376	-	-
Off-shore Banking Regions	-	-	-	-
Other	4.681.998	1.801.547	131.018	1.261
Total	**7.040.678**	**2.748.065**	**5.800.233**	**1.261**

[1] OECD countries other than EU countries, USA, and Canada.

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	170.822.248	52.130.594
Assets Blocked/Given as Collateral	52.938.310	83.881.708
Total	**223.760.558**	**136.012.302**

6. Information on Financial Assets at Fair Value Through Other Comprehensive Income

	Current Period	Prior Period
Debt Securities	283.683.100	183.265.822
Quoted in Stock Exchange	283.103.217	182.967.908
Not Quoted in Stock Exchange	579.883	297.914
Share Certificates	403.034	287.293
Quoted in Stock Exchange	1.130	1.216
Not Quoted in Stock Exchange	401.904	286.077
Provision for Impairment (-)	13.928.977	1.924.185
Total	**270.157.157**	**181.628.930**

7. Information 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]	680.721	-	596.552	-
Total	**680.721**	**-**	**596.552**	**-**

[1] Interest rediscount and interest accrual amounting TL 6.094, are not included (31 December 2020: Interest rediscount and interest accrual amounting TL 4.105 are not included).

[2] Since the balance of overdraft accounts related to employees amounting TL 32.334, is showed under Table 7.3. as overdraft accounts (real person), it is not included to the table above (31 December 2020: Since the balance of overdraft accounts related to employees amounting TL 20.875, 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 [2]		
		Not Under the Scope of Restructuring	Loans under restructuring	
Cash Loans	Standard Loans		Loans with revised contract terms	Refinancing
Non-Specialized Loans	566.176.396	21.827.316	1.060.894	46.423.145
Commercial Loans	377.447.969	13.878.516	843.686	46.271.295
Export Loans	8.496.269	181.335	-	-
Import Loans	-	-	-	-
Loans Given to Financial Sector	6.648.631	-	-	-
Consumer Loans	139.705.521	5.242.855	217.208	150.676
Credit Cards	31.310.393	2.369.584	-	1.174
Other	2.567.613	155.026	-	
Specialized Lending [1]	104.062.560	3.789.550	38.766	1.269.130
Other Receivables	-	-	-	-
Interest Income Accruals	13.081.851	816.949	38.443	4.678.258
Total	**683.320.807**	**26.433.815**	**1.138.103**	**52.370.533**

[1] Agricultural loans to support farmers are shown in specialized loans.
[2] It includes a loan amounting to TL 165.405 with a delay of more than 90 days.
[3] In accordance with the BRSA's Uniform Chart of Accounts amendment, fund-based loans amounting to TL 5.715.578 started to be monitored off-balance sheet in the current period.

Prior Period		Loans Under Close Monitoring [3]		
		Not Under the Scope of Restructuring	Loans under restructuring	
Cash Loans	Standard Loans		Loans with revised contract terms	Refinancing
Non-Specialized Loans	460.467.346	19.048.049	184.004	13.926.858
Commercial Loans	273.100.542	16.975.575	110.465	13.819.195
Export Loans	3.417.374	494.365	-	-
Import Loans	-	-	-	-
Loans Given to Financial Sector	4.583.825	-	-	-
Consumer Loans	160.435.372	1.342.607	73.539	104.309
Credit Cards	17.660.050	232.321	-	3.354
Other	1.270.183	3.181	-	-
Specialized Lending [1] [2]	79.035.186	1.188.468	764	1.216.456
Other Receivables	-	-	-	-
Interest Income Accruals	9.324.019	1.631.473	10.378	731.840
Total	**548.826.551**	**21.867.990**	**195.146**	**15.875.154**

[1] Funds originated agricultural loans are shown in specialized loans.
[2] Agricultural loans to support farmers are shown in specialized loans.
[3] It includes a loan amounting to TL 2.182.795 with a delay of more than 90 days.

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL")
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish)

	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	2.159.100	-	2.526.931	-
Significant Increase in Credit Risk	-	14.764.508	-	5.961.551

7.3. Loans According to Maturity Structure

		Loans under Close Monitoring	
Current Period [1]	**Standard Loans**	**Loans Not Subject to Restructuring**	**Restructured or Rescheduled**
Short-term Loans	162.117.087	8.598.550	4.178.214
Medium and Long-term Loans	508.121.869	17.018.316	44.613.721

[1] Accruals are not included in the table.
[2] In accordance with the BRSA's Uniform Chart of Accounts amendment, fund-based loans amounting to TL 5.715.578 started to be monitored off-balance sheet in the current period.

		Loans under Close Monitoring	
Prior Period [1]	**Standard Loans**	**Loans Not Subject to Restructuring**	**Restructured or Rescheduled**
Short-term Loans	88.147.846	3.713.334	1.177.951
Medium and Long-term Loans	451.354.686	16.523.183	14.150.131

[1] Accruals are not included in the table.

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL")
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish)

7.4. Information on Consumer Loans, Personal Credit Cards and Personnel Loans and Personnel Credit Card

Current Period	Short-Term	Medium and Long-Term	Total
Consumer Loans-TL	1.160.323	141.206.544	142.366.867
Mortgage Loans	11.624	85.779.706	85.791.330
Automotive Loans	7.212	666.168	673.380
Consumer Loans	1.141.487	54.760.670	55.902.157
Other	-	-	-
Consumer Loans- Indexed to FC	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Consumer Loans-FC	2.044	113.465	115.509
Mortgage Loans	-	11.511	11.511
Automotive Loans	-	-	-
Consumer Loans	2.044	101.954	103.998
Other	-	-	-
Retail Credit Cards-TL	17.032.219	219.848	17.252.067
With Installment	4.840.781	196.427	5.037.208
Without Installment	12.191.438	23.421	12.214.859
Retail Credit Cards-FC	1.415	-	1.415
With Installment	-	-	-
Without Installment	1.415	-	1.415
Personnel Loans-TL	20.826	425.907	446.733
Mortgage Loans	-	74	74
Automotive Loans	-	-	-
Consumer Loans	20.826	425.833	446.659
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	226.732	7.216	233.948
With Installment	61.138	6.537	67.675
Without Installment	165.594	679	166.273
Personnel Credit Cards-FC	40	-	40
With Installment	-	-	-
Without Installment	40	-	40
Overdraft Accounts-TL (Real Person)	2.387.151	-	2.387.151
Overdraft Accounts-FC (Real Person)	-	-	-
Total [1]	**20.830.750**	**141.972.980**	**162.803.730**

[1] TL 1.202.131 amounting of interest income rediscount and accrual is not included.

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL")
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish)

Prior Period	Short-Term	Medium and Long-Term	Total
Consumer Loans-TL	663.273	159.074.421	159.737.694
Mortgage Loans [2]	7.519	90.893.282	90.900.801
Automotive Loans	6.474	891.934	898.408
Consumer Loans [2]	649.280	67.289.205	67.938.485
Other	-	-	-
Consumer Loans- Indexed to FC	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Consumer Loans-FC	975	64.305	65.280
Mortgage Loans	-	7.790	7.790
Automotive Loans	-	-	-
Consumer Loans	975	56.515	57.490
Other	-	-	-
Retail Credit Cards-TL	9.902.518	199.306	10.101.824
With Installment	3.323.580	184.004	3.507.584
Without Installment	6.578.938	15.302	6.594.240
Retail Credit Cards-FC	697	-	697
With Installment	-	-	-
Without Installment	697	-	697
Personnel Loans-TL	13.880	399.400	413.280
Mortgage Loans	-	117	117
Automotive Loans	-	-	-
Consumer Loans	13.880	399.283	413.163
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	176.012	7.237	183.249
With Installment	63.297	6.883	70.180
Without Installment	112.715	354	113.069
Personnel Credit Cards-FC	23	-	23
With Installment	-	-	-
Without Installment	23	-	23
Overdraft Accounts-TL (Real Person)	1.739.573	-	1.739.573
Overdraft Accounts-FC (Real Person)	-	-	-
Total [1]	**12.496.951**	**159.744.669**	**172.241.620**

[1] TL 1.004.958 of interest income rediscount and accrual is not included.
[2] Funds originated consumer loans amounting to TL 3.914.794 are included.

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL")
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish)

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	3.636.789	88.457.130	92.093.919
Mortgage Loans	3.577	812.938	816.515
Automotive Loans	128.475	2.621.274	2.749.749
Consumer Loans	3.504.737	85.022.918	88.527.655
Other	-	-	-
Installment Based Commercial Loans- Indexed to FC	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Installment Based Commercial Loans - FC	126.647	70.121.314	70.247.961
Mortgage Loans	-	6.864	6.864
Automotive Loans	-	1.582	1.582
Consumer Loans	126.647	70.112.868	70.239.515
Other	-	-	-
Corporate Credit Cards-TL	15.944.209	247.639	16.191.848
With Installment	7.042.609	247.539	7.290.148
Without Installment	8.901.600	100	8.901.700
Corporate Credit Cards-FC	1.833	-	1.833
With Installment	-	-	-
Without Installment	1.833	-	1.833
Overdraft Account-TL (Legal Entity)	1.463.188	-	1.463.188
Overdraft Account-FC (Legal Entity)	-	-	-
Total [1]	**21.172.666**	**158.826.083**	**179.998.749**

[1] Accrual and rediscount amounts related to loans are not included in the table.

Prior Period	Short - Term	Medium and Long-Term	Total
Installment Based Commercial Loans-TL	2.351.775	105.569.410	107.921.185
Mortgage Loans	676	696.291	696.967
Automotive Loans	48.277	1.676.926	1.725.203
Consumer Loans	2.302.822	103.196.193	105.499.015
Other	-	-	-
Installment Based Commercial Loans- Indexed to FC	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Installment Based Commercial Loans - FC	29.141	44.967.931	44.997.072
Mortgage Loans	-	52.338	52.338
Automotive Loans	-	1.986	1.986
Consumer Loans	29.141	44.913.607	44.942.748
Other	-	-	-
Corporate Credit Cards-TL	7.533.999	75.399	7.609.398
With Installment	3.278.089	75.279	3.353.368
Without Installment	4.255.910	120	4.256.030
Corporate Credit Cards-FC	534	-	534
With Installment	-	-	-
Without Installment	534	-	534
Overdraft Account-TL (Legal Entity)	940.273	-	940.273
Overdraft Account-FC (Legal Entity)	-	-	-
Total [1]	**10.855.722**	**150.612.740**	**161.468.462**

[1] Accrual and rediscount amounts related to loans are not included in the table.

7.6. Loans According to Types of Borrower

	Current Period [*]	Prior Period
Public	7.936.283	3.624.543
Private	736.711.474	571.442.588
Interest Income Accruals of Loans	18.615.501	11.697.710
Total	**763.263.258**	**586.764.841**

[*] In accordance with the BRSA's Uniform Chart of Accounts amendment, fund-based loans amounting to TL 5.715.578 started to be monitored off-balance sheet in the current period.

7.7. Distribution of Domestic and Foreign Loans

	Current Period [*]	Prior Period
Domestic Loans	736.873.161	570.374.992
Foreign Loans	7.774.596	4.692.139
Interest Income Accruals of Loans	18.615.501	11.697.710
Total	**763.263.258**	**586.764.841**

[*] In accordance with the BRSA's Uniform Chart of Accounts amendment, fund-based loans amounting to TL 5.715.578 started to be monitored off-balance sheet in the current period.

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021
(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL")
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish)

7.8. Loans Granted to Investments in Associates and Subsidiaries

	Current Period	Prior Period
Direct loans granted to subsidiaries and associates	4.147.452	2.513.483
Indirect loans granted to subsidiaries and associates	-	-
Total	**4.147.452**	2.513.483

7.9. Credit-Impaired Losses (Stage III/Specific Provision)

	Current Period	Prior Period
Loans and other receivables with limited collectability	352.969	472.234
Loans and other receivables with doubtful collectability	758.849	506.735
Uncollectible loans and other receivables	11.036.943	9.285.267
Total	**12.148.761**	**10.264.236**

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 and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
Current Period			
Gross amounts before the provisions	176.132	282.169	1.629.295
Restructured loans	176.132	282.169	1.629.295
Prior Period			
Gross amounts before the provisions	13.582	109.533	1.003.768
Restructured loans	13.582	109.533	1.003.768

7.10.2. Information on the Movement of Total Non-performing Loans

	Group III	Group IV	Group V
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
Prior Period Ending Balance	**1.001.292**	**1.094.338**	**11.799.489**
Additions (+)	2.447.027	2.339.072	1.647.415
Transfers from Other Categories of Loans under Follow-Up (+)	-	1.877.069	2.676.824
Transfers to Other Categories of Loans under Follow-Up (-)	1.877.069	2.676.824	-
Collections (-) [1]	573.594	945.447	3.668.961
Write-offs (-)	-	-	-
Sold	-	-	-
Corporate and Commercial Loans	-	-	-
Consumer Loans	-	-	-
Credit Cards	-	-	-
Other	-	-	-
Current Period End Balance	**997.656**	**1.688.208**	**12.454.767**
Provision (-)	352.969	758.849	11.036.943
Net Balance on Balance Sheet	**644.687**	**929.359**	**1.417.824**

[1] In accordance with the BRSA's Uniform Chart of Accounts amendment it includes transfers to first and second group loans amounting to TL 1.053.332 and portion of non-performing loans from funds amounting to TL 261.685 transferred off balance sheet.

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

7.10.3. Information on Non-performing Loans Granted as Foreign Currency Loans

	Group III	Group IV	Group V
	Loans and other receivables with limited collectability	Loans and other receivables with doubtful collectability	Uncollectible loans and other receivables
Current Period:			
Period Ending Balance	**2.404**	**7.789**	**56.684**
Provision (-)	673	6.340	54.531
Net Balance on Balance Sheet	**1.731**	**1.449**	**2.153**
Prior Period:			
Period Ending Balance	**2.739**	**2.188**	**36.279**
Provision (-)	1.035	1.681	35.385
Net Balance on Balance Sheet	**1.704**	**507**	**894**

7.10.4. Breakdown of Non-performing Loans According to Their Gross and Net Values

	Group III	Group IV	Group V
	Loans and other receivables with limited collectability	Loans and other receivables with doubtful collectability	Uncollectible loans and other receivables
Current Period (Net)	**644.687**	**929.359**	**1.417.824**
Loans to Real Persons and Legal Entities (Gross)	997.656	1.688.208	12.298.052
Provisions (-)	352.969	758.849	10.880.228
Loans to Real Persons and Legal Entities (Net)	644.687	929.359	1.417.824
Banks (Gross)	-	-	-
Provisions (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	156.715
Provisions (-)	-	-	156.715
Other Loans and Receivables (Net)	-	-	-
Prior Period (Net)	**529.058**	**587.603**	**2.514.222**
Loans to Real Persons and Legal Entities (Gross)	1.001.292	1.094.338	11.651.023
Provisions (-)	472.234	506.735	9.136.801
Loans to Real Persons and Legal Entities (Net)	529.058	587.603	2.514.222
Banks (Gross)	-	-	-
Provisions (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	148.466
Provisions (-)	-	-	148.466
Other Loans and Receivables (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 and other receivables with limited collectability	Loans and other receivables with doubtful collectability	Uncollectible loans and other receivables
Current Period (Net)	**24.345**	**41.925**	**71.583**
Interest Accruals and Valuation Differences	41.171	81.810	660.824
Provisions (-)	16.826	39.885	589.241
Prior Period (Net)	**137.864**	**31.348**	**142.756**
Interest Accruals and Valuation Differences	254.910	74.478	646.891
Provisions (-)	117.046	43.130	504.135

7.11. Information on Expected Credit Loss

Current Period	Stage 1	Stage 2	Stage 3	Total
Balance at the Beginning of the Period	**2.526.931**	**5.961.551**	**10.264.236**	**18.752.718**
Additions during the Period	112.369	8.716.458	2.792.329	11.621.156
Disposals (-)	(349.530)	(208.420)	(743.555)	(1.301.505)
Sales (-)	-	-	-	-
Write-offs (-)	-	-	-	-
Transfer to Stage 1	281.528	(55.399)	(226.129)	-
Transfer to Stage 2	(338.364)	504.103	(165.739)	-
Transfer to Stage 3	(73.834)	(153.785)	227.619	-
Balances at End of Period	**2.159.100**	**14.764.508**	**12.148.761**	**29.072.369**

Prior Period	Stage 1	Stage 2	Stage 3	Total
Balance at the Beginning of the Period	**1.346.524**	**3.397.684**	**8.264.044**	**13.008.252**
Additions during the Period	1.712.730	5.506.538	3.153.910	10.373.178
Disposals (-)(*)	(524.724)	(3.002.813)	(1.101.175)	(4.628.712)
Sales (-)	-	-	-	-
Write-offs (-)	-	-	-	-
Transfer to Stage 1	151.201	(96.177)	(55.024)	-
Transfer to Stage 2	(155.724)	240.194	(84.470)	-
Transfer to Stage 3	(3.076)	(83.875)	86.951	-
Balances at End of Period	**2.526.931**	**5.961.551**	**10.264.236**	**18.752.718**

(*) It includes the provision cancellation of the loan amounting to USD 1.155 million collected during monitoring in the second stage. The amount related to the portion of the provision set aside in previous years has been accounted for in the "Other Operating Income" item, and the amount related to the portion set aside in the current year has been accounted for under the "Expected Loss Provisions Expenses" item.

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.

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

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.

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	1.390.806	3.209.928	3.315.575	1.802.748
Treasury Bills	-	-	-	-
Other Government Debts	-	-	-	-
Bank Bonds and Bank Guaranteed Bonds	-	-	-	-
Asset Backed Securities	-	-	-	-
Other	-	-	-	-
Total	**1.390.806**	**3.209.928**	**3.315.575**	**1.802.748**

Financial Assets Measured at Amortized Cost given as collateral or blocked

	Current Period		Prior Period	
	TL	FC	TL	FC
Bills	-	-	-	-
Bonds and Similar Investment Securities	607.105	25.626.356	8.723.020	14.875.540
Other				
Total	**607.105**	**25.626.356**	**8.723.020**	**14.875.540**

8.2. Information on Government Debt Securities at Amortized Cost

	Current Period	Prior Period
Government Bonds	43.952.455	29.445.712
Treasury Bills	-	-
Other Public Sector Debt Securities	290.413	95.224
Total	**44.242.868**	**29.540.936**

8.3. Information on Financial Assets Measured at Amortized Cost

	Current Period	Prior Period
Debt securities	44.583.816	29.686.696
Quoted at Stock Exchange	44.242.868	29.540.936
Unquoted at Stock Exchange	340.948	145.760
Provision for Impairment (-)	-	-
Total	**44.583.816**	**29.686.696**

8.4. The Movements of Financial Assets Measured at Amortized Cost

	Current Period	Prior Period
Beginning Balance	**29.686.696**	**17.550.083**
Foreign Currency Differences on Monetary Assets	10.816.560	4.217.972
Purchases During the Year [1]	6.870.391	8.771.752
Disposals through Sales and Redemptions	(2.789.831)	(853.111)
Provision for Impairment (-)	-	-
Period End Balance	**44.583.816**	**29.686.696**

[1] Accruals are shown in "Purchases During the Year".

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/Turkey	15,43	15,43
2	Platform Ortak Kartlı Sistemler A.Ş.	İstanbul/Turkey	20,00	20,00
3	Bileşim Finansal Teknolojiler ve Ödeme Sistemleri A.Ş.	İstanbul/Turkey	33,34	33,34

[*] Keskinoğlu Tavukçuluk ve Damızlık İşl. San. Tic. A.Ş. within the scope of the BRSA's Uniform Chart of Accounts amendments, it has been classified under the fixed assets held for sale in the current period.

	Total Assets[2]	Shareholders' Equity[2]	Total Non-Current Assets[2][3]	Interest Income [2]	Income from Marketable Securities[2]	Current Period Profit/Loss [2]	Prior Period Profit/ Loss [2]	Fair Value [1]
1	9.706.492	1.334.796	211.401	242.059	147.409	160.336	96.575	-
2	5.711	5.682	38	-	-	918	(464)	-
3	203.358	151.976	104.098	15.830	-	(1.953)	3.675	-

[1] There is no fair value due to the fact that associates are not traded in the stock exchange.
[2] Current period financial information has been provided from unaudited financial statements as of 31 December 2021. Prior period profit/loss information has been provided from audited financial statements as of 31 December 2020.
[3] Total fixed assets include tangible and intangible assets.

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	**-**	**-**
Additions	-	-
Bonus Share Certificates	-	-
Shares of Current Year Profits	-	-
Transfer (-)	-	-
Sales	-	-
Revaluation Increase	-	-
Revaluation/Impairment	-	-
Balance at the End of the Period	**88.846**	**88.846**
Capital Commitments	-	-
Share Percentage at the End of the Period (%)	-	-

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2021

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL")
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish)

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	-	-

9.4. Subsidiaries Quoted to the Stock Exchange

None (31 December 2020: None).

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 Turkey 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.	İstanbul/Turkey	99,60	99,60
2	Ziraat Portföy Yönetimi A.Ş.	İstanbul/Turkey	74,90	99,80
3	Ziraat Katılım Bankası A.Ş.	İstanbul/Turkey	100,00	100,00
4	Ziraat Gayrimenkul Yatırım Ortaklığı A.Ş.	İstanbul/Turkey	81,06	81,06
5	Ziraat Girişim Sermayesi Yatırım Ortaklığı A.Ş.	İstanbul/Turkey	100,00	100,00
6	Ziraat Teknoloji A.Ş.	İstanbul/Turkey	100,00	100,00
7	Ziraat Bank International A.G.	Frankfurt/Germany	100,00	100,00
8	Ziraat Bank BH d.d.	Sarajevo/Bosnia Herzegovina	100,00	100,00
9	Ziraat Bank (Moscow) JSC	Moscow/Russia	99,91	99,91
10	Kazakhstan Ziraat Int. Bank	Almaty/Kazakhstan	99,75	99,75
11	Ziraat Bank Azerbaycan ASC	Baku/Azerbaijan	99,98	100,00
12	Ziraat Bank Montenegro AD	Podgorica/Montenegro	100,00	100,00
13	JSC Ziraat Bank Georgia	Tbilisi/Georgia	100,00	100,00
14	Ziraat Bank Uzbekistan JSC	Tashkent/Uzbekistan	100,00	100,00

[*] Rinerji Rize Elektrik Üretim A.Ş. within the scope of the BRSA's Uniform Chart of Accounts amendments, it has been classified under the fixed assets held for sale in the current period.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2021

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL")
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish)

	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	978.371	701.872	4.669	172.856	-	368.107	314.841	1.415.705	-
2	216.637	203.959	4.998	28.974	-	76.170	68.873	240.035	-
3	98.515.638	4.321.735	525.758	5.458.583	801.333	558.689	638.562	2.768.158	-
4	8.643.897	8.372.611	7.155.391	132.704	-	1.320.242	377.764	9.280.885	-
5	1.078.890	1.077.749	906	43.465	-	94.360	136.886	1.054.509	-
6	99.580	19.798	5.942	1.409	50	1.961	2.954	51.826	-
7	18.145.567	4.032.468	48.003	425.410	10.702	122.424	69.669	2.904.896	-
8	9.182.415	1.199.803	70.588	166.550	-	10.962	(231.512)	436.423	-
9	3.538.446	684.987	29.329	86.899	605	53.365	37.340	674.735	-
10	3.977.734	1.073.311	334.721	172.913	-	56.483	53.165	824.418	-
11	2.975.539	607.298	184.000	116.055	10.026	37.582	4.501	414.271	-
12	930.761	205.327	13.565	24.642	2.543	(30.082)	2.198	112.034	-
13	645.240	252.518	25.788	21.567	2.282	7.311	3.204	216.604	-
14	1.914.524	431.912	28.145	88.769	7.559	38.731	34.448	215.812	-

[1] The amounts shown in the interest income column of Ziraat Katılım Bankası include profit share income.
[2] Current period financial information has been provided from unaudited financial statements as of 31 December 2021. Prior period profit/loss information has been provided from audited financial statements as of 31 December 2020.

	Current Period	Prior Period
Balance at the Beginning of the Period	**13.901.878**	**7.335.025**
Movements During the Period	**6.656.609**	**6.566.853**
Additions to Scope of Consolidation	-	-
Purchases [1]	767.894	2.499.959
Bonus Shares Obtained	99.967	-
Dividends from current year income	-	-
Sales	-	-
Revaluation Increase [2]	7.476.690	4.738.323
Impairment Provision (-)	1.687.942	671.429
Transfer (-)	-	-
Balance at the End of the Period	**20.558.487**	**13.901.878**
Capital Commitments	-	-
Share percentage at the end of the period (%)	-	-

[1] The paid capital increases during the period are shown in the "Purchases" line. The amount of TL 463.531 in the current period is the share repurchase price paid by the Bank within the scope of the repurchase commitment regarding the public offering of Ziraat Gayrimenkul Yatırım Ortaklığı A.Ş.
[2] Includes changes arising from conversion of subsidiaries, whose capitals are paid in Euro amounts, into TL at period end currency rate
[3] Non-financial subsidiaries are not included in the table.

10.2. Sectoral Information on Financial Subsidiaries and the Related Carrying Amounts

	Current Period	Prior Period
Banks	8.567.353	6.558.371
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	-	-
Financing Companies	-	-
Other Financial Associates	11.991.134	7.343.507

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

10.3. Subsidiaries Quoted to the Stock Exchange

	Current Period	Prior Period
Quoted at domestic stock exchanges [(1)]	9.280.885	-
Quoted at international stock exchanges	-	-

[(1)] The shares of Ziraat Gayrimenkul Yatırım Ortaklığı A.Ş., a subsidiary of the Bank, were offered to the public and started to be traded on Borsa İstanbul AŞ as of 6 May 2021

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 Turkey 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	9.755.646	40.364	13.523	399.554	175.463

[(1)] Information on entity under joint control is provided from the unaudited financial statements as of 31 December 2021.

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.

Keskinoğlu Tavukçuluk ve Damızlık İşl. San. Tic. A.Ş., which was included in subsidiaries and Rinerji Rize Elektrik Üretim A.Ş. which was included in affiliates, are classified under non-current assets held for sale as partnership interests acquired due to receivables in the current period within the scope of BRSA's Uniform Chart of Accounts amendments. The total of the partnership shares acquired by the Bank due to the aforementioned receivables is TL 181.483. (31 December 2020: None). The Bank's immovables acquired amount to TL 4.935.840 (31 December 2020: TL 5.259.672) consisting of TL 7.334 (31 December 2020: TL 8.689) due to consumer loans, TL 4.806.870 (31 December 2020: TL 5.128.416) on its commercial loans and TL 121.636 (31 December 2020: TL 122.567) on its agricultural loans. Also, the sum of movables acquired from consumer loan amounts to TL 1.609 (31 December 2020: TL 1.207). The net book value of the Bank's fixed assets held for sale acquired through fiduciary rights is TL 1.551.212 (31 December 2020: TL 1.544.625).

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	6.385.763	819.210	1.448.796	213.585	261.065	-	9.128.419
Accumulated Depreciation (-)	894.097	138.544	1.006.198	88.051	251.021	-	2.377.911
Impairment (-)	2.153	-	-	-	-	-	2.153
Net Book Value	**5.489.513**	**680.666**	**442.598**	**125.534**	**10.044**	**-**	**6.748.355**
Current Period End							
Net Book Value at the Beginning of the Period	5.489.513	680.666	442.598	125.534	10.044	-	6.748.355
Change During the Period (Net)	(173.674)	(16.523)	146.888	(50.429)	175	-	(93.563)
- Cost	(135.758)	15.008	379.207	5.053	14.687	-	278.197
- Depreciation – net (-)	37.746	31.531	232.319	55.482	14.512	-	371.590
- Impairment (-)	170	-	-	-	-	-	170
Net Currency Translation from Foreign Subsidiaries	-	-	-	-	-	-	-
Cost at Period End	6.250.005	834.218	1.828.003	218.638	275.752	-	9.406.616
Accumulated Depreciation at Period End (-)	931.843	170.075	1.238.517	143.533	265.533	-	2.749.501
Impairment (-)	2.323	-	-	-	-	-	2.323
Closing Net Book Value	**5.315.839**	**664.143**	**589.486**	**75.105**	**10.219**	**-**	**6.654.792**

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	5.088	5.088	-	3.098	3.098	-
Goodwill	-	-	-	-	-	-
Intangible Rights	2.045.998	680.903	1.365.095	1.505.790	503.584	1.002.206
Total	**2.051.086**	**685.991**	**1.365.095**	**1.508.888**	**506.682**	**1.002.206**

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 unconsolidated financial statements.

Information on Goodwill:

None.

20. Information on Deferred Tax Asset

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit in accordance with the Turkish Accounting Standards (TAS 12) "Income Taxes". In the computation of deferred tax, effective tax rates as of the balance sheet date are used in accordance with the current tax legislation.

Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Calculated deferred tax assets and deferred tax liabilities are net off in the financial statements.

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021
(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL")
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish)

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	7.554.531	2.880.881
Deferred Tax Liabilities	6.035.452	2.633.473
Net Deferred Tax Assets/(Liabilities)	1.519.079	247.408
Net Deferred Tax Income/(Expense)	171.215	180.397

	Current Period	Prior Period
Deferred Tax Asset	**7.554.531**	**2.880.881**
Expected Loss Provisions	3.807.261	1.944.591
Reserve for Employee Benefits	355.693	301.808
Marketable Securities Portfolio	2.673.355	18.720
Other	718.222	615.762
Deferred Tax Liabilities	**6.035.452**	**2.633.473**
Financial Assets Valuation Differences	5.502.708	1.907.474
Real Estate Valuation Difference	499.970	509.930
Other	32.774	216.069
Net Deferred Tax Asset	**1.519.079**	**247.408**

As of 31 December 2021, deferred tax income amounting to TL 171.215 (31 December 2020: TL 180.397 deferred tax income) in the expense statement, deferred tax income amounting to TL 1.100.456 (31 December 2020: TL 1.081.600). is classified under shareholders' equity.

21. Information on Expected Credit Loss for Financial Assets

	Current Period	Prior Period
Cash and Balances at Central Bank	2.253	935
Banks and Receivables from Money Markets	1.604	387
Financial Assets Measured at Amortized Cost	6.019	4.008
Other assets	39.431	59.695
Total	**49.307**	**65.025**

22. Information on Other Assets

As of 31 December 2021, other assets do not exceed 10% of the total assets excluding off-balance sheet commitments.

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 [*]	69.081.481	-	12.341.347	106.372.892	23.985.121	2.673.848	7.565.839	181.935	222.202.463
Foreign Currency Deposits	173.028.421	-	49.157.167	160.231.048	25.048.802	15.563.665	51.786.493	15.469	474.831.065
Residents in Turkey	145.652.163	-	47.805.777	140.021.008	17.513.749	7.925.055	23.353.389	13.806	382.284.947
Residents on Abroad	27.376.258	-	1.351.390	20.210.040	7.535.053	7.638.610	28.433.104	1.663	92.546.118
Public Sector Deposits	13.981.623	-	8.730.365	7.609.837	788.442	381.429	12.929	-	31.504.625
Commercial Inst. Deposits	23.812.359	-	31.349.097	15.987.692	625.219	2.164.146	956.357	-	74.894.870
Other Inst. Deposits	2.774.107	-	7.880.478	10.860.196	1.161.427	442.151	313.600	-	23.431.959
Precious Metals Deposit	54.301.706	-	1.279.645	9.197.319	770.292	469.926	447.656	-	66.466.544
Interbank Deposits	3.708.562	-	29.940.583	5.466.808	26.430	9.629.879	6.582.827	-	55.355.089
The CBRT	349.015	-	-	-	-	-	-	-	349.015
Domestic Banks	289.262	-	28.744.372	310.661	-	-	2.662.812	-	32.007.107
Foreign Banks	2.285.699	-	113.667	5.156.147	26.430	9.629.879	3.920.015	-	21.131.837
Participation Banks	784.586	-	1.082.544	-	-	-	-	-	1.867.130
Other	-	-	-	-	-	-	-	-	-
Total	**340.688.259**	**-**	**140.678.682**	**315.725.792**	**52.405.733**	**31.325.044**	**67.665.701**	**197.404**	**948.686.615**

[*] As of 31 December 2021, the balance of savings deposits includes TL 13.001.011 Treasury Currency Protected Deposits and TL 2.696.662 CBRT Currency Protected 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	47.445.710	-	7.101.407	86.333.174	20.458.566	2.696.747	5.249.838	209.210	169.494.652
Foreign Currency Deposits	84.598.180	-	22.682.226	97.260.057	15.375.465	10.563.076	33.073.118	10.170	263.562.292
Residents in Turkey	71.987.667	-	21.867.751	85.353.584	10.451.291	5.346.528	13.457.962	8.374	208.473.157
Residents on Abroad	12.610.513	-	814.475	11.906.473	4.924.174	5.216.548	19.615.156	1.796	55.089.135
Public Sector Deposits	9.612.544	-	17.703.596	10.564.284	648.670	96.690	74.892	-	38.700.676
Commercial Inst. Deposits	15.140.391	-	21.299.054	18.021.905	397.778	3.118.357	48.458	-	58.025.943
Other Inst. Deposits	2.869.693	-	2.764.170	15.201.005	605.124	396.468	284.547	-	22.121.007
Precious Metals Deposit	36.450.903	-	726.639	5.688.505	495.330	350.570	263.129	-	43.975.076
Interbank Deposits	2.224.762	-	18.607.137	5.636.556	2.147.238	3.491.271	1.887.598	-	33.994.562
The CBRT	1.026	-	-	-	-	-	-	-	1.026
Domestic Banks	217.688	-	18.589.118	45.050	-	-	1.801.788	-	20.653.644
Foreign Banks	1.426.482	-	18.019	5.591.506	2.147.238	3.491.271	85.810	-	12.760.326
Participation Banks	579.566	-	-	-	-	-	-	-	579.566
Other	-	-	-	-	-	-	-	-	-
Total	**198.342.183**	**-**	**90.884.229**	**238.705.486**	**40.128.171**	**20.713.179**	**40.881.580**	**219.380**	**629.874.208**

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2021
(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL")
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish)

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]	136.169.941	111.238.745	85.235.756	57.562.720
Foreign Currency Saving Deposits[1]	119.403.684	90.621.370	258.417.350	128.265.371
Other Deposits in the form of Saving Deposits	-	-	-	-
Foreign Branches and under the Guarantees of Foreign Authority Insurance[2]	3.353.517	2.089.213	1.629.055	638.133
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 1.208.852 and TL 34.311 respectively, cannot be decomposed by type and are therefore included in the table above (31 December 2020: TL 562.575 and TL 30.001)

Based on the Council of Minister's decree dated 29 December 2003 and numbered 2003/6668, TL 479 (31 December 2020: TL 511) of demand deposits is not included in the above calculation, since the Bank paid the saving deposits amount attributable to T. İmar Bank T.A.Ş.

Savings Deposit Insurance Fund premiums are calculated based on deposit amount attributable to real persons in domestic branches of the banks. As total of capital amount and interest expense accruals of saving deposits up to TL 150 attributable to a real person is covered by the insurance, TL 2.114.087 (31 December 2020: TL 1.508.273) of interest expense accrual is included in the above-mentioned figures in accordance with the Communiqué on Insurance Deposits and Participation Funds and Premiums Collected by the Savings Deposit Insurance Fund published in the Official Gazette dated 15 February 2013 and numbered 28560.

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 Turkey.

1.4. Saving Deposits of Real Persons which are Not Under the Guarantee of Saving Deposit Insurance Fund

	Current Period	Prior Period
Deposits and other Accounts in Branches Abroad	12.236	5.865
Deposits of Ultimate Shareholders and Their Close Family Members	-	-
Deposits of Chairman and Members of the Board of Directors, CEO, Executive Vice Presidents and Their Close Family Members	30.545	32.513
Deposits Obtained through Illegal Acts Defined in the 282nd Article of the 5237 numbered Turkish Criminal Code dated 26 September 2004	-	-
Saving Deposits in Banks Established in Turkey Exclusively for Off-Shore Banking Activities	-	-

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

2. Negative Differences Statement Regarding Trading Derivative Financial Assets

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	798.079	6.271	46.748	1.467
Swap Transactions	404.820	2.309.871	1.417.814	2.021.623
Futures Transactions	-	-	-	-
Options	-	71.878	-	-
Other	-	-	-	-
Total	**1.202.899**	**2.388.020**	**1.464.562**	**2.023.090**

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	-	-	-	-
Domestic Banks and Institutions	383.712	8.878.194	1.063.233	4.891.638
Foreign Banks, Institutions and Funds	10.568	50.044.187	228.249	30.767.093
Total	**394.280**	**58.922.381**	**1.291.482**	**35.658.731**

3.2. Information on Maturity Structure of Borrowings

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	382.907	3.654.798	1.062.458	3.671.112
Medium and Long-Term	11.373	55.267.583	229.024	31.987.619
Total	**394.280**	**58.922.381**	**1.291.482**	**35.658.731**

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

69,20% 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	**139.646.059**	**-**	**92.831.730**	**-**
Financial Institutions and Organizations	139.473.430	-	91.872.390	-
Other Institutions and Organizations	158.819	-	950.313	-
Real Person	13.810	-	9.027	-
From Overseas Operations	**-**	**37.053.037**	**-**	**23.569.739**
Financial Institutions and Organizations	-	37.053.037	-	23.569.739
Other Institutions and Organizations	-	-	-	-
Real Person	-	-	-	-
Total	**139.646.059**	**37.053.037**	**92.831.730**	**23.569.739**

5. Information on Securities Issued

	Current Period		Prior Period	
	TL	FC	TL	FC
Bank Bills	-	97.988	-	-
Asset-Backed Securities	-	-	-	-
Treasury Bonds	1.010.690	25.053.363	1.010.690	13.343.843
Total	**1.010.690**	**25.151.351**	**1.010.690**	**13.343.843**

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.

7. Information on Lease Liabilities (Net)

Information on lease liabilities represented in the table below.

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 Year	23.256	11.893	36.216	18.549
Between 1-4 Years	360.218	329.674	584.944	318.521
More than 4 Years	812.434	447.916	751.894	484.915
Total	**1.195.908**	**789.483**	**1.373.054**	**821.985**

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 2020: 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 2021, unpaid vacation liability amounted to TL 368.105 and employment termination amounted to TL 1.355.145 are presented under the "Employee Benefits Provision" in the financial statements (31 December 2020: unpaid vacation liability amounted to TL 278.450, and employment termination amounted to TL 1.230.590 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 2021 and 31 December 2020.

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.).

According to related Actuary Report, the Fund's surplus is TL 10.235.620 as of 31 December 2021 (31 December 2020: TL 7.663.184).

	Current Period	Prior Period
Non Medical Assets	6.297.140	4.310.644
Actual and Technical Overrun	10.235.620	7.663.184

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	358.942	87.668
Property and equipment	495.566	381.205
Marketable securities	5.417.571	3.831.575
Other	25.061	10.196
Total	**6.297.140**	**4.310.644**

9.3. Information on Other Provision

Except for the requirements of the BRSA Accounting and Financial Reporting Legislation, the Bank's management has free provisions amounting to TL 3.710.000, of which TL 3.460.000 has been reserved in previous periods and TL 250.000 has been set aside in the current year. In addition, there is a provision amounting to TL 68.300 and other provisions amounting to TL 157 for the money groups made by civil servants. Expected loss provisions for non-cash loans are TL 3.285.225 (31 December 2020: Except for the requirements of the BRSA Accounting and Financial Reporting Legislation, the Bank's management has free provisions amounting to TL 3.460.000 thousand, of which TL 830.000 thousand has been reserved in previous periods and TL 2.630.000 thousand has been set aside in the current year. In addition, there is a provision amounting to TL 40.750 and other provisions amounting to TL 157 for the money groups made by civil servants. Expected loss provisions for non-cash loans are TL 1.852.945).

Regarding the Bank's lawsuit files, a total amount of TL 186.058 has been provided in the financial statements for lawsuits filed against the Bank for a total amount of TL 92.600 but not yet finalized (31 December 2020: For the lawsuits filed against the Bank amounting to TL 131.255, a provision of TL 56.000 has been provided in these financial statements for cases that are likely to result against the Bank but are not yet finalized).

10. Explanations on Tax Liability

10.1. Explanations on Current Tax Liability

10.1.1. Information on Taxes Payable

As of 31 December 2021, the remaining corporate tax liability after deducting temporary taxes paid for the period is 107.752 (As of 31 December 2020, the remaining corporate tax liability after deducting temporary taxes paid for the period is TL 943.399).

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021
(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL")
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish)

10.1.2. Information on Current Taxes Payable

	Current Period	Prior Period
Corporate Tax Payable	107.752	943.399
Taxation on Income From Securities	407.297	268.092
Property Tax	3.716	1.663
Banking Insurance Transactions Tax (BITT)	444.573	248.321
Foreign Exchange Transactions Tax	114.244	19.803
Value Added Tax Payable	41.867	17.646
Other	91.426	113.887
Total	**1.210.875**	**1.612.811**

10.1.3. Information on Premium Payables

	Current Period	Prior Period
Social Security Premiums Employee	62	54
Social Security Premiums - Employer	83	72
Bank Social Aid Pension Fund Premium - Employee	22.904	17.743
Bank Social Aid Pension Fund Premium - Employer	33.563	26.008
Pension Fund Membership Fees and Provisions - Employee	4	2
Pension Fund Membership Fees and Provisions - Employer	15	4
Unemployment Insurance - Employee	1.641	1.274
Unemployment Insurance - Employer	3.284	2.549
Other	-	-
Total	**61.556**	**47.706**

10.2. Information on Deferred Tax Liability

The Bank does not have any deferred tax liability.

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	-	21.427.601	-	13.048.197
Subordinated loans	-	-	-	-
Subordinated debt instruments		21.427.601	-	13.048.197
Debt instruments to be included in contribution capital calculation	-	-	-	-
Subordinated loans	-	-	-	-
Subordinated debt instruments	-	-	-	-
Total	-	**21.427.601**	**-**	**13.048.197**

(*) Subordinated loans are explained in detail in the Note "Information on debt instruments included in the calculation of equity" in Section Four.

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

13. Information on Shareholders' Equity

13.1. Presentation of Paid-In Capital

	Current Period	Prior Period
Common stock	13.100.000	13.100.000
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.

13.3. Capital Increases and Sources in the Current Period and Other Information Based on Increased Capital Share

There are no capital increases in the current period.

13.4. Other Information on Capital Increases and Increased Share Capital with Reserves within 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)	6.526.598	(2.023.299)	3.376.855	(941.492)
Valuation Difference	3.162.858	(8.998.673)	(108.006)	956.316
Foreign Exchange Difference	4.060.946	-	2.262.057	-
Total	**13.750.402**	**(11.021.972)**	**5.530.906**	**14.824**

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 Commitments	24.260.963	14.083.382
Subsidiaries and Associates Capital Contribution Commitments	3.150	3.150
Loan Granting Commitments	22.888.073	14.668.990
Commitments for Cheque Payments	6.609.633	4.830.167
Commitments for Credit Card Expenditure Limits	61.707.772	44.590.857
Promotion Campaigns Commitments Relating to Credit Card and Bank Services	101.762	68.631
Other Irrevocable Commitments	22.536.938	20.523.305
Total	**138.108.291**	**98.768.482**

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 3.285.225 for expected credit losses arising from the off-balance sheet items in the current period. (31 December 2020: TL 1.852.945).

1.2.1. Non-Cash Loans Including Guarantees, Acceptances, Financial Guarantees and Other Letter of Credits

	Current Period	Prior Period
Letters of Guarantee	184.456.614	110.741.419
Letters of Credit	60.172.624	23.274.697
Bank Acceptances	11.934.551	7.202.148
Endorsements	6.009.467	1.520.463
Total	**262.573.256**	**142.738.727**

1.2.2. Certain Guarantees, Temporary Guarantees, Surety Ships and Similar Transactions

	Current Period	Prior Period
Letters of Certain Guarantees	113.961.477	66.820.813
Letters of Advance Guarantees	29.420.428	19.339.621
Letters of Temporary Guarantees	3.983.624	3.293.464
Letters of Guarantees Given to Customs Offices	1.830.957	1.612.223
Other Letters of Guarantees	35.260.128	19.675.298
Total	**184.456.614**	**110.741.419**

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	**30.904.082**	**16.698.879**
With Original Maturity of One Year or Less	18.644.642	10.564.285
With Original Maturity of More than One Year	12.259.440	6.134.594
Other Non-Cash Loans	**231.669.174**	**126.039.848**
Total	**262.573.256**	**142.738.727**

1.3.2. Information on Sectoral Risk Concentrations of Non-Cash Loans

	Current Period			
	TL	(%)	FC	(%)
Agricultural	945.334	1,68	511.960	0,25
Farming and Raising Livestock	665.531	1,18	163.941	0,08
Forestry	243.665	0,43	4.396	0,00
Fishing	36.138	0,06	343.623	0,17
Manufacturing	13.548.809	24,12	95.828.615	46,43
Mining and Quarrying	499.113	0,89	1.393.083	0,67
Production	9.953.480	17,72	85.653.364	41,50
Electric, Gas and Water	3.096.216	5,51	8.782.168	4,25
Construction	15.303.936	27,25	57.566.330	27,89
Services	25.271.295	45,00	52.003.602	25,19
Wholesale and Retail Trade	11.663.940	20,77	15.662.640	7,59
Hotel, Food and Beverage Services	466.041	0,83	1.787.542	0,87
Transportation and Telecommunication	3.935.910	7,01	19.032.839	9,22
Financial Institutions	6.897.133	12,28	12.271.774	5,95
Real Estate and Leasing Services	1.966.708	3,50	2.511.259	1,22
Self-employment Services	-	-	-	-
Education Services	184.010	0,33	321.700	0,16
Health and Social Services	157.553	0,28	415.848	0,20
Other	1.094.164	1,95	499.211	0,24
Total	**56.163.538**	**100,00**	**206.409.718**	**100,00**

	Prior Period			
	TL	(%)	FC	(%)
Agricultural	451.192	1,05	378.956	0,38
Farming and Raising Livestock	283.192	0,66	159.616	0,16
Forestry	146.331	0,34	8.593	0,01
Fishing	21.669	0,05	210.747	0,21
Manufacturing	10.433.240	24,25	44.364.193	44,49
Mining and Quarrying	374.585	0,87	1.135.898	1,14
Production	6.783.422	15,77	37.674.545	37,78
Electric, Gas and Water	3.275.233	7,61	5.553.750	5,57
Construction	12.616.963	29,32	32.106.298	32,20
Services	19.053.531	44,28	22.213.447	22,28
Wholesale and Retail Trade	9.134.030	21,23	6.892.658	6,91
Hotel, Food and Beverage Services	403.148	0,94	1.102.649	1,11
Transportation and Telecommunication	2.522.527	5,86	5.574.855	5,59
Financial Institutions	5.086.029	11,82	6.671.352	6,69
Real Estate and Leasing Services	1.588.046	3,69	1.563.403	1,57
Self-employment Services	-	0,00	-	0,00
Education Services	177.732	0,41	213.787	0,21
Health and Social Services	142.019	0,33	194.743	0,20
Other	471.303	1,10	649.604	0,65
Total	**43.026.229**	**100,00**	**99.712.498**	**100,00**

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021
(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL")
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish)

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	**54.430.210**	**199.723.746**	**1.584.065**	**5.612.710**
Letters of Guarantee	51.471.598	124.803.193	1.553.430	5.418.818
Bank Acceptances	211.032	11.723.519	-	-
Letters of Credit	835.596	59.167.003	1.325	156.850
Endorsements	1.911.984	4.030.031	29.310	37.042
Underwriting Commitments	-	-	-	-
Factoring Guarantees	-	-	-	-
Other Commitments and Contingencies	-	-	-	-

Prior Period	**Group I:**		**Group II:**	
	TL	**FC**	**TL**	**FC**
Non-Cash Loans	**41.887.834**	**95.805.519**	**935.984**	**3.419.026**
Letters of Guarantee	40.708.789	65.144.068	935.984	3.263.915
Bank Acceptances	122.254	7.076.088	-	3.806
Letters of Credit	957.791	22.167.503	-	147.702
Endorsements	99.000	1.417.860	-	3.603
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)	**410.454.995**	**303.682.548**
Forward Transactions	12.092.546	7.061.086
Swap Transactions	388.366.019	295.321.384
Futures Transactions	-	1.300.078
Option Transactions	9.996.430	-
Interest Related Derivative Transactions (II)	84.644.944	54.425.306
Forward Interest Rate Agreements		-
Interest Rate Swaps	84.644.944	54.425.306
Interest Rate Options	-	-
Interest Rate Futures	-	-
Other Trading Derivative Transactions: (III)	-	-
A. Total Trading Derivative Transactions (I+II+III)	**495.099.939**	**358.107.854**
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)	**495.099.939**	**358.107.854**

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	6.650.672	670.981	(436.849)	-	1.267.129	8.151.933
- Inflow	143.150.310	38.587.482	23.724.330	1.558.870	2.282.472	209.303.464
- Outflow	(136.499.638)	(37.916.501)	(24.161.179)	(1.558.870)	(1.015.343)	(201.151.531)
Interest rate derivatives	-	-	-	-	-	-
- Inflow	5.000	40.000	173.902	11.923.284	30.180.286	42.322.472
- Outflow	(5.000)	(40.000)	(173.902)	(11.923.284)	(30.180.286)	(42.322.472)
Derivatives held for hedging	-	-	-	-	-	-
Foreign exchange derivatives	-	-	-	-	-	-
- Inflow	-	-	-	-	-	-
- Outflow	-	-	-	-	-	-
Interest rate derivatives	-	-	-	-	-	-
- Inflow	-	-	-	-	-	-
- Outflow	-	-	-	-	-	-
Total Inflow	**143.155.310**	**38.627.482**	**23.898.232**	**13.482.154**	**32.462.758**	**251.625.936**
Total Outflow	**(136.504.638)**	**(37.956.501)**	**(24.335.081)**	**(13.482.154)**	**(31.195.629)**	**(243.474.003)**

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	(963.027)	1.397.739	94.501	-	269.733	798.946
- Inflow	110.395.923	32.819.889	7.737.887	1.972	1.285.076	152.240.747
- Outflow	(111.358.950)	(31.422.150)	(7.643.386)	(1.972)	(1.015.343)	(151.441.801)
Interest rate derivatives	-	-	-	-	-	-
- Inflow	180.000	180.000	230.000	1.329.506	25.293.147	27.212.653
- Outflow	(180.000)	(180.000)	(230.000)	(1.329.506)	(25.293.147)	(27.212.653)
Derivatives held for hedging	-	-	-	-	-	-
Foreign exchange derivatives	-	-	-	-	-	-
- Inflow	-	-	-	-	-	-
- Outflow	-	-	-	-	-	-
Interest rate derivatives	-	-	-	-	-	-
- Inflow	-	-	-	-	-	-
- Outflow	-	-	-	-	-	-
Total Inflow	**110.575.923**	**32.999.889**	**7.967.887**	**1.331.478**	**26.578.223**	**179.453.400**
Total Outflow	**(111.538.950)**	**(31.602.150)**	**(7.873.386)**	**(1.331.478)**	**(26.308.490)**	**(178.654.454)**

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 amounts TL 6.609.633 (31 December 2020: TL 4.830.167).

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

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021
(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish)

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. Information on Interest Income

1.1. Information on Interest Income from Loans

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest on Loans [1]	**61.660.537**	**11.134.067**	**44.524.134**	**7.805.953**
Short Term Loans	17.028.291	922.407	8.931.910	565.882
Medium and Long Term Loans	43.666.580	10.211.660	34.554.339	7.240.062
Interest on Loans Under Follow-up	965.666	-	1.037.885	9
Premiums from 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 Turkey	-	-	-	-
Domestic Banks	5.782	12	8.785	1.083
Foreign Banks	108.515	22.338	29.151	19.082
Headquarters and Branches Abroad	-	-	-	-
Total	**114.297**	**22.350**	**37.936**	**20.165**

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	338.221	2.868	172.138	1.520
Financial Assets at Fair Value Through Other Comprehensive Income	17.818.808	5.773.406	11.038.299	3.230.474
Financial Assets Measured at Amortized Cost	2.118.949	1.387.857	1.376.172	877.362
Total	**20.275.978**	**7.164.131**	**12.586.609**	**4.109.356**

1.4. Information on Interest Income Received from Associates and Subsidiaries

	Current Period	Prior Period
Interest Income from Associates and Subsidiaries	225.624	201.537

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

2. Information on Interest Expense

2.1. Information of Interest Expense on Borrowings

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks [1]	127.159	1.042.675	235.781	955.261
Central Bank of the Republic of Turkey	-	-	-	-
Domestic Banks	65.283	184.958	177.170	165.807
Foreign Banks	61.876	857.717	58.611	789.454
Foreign Headquarters and Branches Abroad	-	-	-	-
Other Institutions	-	-	-	-
Total	**127.159**	**1.042.675**	**235.781**	**955.261**

[1] Includes fees 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	255.217	223.796

2.3. Information on Interest Expense Given on Securities Issued

	Current Period		Prior Period	
	TP	YP	TP	YP
Interest Expenses on Securities Issued	169.899	1.948.153	344.241	1.251.731

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	-	4.142.850	1.653	-	-	-	-	4.144.503
Saving Deposit	-	1.662.616	16.516.063	3.706.752	406.207	1.109.198	13.679	23.414.515
Public Sector Deposit	617	1.107.852	1.081.794	75.394	32.970	9.291	-	2.307.918
Commercial Deposit	162	3.325.457	2.927.698	92.494	688.764	52.638	-	7.087.213
Other Deposit	1	382.165	1.617.560	150.565	101.214	48.993	-	2.300.498
Deposit with 7 Days Notification	-	-	-	-	-	-	-	-
Total	**780**	**10.620.940**	**22.144.768**	**4.025.205**	**1.229.155**	**1.220.120**	**13.679**	**39.254.647**
FC								-
Foreign Currency Deposit	3.515	210.719	1.056.927	124.748	97.033	277.680	3	1.770.625
Bank Deposit	56	2.548	43.297	1.338	21.751	61.678	-	130.668
Deposit with 7 Days Notification	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	4.285	32.541	2.765	2.011	1.705	-	43.307
Total	**3.571**	**217.552**	**1.132.765**	**128.851**	**120.795**	**341.063**	**3**	**1.944.600**
Grand Total	**4.351**	**10.838.492**	**23.277.533**	**4.154.056**	**1.349.950**	**1.561.183**	**13.682**	**41.199.247**

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	-	1.830.715	1.389	-	213	-	-	1.832.317
Saving Deposit	-	580.349	7.329.853	2.792.555	245.241	968.984	20.833	11.937.815
Public Sector Deposit	370	1.524.894	519.449	51.872	101.730	997	-	2.199.312
Commercial Deposit	107	1.706.675	1.801.740	44.309	439.636	66.588	-	4.059.055
Other Deposit	-	218.825	805.540	129.481	78.433	23.970	-	1.256.249
Deposit with 7 Days Notification	-	-	-	-	-	-	-	-
Total	**477**	**5.861.458**	**10.457.971**	**3.018.217**	**865.253**	**1.060.539**	**20.833**	**21.284.748**
FC								-
Foreign Currency Deposit	1.807	144.296	896.444	76.051	79.208	255.069	7	1.452.882
Bank Deposit	11	8.166	20.897	6.753	8.646	5.060	-	49.533
Deposit with 7 Days Notification	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	2.136	17.692	1.824	1.796	1.467	-	24.915
Total	**1.818**	**154.598**	**935.033**	**84.628**	**89.650**	**261.596**	**7**	**1.527.330**
Grand Total	**2.295**	**6.016.056**	**11.393.004**	**3.102.845**	**954.903**	**1.322.135**	**20.840**	**22.812.078**

(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	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	29.810	6.727
Other [1]	108.090	1.112.526
Total	**137.900**	**1.119.253**

[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	**598.329.934**	**190.732.979**
Trading Gains on Securities	667.393	4.012.272
Gains on Derivative Financial Transactions	8.676.925	5.533.538
Foreign Exchange Profits	588.985.616	181.187.169
Loss (-)	**609.373.711**	**198.476.446**
Trading Losses on Securities	17.886	40.374
Losses on Derivative Financial Instruments	20.423.507	10.670.577
Foreign Exchange Loss	588.932.318	187.765.495

5. Information on Other Operating Income

Significant proportion of other operating income consists of reversals from prior period provisions amounting to TL 3.209.919 and income from sales of assets amounting to TL 339.640 (31 December 2020: Significant proportion of other operating income consists of reversals from prior period provisions amounting to TL 4.280.768 and income from sales of assets amounting to TL 231.150).

6. Expected Credit Loss and Other Provision Expense

	Current Period	Prior Period
Expected Credit Loss Provisions	14.956.143	10.690.951
12 Month Expected Credit Loss (Stage 1)	199.488	1.339.654
Significant Increase in Credit Risk (Stage 2)	9.860.998	5.505.372
Non-Performing Loans (Stage 3)	4.895.657	3.845.925
Marketable Securities Impairment Expense	2	49
Financial Assets at Fair Value through Profit or Loss	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	2	49
Subsidiaries, Associates and Entities Under Common Control Impairment Provision	-	-
Associates	-	-
Subsidiaries	-	-
Entities Under Common Control	-	-
Other [*]	374.146	2.648.348
Total	**15.330.291**	**13.339.348**

[*] Includes TL 250.000 free provision expense. (31 December 2020: TL 2.010.000)

7. Information Related to Other Operating Expenses

	Current Period	Prior Period
Reserve for Employee Termination Benefits	395.069	279.623
Bank Social Aid Fund Deficit Provision	-	-
Impairment Expenses of Tangible Assets	250	-
Depreciation Expenses of Tangible Assets	520.530	443.753
Impairment Expenses of Intangible Assets	-	-
Goodwill Impairment Expense	-	-
Amortization Expenses of Intangible Assets	144.050	108.831
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	4.683.283	3.940.239
Leasing Expenses Related to TFRS 16 Exceptions	87.052	80.697
Maintenance Expenses	222.138	129.702
Advertisement Expenses	281.527	236.339
Other Expenses	4.092.566	3.493.501
Loss on Sales of Assets	3.740	3.489
Other [1]	3.571.251	2.919.460
Total	**9.318.173**	**7.695.395**

[1] TL 1.792.478 of other items consists of Saving Deposit Insurance Fund accrual expense while TL 1.251.672 consists of taxes, duties and charges expense (31 December 2020: TL 1.353.383 of other items consists of Saving Deposit Insurance Fund accrual expense while TL 968.658 consists of taxes, duties and charges expense.

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 26 March 2021 is given in the table below:

	Current Period	Prior Period
Independent Audit Fee	13.039	9.023
Tax Consultancy Fee	272	299
Other Assurance Services Fee	877	1.117
Other Non-Audit Services Fee	596	148
Total	**14.784**	**10.587**

[*] 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.

(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:

	Curent Period	Prior Period
Net Interest Income	39.767.734	34.614.500
Net Fees and Commissions Income	5.450.874	3.092.735
Other Operating Income	4.444.305	5.181.957
Dividend Income	137.900	1.119.253
Trading Profit/Loss (Net)	(11.043.777)	(7.743.467)
Personnel Expenses (-)	5.195.130	4.396.112
Expected Credit Loss (-)	14.956.143	10.690.951
Other Provision Expenses (-)	374.148	2.648.397
Other Operating Expenses (-)	9.318.173	7.695.395
Profit/(Loss) From Continuing Operations	**8.913.442**	**10.834.123**

10. Information on Tax Provision for Continued and Discontinued Operations

As of 31 December 2021, TL 2.622.133 of the Bank's total tax provision expense amounting to TL 2.793.348 consists of current tax expense while remaining balances amounting to TL 171.215 consists of deferred tax expense. (As of 31 December 2020, TL 3.009.104 of the Bank's total tax provision expense amounting to TL 3.189.501 consists of current tax expense while remaining balances amounting to TL 180.397 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 6.291.309 (31 December 2020: TL 7.825.019).

12. Information 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 Bank mainly utilizes its resources from domestic deposits on loans, securities and interbank operations. Besides, it obtains income via commissions taken from non-cash loans, other banking operations and 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.

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 13.100.000. (31 December 2020: 13.100.000 TL)

2. Explanations on Profit Distribution

According to the Bank's Ordinary General Assembly Meeting dated 26 March 2021;

In accordance with paragraph 1 of Article 33 of the Bank's Articles of Association regarding the determination, allocation and distribution of net profit for the period; has been set aside 5% (TL 391.251) of the remaining legal reserve from the net profit of TL 7.825.019, Real estate sales revenue exception calculated in accordance with the TPL within the scope of the 5/1-e clause of the Corporate Tax Law no. 5520 after deducting 50% of its base, TL 18.462, to be transferred to a special fund account under equities to be monitored until the end of the fifth year following the sale to leave the remaining TL 7.415.306 within the Bank.

Being monitored in the profit of previous years; within the scope of the transfer of Ziraat Sigorta A.Ş. and Ziraat Hayat ve Emeklilik A.Ş. to Türkiye Varlık Fonu Finansal Yatırımlar A.Ş. reported with the transfer of TL 2.495.459 to TL 1.980.523 the 5/1-e clause of the Corporate Tax Law no. 5520 to be included in a special fund account under equity to be monitored until the end of the fifth year following the year in which the sale was made, except for adding to the capital, since the provisions of the tax exemption of the participation share sales earnings have been utilized, reclassification of some stocks in the Bank's portfolio with the remaining TL 514.936 5% (TL 38.545) of legal reserves from the previous years' profit amounting to TL 770.897, which is the total of TL 255.961 recorded as a result, and transferring the remaining TL 732.352 to extraordinary reserves.

TL 115.389, which is 50% of the real estate sales income exemption base calculated according to the TPL within the scope of the 5/1-e clause of the Corporate Tax Law no. 5520, out of TL 766.550, which arises from real estate valuation differences and is monitored in the profit of previous years as required by TAS-16 to be monitored until the end of the fifth year following the year in which the sale was made, to a special fund account under equity, 5% (TL 32.558) of the remaining TL 651.161 to be allocated as legal reserves, and the remaining TL 618.603 to be decided to transfer to extraordinary reserves.

The Bank plans to distribute its profit in 2021 in line with its articles of association. However, as of the date of preparation of the financial reports, no decision has been taken regarding profit distribution.

3. Profit Reserves:

As of the balance sheet date, profit reserves amount to TL 67.627.159, legal reserves amount to TL 5.463.080 extraordinary reserves amount to TL 62.164.079. (31 December 2020: As of the balance sheet date, profit reserves amount to TL 58.398.544, legal reserves amount to TL 5.000.726 extraordinary reserves amount to TL 53.397.818).

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

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 8.923.763 of the income amount, TL 87.832.669 mainly consists of the interests received from loans and securities, and TL 60.537.999 mostly consists of the interests given to deposits and money market transactions. (31 December 2020: Regarding operating profit before the change in banking activity assets and liabilities, TL 14.474.641 of the income amount, TL 65.352.951 mainly consists of the interests received from loans and securities, and TL 34.636.969 mostly consists of the interests given to deposits and money market transactions.

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 1.232.458 expense as of 31 December 2021. (31 December 2020: TL 411.229)

Cash in TL, cash in foreign currency, Central Bank of the Republic of Turkey, 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	4.967.159	6.696.663
Central Bank of the Republic of Turkey and Other Banks	29.673.828	21.137.280
Money Market Operations	206.435	328.596
Total Cash and Cash Equivalents	**34.847.422**	**28.162.539**

Period End	Current Period	Prior Period
Cash in TL and in Foreign Currency	8.522.872	4.967.159
Central Bank of the Republic of Turkey and Other Banks	86.862.983	29.673.828
Money Market Operations	281.931	206.435
Total Cash and Cash Equivalents	**95.667.786**	**34.847.422**

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	2.513.483	7.410.848	-	-	-	-
Ending Balance	4.147.452	8.985.638	-	-	-	-
Interest and Commissions Income	225.624	541	-	-	-	-

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	2.388.776	3.494.739	-	-	-	-
Ending Balance	2.513.483	7.410.848	-	-	-	-
Interest and Commissions Income	201.537	1.247	-	-	-	-

1.2. Information on Deposits of the Bank's Risk Group

Risk Group of the Bank	Subsidiaries, Associates and Entities Under Common Control (Joint Venture)		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	1.674.595	3.724.118	-	-	-	-
Ending Balance	3.495.970	1.674.595	-	-	-	-
Interest Expense on Deposits	255.217	223.796	-	-	-	-

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	1.126.974	1.161.358	-	-	-	-
Ending Balance	489.081	1.126.974	-	-	-	-
Total Profit/Loss	(33.187)	129.773	-	-	-	-
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 17.199 (31 December 2020: TL 15.035).

VIII. EXPLANATIONS AND NOTES RELATED TO SUBSEQUENT EVENTS

The Bank's capital has been decided to be increased by TL 21.800.000 to TL 34.900.000, all of which will be paid in cash by Turkey Wealth Fund and the process regarding this capital increase has been continuing.

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

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]	1.727	24.518			
			Country of Incorporation		
Foreign Representative Office [2]	1	-	1- Iran		
				Total Assets	Statutory Share Capital
Foreign Branch [2]	1	3	1- England	16.833.939	907.341
	5	5	2- Bulgaria	2.602.654	209.855
	2	4	3- Iraq	1.825.402	652.135
	3	3	4- Greece	1.763.503	488.169
	1	1	5- Saudi Arabia	833.465	195.641
	4	1	6- Kosovo	1.565.885	147.930
	8	35	7- T.R. of Northern Cyprus	5.874.817	307.489
	1	3	8- Bahrain	45.873.282	65.214
Off-Shore Banking Region Branches	-	-	-	-	-

[1] Includes the employees of the domestic branches, including the employees of head office and regional management.
[2] Excluding the local employees of the foreign branches.

2. Information on The Bank About Opening, Closing, Changing its Organization Considerably for Domestic and Foreign Branches and Foreign Representatives of The Bank:

In 2021, 6 new branches were opened, and 7 branches were closed domestically. A new branch was opened abroad. In 2021, all entrepreneurial branches were converted into commercial branches.

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: December 2020

Outlook	Negative
Long term Foreign Currency Deposit	B2
Short term Foreign Currency Deposit	Not-Prime
Long term Domestic Currency Deposit	B2
Short term Domestic Currency Deposit	Not-Prime
Long term Issuer Rating Foreign Currency	B2
Long term Issuer Rating Domestic Currency	B2
Baseline Credit Assessment	caa1
Adjusted Baseline Credit Assessment	caa1

Fitch Ratings: December 2021

Foreign Currency Long Term IDR	B+
Outlook	Negative
Foreign Currency Short Term IDR	B
Local Currency Long Term IDR	BB-
Outlook	Negative
Local Currency Short Term IDR	B
National Long-Term Rating	AA (tur)
Outlook	Stable
Public Support Rating	b
Viability Rating	b+

JCR Eurasia: January 2022

Long Term International FC	BB
Outlook	Stable
Long Term International LC	BB
Outlook	Stable
Long Term National LC	AAA (Trk)
Outlook	Stable
Short Term International FC	B
Outlook	Stable
Short Term International LC	B
Outlook	Stable
Short Term National LC	A-1+ (Trk)
Sponsor Support	1
Stand Alone	A

II. OTHER EXPLANATIONS ON THE BANK'S OPERATIONS

None.

SECTION SEVEN

EXPLANATIONS ON INDEPENDENT AUDIT REPORT

I. MATTERS TO BE EXPLAINED ON THE INDEPENDENT AUDITOR'S REPORT

The unconsolidated financial statements prepared as of 31 December 2021 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 15 February 2022 is presented preceding the unconsolidated financial statements.

II. EXPLANATIONS AND NOTES PREPARED BY THE INDEPENDENT AUDITORS

None.

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED 31 DECEMBER 2021 WITH INDEPENDENT AUDITORS' REPORT THEREON

(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 2021, consolidated income statement, consolidated statement of income and expense items under shareholders' equity, 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 described in the Basis for Qualified Opinion section of our report, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2021, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the Banking Regulation and Supervision Agency ("BRSA") Accounting and Financial Reporting Legislation which includes "Regulation on Accounting Applications for Banks and Safeguarding of Documents" published in the Official Gazette No.26333 dated 1 November 2006, and other regulations on accounting records of Banks published by Banking Regulation and Supervision Board and circulars and interpretations published by BRSA and Turkish Financial Reporting Standards ("TFRS") for those matters not regulated by the aforementioned legislations.

2. Basis for Qualified Opinion

As explained in Section Five Part II. As stated in Section 9.3 in the accompanying consolidated financial statements prepared as of 31 December 2021 include a free provision amounting to TL 3.730.000 thousand which consist of TL 3.505.000 thousand provided in prior periods, TL 250.000 thousand recognized in the current year and TL 25.000 thousand reversed in the current year by the Group management which is not within the requirements of BRSA Accounting and Financial Reporting Legislation.

We conducted our audit in accordance with the "Regulation on Independent Audit of the Banks" ("BRSA Auditing Regulation") published in the Official Gazette No.29314 dated 2 April 2015 by BRSA and Standards on Auditing which is a component of the Turkish Auditing Standards issued by the Public Oversight Accounting and Auditing Standards Authority ("POA") ("Standards on Auditing issued by POA"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We declare that we are independent of the Group's in accordance with the Code of Ethics for Auditors issued by POA (POA's Code of Ethics) and the ethical requirements in the regulations issued by POA that are relevant to audit of consolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with the POA's Code of Ethics and regulations. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

3. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. Key audit matters were addressed in the context of our independent audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Qualified Opinion section we have determined the matters described below to be the key audit matters to be communicated in our report.

INDEPENDENT AUDITOR'S 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 32.924.817 thousand in respect to total loans and receivables amounting to TL 874.418.536 thousand which represent a significant portion of the Group's total assets in its consolidated financial statements as at 31 December 2021. 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 2021. 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. The effects of the COVID-19 outbreak increased the importance of these estimates and assumptions used by the Group's management in determining the loan loss provisions as of 31 December 2021, and the uncertainties caused by these effects were taken into account in the calculation of expected credit loss using expert opinion. The Group uses complex models derived from more than one system to calculate the expected loan loss provision. Information including past events, current conditions and macroeconomic estimates which are taken into account in expected loss provision accounting should be reasonable and supportable. Our audit was focused on this area due to existence of complex estimates and information used in the impairment assessment such as macro-economic expectations, current conditions, historical loss experiences; the significance of the loans and receivables balances; the classification of loans and receivables as per their credit risk (staging) and the importance of determination of the associated expected credit loss. Timely and correct identification of default event and significant increase in credit risk and level of judgements and estimations made by the management have significant impacts on the amount of impairment provisions for loans and receivables. Therefore, this area is considered as key audit matter.	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 including the effects of COVID-19 outbreak 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 including the effects of the COVID-19 pandemic, we held discussions with management and evaluated the assumptions using publicly available information. Regarding expected credit losses methodology; we have assessed and tested appropriateness of model segmentation, lifetime probability of default model, loss given default model, and approaches in relation to projection of macroeconomic expectations including the effects of the COVID-19 outbreak with our financial risk experts. We have assessed expert judgment utilized in interpretation of supportable forward looking expectations (including macroeconomic factors). Together with our financial risk experts, we evaluated and tested reasonableness of the changes in the expected credit loss allowance methodology made within the year and the performance of the impairment models used. We have checked selected models used in determination of provisions for various loans and receivables portfolios with our financial risk experts by reperforming on a sample selection basis. For a selected sample of loans and receivables, we checked expected credit losses determined based on individual assessment per Group's policy by means of supporting data, and evaluated appropriateness including areas affected by uncertainties caused by COVID-19 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. For a selected sample, we checked accuracy of resultant expected credit losses calculations. To assess appropriateness of the Group's determination of staging for credit risk for loans and receivables within the framework of current regulations, identification of impairment and timely and appropriate provisioning for impairment we have performed loan review procedures based on a selected sample. We evaluated the adequacy of the disclosures made in the consolidated financial statements regarding the provision for impairment of loans and receivables.

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 2021. TZHEMSAN foundation ("Fund") is established in accordance with the Social Security Law numbered 506 article No 20 and is within the scope of Funds 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. Evaluation of Fund liabilities include uncertainty of estimates and 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 by the law 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 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 on a sample basis. 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 tested 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 have 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.

INDEPENDENT AUDITOR'S REPORT

As part of an independent audit conducted in accordance with "Regulation on Independent Audit of Banks" published by the BRSA on the Official Gazette No.29314 dated 2 April 2015 and SIA, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Assess the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our independent auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence. We also communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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 2021 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

The effects of differences between accounting principles and standards explained in detail in Section Three and accounting principles generally accepted in countries in which the accompanying consolidated financial statements are to be distributed and International Financial Reporting Standards ("IFRS") have not been quantified in the accompanying consolidated financial statements. Accordingly, the accompanying consolidated financial statements are not intended to present the financial position, results of operations and changes in financial position and cash flows in accordance with the accounting principles generally accepted in such countries and IFRS.

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

Didem Demer Kaya, SMMM
Partner

Istanbul, 15 February 2022

THE CONSOLIDATED FINANCIAL REPORT OF TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş. AS OF 31 DECEMBER 2021

(Convenience translation of publicly announced consolidated financial statements and related disclosures with auditor's report originally issued in Turkish, see note I. of section three)

The Bank's Headquarter Address	: Hacıbayram Mahallesi Atatürk Bulvarı No: 8 06050-Altındağ/ANKARA
Phone	: (312) 584 20 00
Facsimile	: (312) 584 49 63
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 Bank Montenegro AD
	JSC Ziraat Bank Georgia
ASSOCIATES	Ziraat Bank Uzbekistan JSC
	ENTITIES UNDER COMMON CONTROL
Arap Türk Bankası A.Ş.	Turkmen Turkish Joint Stock Commercial Bank

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
Mahmut KAÇAR Member of the Board, Member of the Audit Committee	Emrah GÜNDÜZ Assistant General Manager for Banking Operations and Corporate Communications	Rehber BİRKAN Senior Vice President of Financial Coordination

For the questions regarding this financial report, contact details of the personnel in charge are presented below:

Name/Title	: Serkan ÖZKAN/Financial Statements and Budget Analysis Manager
Telephone Number	: 0312 584 59 32
Fax Number	: 0312 584 59 38

CONTENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2021

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL")
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish)

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 Turkey Prime Ministry Undersecretariat of Treasury ("Treasury") transferred to the Turkish 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 Ankara.

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 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 13.100.000. This capital is divided into 13.100.000.000 registered share with a nominal value of TL 1 each and is fully paid. The Parent Bank's sole shareholder is the Turkish Wealth Fund.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2021

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL")
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish)

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 [1]	Chairman
Alpaslan ÇAKAR [2]	CEO and Member
Veysi KAYNAK	Vice Chairman and Member
Dr. Ahmet GENÇ	Member
Faruk ÇELİK	Member
Fazlı KILIÇ [3]	Member
Feyzi ÇUTUR	Member
Mahmut KAÇAR	Member
Serruh KALELİ	Member
Audit Committee Members	
Fazlı KILIÇ [4]	Member
Mahmut KAÇAR	Member
Executive Vice Presidents	
Cüneyt SAĞLIK [5]	Payment Systems and Credit Processes
Emrah GÜNDÜZ [5]	Banking Operations and Corporate Communications
Ferhat PİŞMAF [5]	Corporate Banking
Mehmet Şükrü TAŞCI [5]	Credit Allocation and Management
Recep TÜRK [5]	Credit Risk Monitoring and Liquidation
Yüksel CESUR	Retail Banking

[1] At the Bank's Ordinary General Assembly meeting held on 26 March 2021, he was elected to the Board of Directors to replace Yusuf Bilmez, was appointed as the Chairman of the Board of Directors to replace Dr. Ahmet Genç, and started his duty as of 29 March 2021.
[2] In the Ordinary General Assembly meeting of the Parent Bank held on 26 March 2021, he was appointed as the General Manager instead of Hüseyin Aydın.
[3] He was appointed to replace Mehmet Nihat Ömeroğlu at the Ordinary General Assembly Meeting of the Parent Bank held on 26 March 2021 and commenced his duty as of 29 March 2021.
[4] He was appointed on 25 April 2021 and commenced his duty on the same date.
[5] He was appointed on 9 April 2021 and commenced his duty on the same date.

The Parent Bank's Chairman and Members of the Board of Directors, Members of the Audit Committee, General Manager and Deputy General Managers do not own any shares of the Parent Bank.

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

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
Turkish Wealth Fund	13.100.000	100	13.100.000	-

The Parent Bank's sole shareholder is the Turkish Wealth Fund.

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 2021, the Parent Bank carries its activities with a grand total of 1.727 branches; 1.639 domestic branches including 17 corporate branches, 61 commercial branches, 1.639 branches and 10 mobile branches (31 December 2020: 1.728 domestic branches including 1.639 branches, 19 corporate branches, 65 entrepreneurial branches, 5 mobile branches) and 24 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. In addition to 25 branches and a total of 1,752 branches, the Parent Bank also has 1 representative office in Tehran, Iran.

The Parent Bank and the consolidated subsidiaries in Note III of Section Three are referred to “Group”.

As of 31 December 2021, the Group has 27.447 employees (31 December 2020: 27.161).

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., one of the associates of the Parent Bank, and Turkmen Turkish Joint Stock Commercial Bank, entity under common control of the Parent Bank, is accounted by using equity method in the consolidated financial statements of the Parent Bank.

As Ziraat Teknoloji A.Ş. is one of the non-financial subsidiaries of the Parent Bank, is not consolidated in the consolidated financial statements of the Parent Bank in accordance with Communiqué of the Preparation Consolidated Financial Statements. Moreover, Platform Ortak Kartlı Sistemler A.Ş. and Bileşim Finansal Teknolojiler ve Ödeme Sistemleri A.Ş. are non-financial associates of the Parent Bank which are kept at cost value are not consolidated in the consolidated financial statements. Central Oto Kiralama A.Ş., ZG Tarım Piyasaları A.Ş., ZG Tarım ve Hayvancılık Yatırımları 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. Rinerji Rize Elektrik Üretim A.Ş., which was previously included in subsidiaries, and Keskinoğlu Tavukçuluk ve Damızlık İşl. San. Tic. A.Ş., which was included in the affiliates, are classified under the fixed assets held for sale in the current period within the scope of the BRSA's Uniform Chart of Accounts amendments.

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.

SECTION TWO

Consolidated Financial Statements

NOTES TO THE CONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION) AS OF 31 DECEMBER 2021

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL")
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish)

	I- CONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)	Note (Section	Current Period 31 December 2021			Prior Period 31 December 2020		
	ASSETS	Five I)	TL	FC	Total	TL	FC	Total
I.	**FINANCIAL ASSETS (NET)**		165.396.524	401.313.694	566.710.218	121.644.985	190.978.231	312.623.216
1.1	**Cash and Cash Equivalents**		27.946.723	218.366.784	246.313.507	9.547.307	95.419.691	104.966.998
1.1.1	Cash and Balances with Central Bank	(1)	26.386.921	201.162.438	227.549.359	8.366.406	86.579.819	94.946.225
1.1.2	Banks	(4)	765.446	16.770.195	17.535.641	581.355	8.848.805	9.430.160
1.1.3	Money Market Receivables		799.134	450.634	1.249.768	603.790	-	603.790
1.1.4	Expected Loss Provision (-)		4.778	16.483	21.261	4.244	8.933	13.177
1.2	**Financial Assets at Fair Value Through Profit or Loss**	(2)	2.020.029	26.531.093	28.551.122	14.810.177	543.939	15.354.116
1.2.1	Government Debt Securities		154.528	25.561.364	25.715.892	13.782.465	9.300	13.791.765
1.2.2	Equity Investments		25.041	-	25.041	16.486	527.069	543.555
1.2.3	Other Financial Assets		1.840.460	969.729	2.810.189	1.011.226	7.570	1.018.796
1.3	**Financial Assets at Fair Value Through Other Comprehensive Income**	(5),(6)	124.979.090	154.798.964	279.778.054	94.339.957	92.900.367	187.240.324
1.3.1	Government Debt Securities		123.483.145	153.859.483	277.342.628	89.811.384	91.006.417	180.817.801
1.3.2	Equity Investments		313.821	51.962	365.783	242.135	31.702	273.837
1.3.3	Other Financial Assets		1.182.124	887.519	2.069.643	4.286.438	1.862.248	6.148.686
1.4	**Derivative Financial Assets**	(3)	10.450.682	1.616.853	12.067.535	2.947.544	2.114.234	5.061.778
1.4.1	Derivative Financial Assets at Fair Value Through Profit or Loss		10.450.682	1.616.853	12.067.535	2.947.544	2.114.234	5.061.778
1.4.2	Derivative Financial Assets at Fair Value Through Other Comprehensive Income		-	-	-	-	-	-
II.	**FINANCIAL ASSETS MEASURED AT AMORTIZED COST (Net)**		558.002.814	329.838.000	887.840.814	484.765.513	187.483.096	672.248.609
2.1	Loans	(7)	569.903.237	294.948.693	864.851.930	489.100.046	168.409.928	657.509.974
2.2	Lease Receivables	(12)	4.090.120	5.476.486	9.566.606	2.851.377	2.294.800	5.146.177
2.3	Factoring Receivables		-	18.204	18.204	-	-	-
2.4	Other Financial Assets Measured at Amortized Cost	(8)	14.359.307	31.979.718	46.339.025	12.466.614	18.153.867	30.620.481
2.4.1	Government Debt Securities		14.243.051	31.755.026	45.998.077	12.379.588	18.095.133	30.474.721
2.4.2	Other Financial Assets		116.256	224.692	340.948	87.026	58.734	145.760
2.5	Expected Credit Loss (-)		30.349.850	2.585.101	32.934.951	19.652.524	1.375.499	21.028.023
III.	**NON-CURRENT ASSETS OR DISPOSAL GROUPS "HELD FOR SALE" AND "HELD FROM DISCOUNTINUED OPERATIONS" (Net)**	(15)	5.426.813	23.474	5.450.287	5.336.119	-	5.336.119
3.1	Held for Sale Purpose		5.426.813	23.474	5.450.287	5.336.119	-	5.336.119
3.2	Held from Discontinued Operations		-	-	-	-	-	-
IV.	**EQUITY INVESTMENTS**		1.226.842	513.257	1.740.099	1.277.395	207.948	1.485.343
4.1	**Investments in Associates (Net)**	(9)	466.171	10.087	476.258	550.810	3.445	554.255
4.1.1	Associates Valued Based on Equity Method		205.959	-	205.959	293.250	-	293.250
4.1.2	Unconsolidated Associates		260.212	10.087	270.299	257.560	3.445	261.005
4.2	**Subsidiaries (Net)**	(10)	641.049	16.416	657.465	726.585	9.541	736.126
4.2.1	Unconsolidated Financial Subsidiaries		-	-	-	-	-	-
4.2.2	Unconsolidated Non-Financial Subsidiaries		641.049	16.416	657.465	726.585	9.541	736.126
4.3	**Entities under Common Control (Joint Ventures) (Net)**	(11)	119.622	486.754	606.376	-	194.962	194.962
4.3.1	Joint Ventures Valued Based on Equity Method		119.622	486.754	606.376	-	194.962	194.962
4.3.2	Unconsolidated Joint Ventures		-	-	-	-	-	-
V.	**PROPERTY AND EQUIPMENT (Net)**	(16)	12.308.429	1.191.686	13.500.115	11.099.870	403.960	11.503.830
VI.	**INTANGIBLE ASSETS (Net)**	(19)	1.555.241	121.892	1.677.133	1.147.667	66.466	1.214.133
6.1	Goodwill		-	-	-	-	-	-
6.2	Other		1.555.241	121.892	1.677.133	1.147.667	66.466	1.214.133
VII.	**INVESTMENT PROPERTY (Net)**	(14)	1.268.500	-	1.268.500	477.790	-	477.790
VIII.	**CURRENT TAX ASSET**		24.273	56.563	80.836	23.394	5.688	29.082
IX.	**DEFERRED TAX ASSET**	(20)	2.943.674	47.845	2.991.519	856.992	5.120	862.112
X.	**OTHER ASSETS (Net)**	(22)	9.463.237	2.811.122	12.274.359	9.414.878	3.337.809	12.752.687
	TOTAL ASSETS		757.616.347	735.917.533	1.493.533.880	636.044.603	382.488.318	1.018.532.921

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

NOTES TO THE CONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION) AS OF 31 DECEMBER 2021

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL")
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish)

	II- CONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)	Note (Section	Current Period 31 December 2021			Prior Period 31 December 2020		
	LIABILITIES	Five II)	TL	FC	Total	TL	FC	Total
I.	**DEPOSITS**	(1)	409.476.012	642.384.689	1.051.860.701	331.229.660	363.608.580	694.838.240
II.	**FUNDS BORROWED**	(3)	500.906	60.439.925	60.940.831	1.393.770	35.774.781	37.168.551
III.	**MONEY MARKETS BORROWINGS**	(4)	143.430.704	37.053.037	180.483.741	94.932.803	23.569.739	118.502.542
IV.	**SECURITIES ISSUED (Net)**	(5)	5.157.858	25.151.722	30.309.580	5.027.603	13.346.012	18.373.615
4.1	Bills		-	97.988	97.988	-	-	-
4.2	Asset Backed Securities		4.156.876	-	4.156.876	4.017.250	-	4.017.250
4.3	Bonds		1.000.982	25.053.734	26.054.716	1.010.353	13.346.012	14.356.365
V.	**FUNDS**		31.956	-	31.956	6.053.060	-	6.053.060
5.1	Borrower Funds		-	-	-	-	-	-
5.2	Other		31.956	-	31.956	6.053.060	-	6.053.060
VI.	**FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS**		-	-	-	-	-	-
VII.	**DERIVATIVE FINANCIAL LIABILITIES**	(2)	1.273.552	2.428.525	3.702.077	1.464.562	2.022.399	3.486.961
7.1	Derivative Financial Liabilities at Fair Value Through Profit or Loss		1.273.552	2.428.525	3.702.077	1.464.562	2.022.399	3.486.961
7.2	Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income		-	-	-	-	-	-
VIII.	**FACTORING LIABILITIES**		-	-	-	-	-	-
IX.	**LEASE LIABILITIES (Net)**	(7)	948.398	114.129	1.062.527	879.435	121.928	1.001.363
X.	**PROVISIONS**	(9)	9.278.734	512.274	9.791.008	7.265.341	245.485	7.510.826
10.1	Restructuring Provisions		-	-	-	-	-	-
10.2	Reserve for Employee Benefits		1.766.511	11.961	1.778.472	1.569.882	7.193	1.577.075
10.3	Insurance Technical Provisions (Net)		-	-	-	-	-	-
10.4	Other Provisions		7.512.223	500.313	8.012.536	5.695.459	238.292	5.933.751
XI.	**CURRENT TAX LIABILITY**	(10)	1.661.061	19.120	1.680.181	1.769.112	6.951	1.776.063
XII.	**DEFERRED TAX LIABILITY**	(10)	-	21.837	21.837	-	7.128	7.128
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)	-	22.741.964	22.741.964	-	13.816.234	13.816.234
14.1	Loans		-	1.314.363	1.314.363	-	768.037	768.037
14.2	Other Debt Instruments		-	21.427.601	21.427.601	-	13.048.197	13.048.197
XV.	**OTHER LIABILITIES**	(6)	24.089.118	5.675.240	29.764.358	15.978.625	4.946.160	20.924.785
XVI.	**SHAREHOLDERS' EQUITY**	(13)	107.946.273	(6.803.154)	101.143.119	93.066.833	2.006.720	95.073.553
16.1	Paid-in capital		13.100.000	-	13.100.000	13.100.000	-	13.100.000
16.2	Capital Reserves		-	-	-	(17.745)	-	(17.745)
16.2.1	Share Premium		-	-	-	-	-	-
16.2.2	Share Cancellation Profits		-	-	-	-	-	-
16.2.3	Other Capital Reserves		-	-	-	(17.745)	-	(17.745)
16.3	Accumulated Other Comprehensive Income or Expense Not Reclassified Through Profit or Loss		8.693.884	60.178	8.754.062	5.619.524	(32.697)	5.586.827
16.4	Accumulated Other Comprehensive Income or Expense Reclassified Through Profit or Loss		9.797.763	(9.020.047)	777.716	3.563.047	956.629	4.519.676
16.5	Profit Reserves		66.408.996	2.156.715	68.565.711	57.638.040	1.082.788	58.720.828
16.5.1	Legal Reserves		5.611.495	65.239	5.676.734	5.111.485	33.686	5.145.171
16.5.2	Status Reserves		-	-	-	-	-	-
16.5.3	Extraordinary Reserves		60.658.319	63.332	60.721.651	52.389.601	36.080	52.425.681
16.5.4	Other Profit Reserves		139.182	2.028.144	2.167.326	136.954	1.013.022	1.149.976
16.6	Profit or (Loss)		8.355.475	-	8.355.475	13.159.432	-	13.159.432
16.6.1	Prior Periods' Profit or (Loss)		436.497	-	436.497	3.507.980	-	3.507.980
16.6.2	Current Period Profit or (Loss)		7.918.978	-	7.918.978	9.651.452	-	9.651.452
16.7	Minority Interest		1.590.155	-	1.590.155	4.535	-	4.535
	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		703.794.572	789.739.308	1.493.533.880	559.060.804	459.472.117	1.018.532.921

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

NOTES TO THE CONSOLIDATED STATEMENT OF OFF BALANCE SHEET COMMITMENTS AS OF 31 DECEMBER 2021

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish)

	III. CONSOLIDATED OFF-BALANCE SHEET COMMITMENTS	Note (Section Five III)	Current Period 31 December 2021			Prior Period 31 December 2020		
			TL	FC	Total	TL	FC	Total
A.	**OFF-BALANCE SHEET COMMITMENTS (I+II+III)**		**248.130.209**	**701.019.633**	**949.149.842**	**202.622.377**	**429.001.864**	**631.624.241**
I.	**GUARANTEES AND WARRANTIES**	**(1,3)**	**64.309.001**	**227.996.203**	**292.305.204**	**50.318.190**	**109.735.813**	**160.054.003**
1.1	Letters of Guarantee		61.275.279	145.438.377	206.713.656	48.991.834	75.714.828	124.706.662
1.1.1	Guarantees Subject to State Tender Law		2.086.436	30.435.739	32.522.175	1.463.827	16.510.251	17.974.078
1.1.2	Guarantees Given for Foreign Trade Operations		52.152.951	76.521.243	128.674.194	41.641.970	37.911.310	79.553.280
1.1.3	Other Letters of Guarantee		7.035.892	38.481.395	45.517.287	5.886.037	21.293.267	27.179.304
1.2	Bank Acceptances		211.032	11.757.674	11.968.706	122.254	7.088.274	7.210.528
1.2.1	Import Letter of Acceptance		211.032	11.754.283	11.965.315	122.254	7.087.381	7.209.635
1.2.2	Other Bank Acceptances		-	3.391	3.391	-	893	893
1.3	Letters of Credit		866.296	64.310.028	65.176.324	997.868	23.665.410	24.663.278
1.3.1	Documentary Letters of Credit		866.296	64.179.015	65.045.311	997.868	23.562.686	24.560.554
1.3.2	Other Letters of Credit		-	131.013	131.013	-	102.724	102.724
1.4	Prefinancing Given as Guarantee		-	-	-	-	-	-
1.5	Endorsements		1.942.394	4.067.073	6.009.467	99.000	1.421.463	1.520.463
1.5.1	Endorsements to the Central Bank of Turkey		1.942.394	4.067.073	6.009.467	99.000	1.421.463	1.520.463
1.5.2	Other Endorsements		-	-	-	-	-	-
1.6	Purchase Guarantees for Securities Issued		-	-	-	-	-	-
1.7	Factoring Guarantees		-	-	-	-	-	-
1.8	Other Guarantees		14.000	2.419.706	2.433.706	98.155	1.841.367	1.939.522
1.9	Other Collaterals		-	3.345	3.345	9.079	4.471	13.550
II.	**COMMITMENTS**		**113.896.111**	**44.445.609**	**158.341.720**	**78.266.567**	**29.605.559**	**107.872.126**
2.1	Irrevocable Commitments	(1,3)	113.896.111	26.387.386	140.283.497	78.266.567	21.595.365	99.861.932
2.1.1	Asset Purchase Commitments		6.171.884	18.645.704	24.817.588	96.533	14.155.920	14.252.453
2.1.2	Deposit Purchase and Sales Commitments		-	-	-	-	-	-
2.1.3	Share Capital Commitments to Associates and Subsidiaries		3.150	-	3.150	3.150	-	3.150
2.1.4	Loan Granting Commitments		22.868.861	60.618	22.929.479	14.666.903	63.612	14.730.515
2.1.5	Securities Issue Brokerage Commitments		-	-	-	-	-	-
2.1.6	Commitments for Reserve Requirements		-	-	-	-	-	-
2.1.7	Commitments for Cheques Payments		7.058.090	76	7.058.166	5.098.792	83	5.098.875
2.1.8	Tax and Fund Liabilities from Export Commitments		22.637	-	22.637	16.428	-	16.428
2.1.9	Commitments for Credit Card Limits		61.848.867	65.822	61.914.689	44.638.928	38.696	44.677.624
2.1.10	Commitments for Credit Cards and Banking Services Promotions		102.027	-	102.027	68.632	-	68.632
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		15.820.595	7.615.166	23.435.761	13.677.201	7.337.054	21.014.255
2.2	Revocable Commitments		-	18.058.223	18.058.223	-	8.010.194	8.010.194
2.2.1	Revocable Loan Granting Commitments		-	501.351	501.351	-	205.122	205.122
2.2.2	Other Revocable Commitments		-	17.556.872	17.556.872	-	7.805.072	7.805.072
III.	**DERIVATIVE FINANCIAL INSTRUMENTS**	**(2)**	**69.925.097**	**428.577.821**	**498.502.918**	**74.037.620**	**289.660.492**	**363.698.112**
3.1	Hedging Derivative Financial Instruments		-	-	-	-	-	-
3.1.1	Transactions for Fair Value Hedge		-	-	-	-	-	-

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

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

NOTES TO THE CONSOLIDATED STATEMENT OF OFF BALANCE SHEET COMMITMENTS AS OF 31 DECEMBER 2021

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish)

	III. CONSOLIDATED OFF-BALANCE SHEET COMMITMENTS	Note (Section Five III)	Current Period 31 December 2021			Prior Period 31 December 2020		
			TL	FC	Total	TL	FC	Total
3.1.2	Transactions for Cash Flow Hedge		-	-	-	-	-	-
3.1.3	Transactions for Foreign Net Investment Hedge		-	-	-	-	-	-
3.2	Trading Derivative Financial Instruments		69.925.097	428.577.821	498.502.918	74.037.620	289.660.492	363.698.112
3.2.1	Forward Foreign Currency Buy/Sell Transactions		5.484.022	8.215.000	13.699.022	2.355.332	2.663.655	5.018.987
3.2.1.1	Forward Foreign Currency Transactions-Buy		2.461.616	4.354.090	6.815.706	1.527.355	1.008.721	2.536.076
3.2.1.2	Forward Foreign Currency Transactions-Sell		3.022.406	3.860.910	6.883.316	827.977	1.654.934	2.482.911
3.2.2	Swap Transactions Related to Foreign Currency and Interest Rates		64.441.075	410.366.391	474.807.466	71.018.140	286.360.907	357.379.047
3.2.2.1	Foreign Currency Swap-Buy		4.980.360	194.149.164	199.129.524	6.051.965	145.831.548	151.883.513
3.2.2.2	Foreign Currency Swap-Sell		59.090.715	131.942.283	191.032.998	63.436.175	87.634.053	151.070.228
3.2.2.3	Interest Rate Swap-Buy		185.000	42.137.472	42.322.472	765.000	26.447.653	27.212.653
3.2.2.4	Interest Rate Swap-Sell		185.000	42.137.472	42.322.472	765.000	26.447.653	27.212.653
3.2.3	Foreign Currency, Interest rate and Securities Options		-	9.996.430	9.996.430	-	-	-
3.2.3.1	Foreign Currency Options-Buy		-	4.998.463	4.998.463	-	-	-
3.2.3.2	Foreign Currency Options-Sell		-	4.997.967	4.997.967	-	-	-
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		-	-	-	664.148	635.930	1.300.078
3.2.4.1	Foreign Currency Futures-Buy		-	-	-	-	635.930	635.930
3.2.4.2	Foreign Currency Futures-Sell		-	-	-	664.148	-	664.148
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)**		**2.023.689.677**	**621.895.957**	**2.645.585.634**	**2.563.869.791**	**325.299.145**	**2.889.168.936**
IV.	**ITEMS HELD IN CUSTODY**		**268.786.682**	**128.563.910**	**397.350.592**	**1.179.135.773**	**66.865.796**	**1.246.001.569**
4.1	Customer Fund and Portfolio Balances		-	-	-	-	-	-
4.2	Investment Securities Held in Custody		18.330.909	54.004.146	72.335.055	17.451.168	31.490.162	48.941.330
4.3	Checks Received for Collection		25.347.206	5.545.781	30.892.987	17.101.252	2.429.665	19.530.917
4.4	Commercial Notes Received for Collection		21.658.335	2.033.670	23.692.005	14.356.213	1.383.849	15.740.062
4.5	Other Assets Received for Collection		8.816	-	8.816	8.816	-	8.816
4.6	Assets Received for Public Offering		178.476.218	811.746	179.287.964	1.100.163.673	2.864	1.100.166.537
4.7	Other Items Under Custody		24.963.549	62.095.577	87.059.126	30.053.002	28.659.397	58.712.399
4.8	Custodians		1.649	4.072.990	4.074.639	1.649	2.899.859	2.901.508
V.	**PLEDGES RECEIVED**		**1.752.586.741**	**485.083.577**	**2.237.670.318**	**1.383.210.835**	**254.082.953**	**1.637.293.788**
5.1	Marketable Securities		5.674.092	2.855.088	8.529.180	7.177.865	1.570.333	8.748.198
5.2	Guarantee Notes		26.821.920	15.320.366	42.142.286	16.760.456	7.021.330	23.781.786
5.3	Commodity		3.823.143	2.359.395	6.182.538	3.110.331	923.024	4.033.355
5.4	Warranty		-	-	-	-	-	-
5.5	Immovable		1.407.801.570	291.014.842	1.698.816.412	1.103.157.094	158.200.995	1.261.358.089
5.6	Other Pledged Items		308.460.807	173.485.771	481.946.578	252.999.880	86.339.640	339.339.520
5.7	Pledged Items-Depository		5.209	48.115	53.324	5.209	27.631	32.840
VI.	**ACCEPTED BILL, GUARANTEES AND WARRANTIES**		**2.316.254**	**8.248.470**	**10.564.724**	**1.523.183**	**4.350.396**	**5.873.579**
	TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)		**2.271.819.886**	**1.322.915.590**	**3.594.735.476**	**2.766.492.168**	**754.301.009**	**3.520.793.177**

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

NOTES TO THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS AS OF 31 DECEMBER 2021

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

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish)

	IV. CONSOLIDATED STATEMENT OF PROFIT OR LOSS	Note (Section Five IV)	Current Period 1 January-31 December 2021	Prior Period 1 January-31 December 2020
I.	**INTEREST INCOME**	**(1)**	**109.453.321**	**74.450.737**
1.1	Interest on Loans		78.419.381	56.110.001
1.2	Interest on Reserve Requirements		1.541.102	253.867
1.3	Interest on Banks		214.351	133.438
1.4	Interest on Money Market Transactions		8.658	9.219
1.5	Interest on Marketable Securities Portfolio		28.275.160	17.320.104
1.5.1	Fair Value Through Profit or Loss		362.717	181.115
1.5.2	Fair Value through Other Comprehensive Income		24.309.155	14.842.857
1.5.3	Measured at Amortized Cost		3.603.288	2.296.132
1.6	Financial Lease Interest Income		553.946	379.390
1.7	Other Interest Income		440.723	244.718
II.	**INTEREST EXPENSE (-)**	**(2)**	**66.917.573**	**36.972.540**
2.1	Interest on Deposits		44.412.446	24.374.966
2.2	Interest on Funds Borrowed		1.432.793	1.325.340
2.3	Interest Expense on Money Market Transactions		17.831.743	5.791.733
2.4	Interest on Securities Issued		2.727.815	1.923.109
2.5	Interest on Leases		147.723	125.893
2.6	Other Interest Expenses		365.053	3.431.499
III.	**NET INTEREST INCOME (I - II)**		**42.535.748**	**37.478.197**
IV.	**NET FEES AND COMMISSIONS INCOME**		**6.269.616**	**3.584.405**
4.1	Fees and Commissions Received		8.655.312	5.445.765
4.1.1	Non-cash Loans		1.449.438	1.098.536
4.1.2	Other		7.205.874	4.347.229
4.2	Fees and Commissions Paid (-)		2.385.696	1.861.360
4.2.1	Non-cash Loans		315	668
4.2.2	Other		2.385.381	1.860.692
V.	**DIVIDEND INCOME**	**(3)**	**34.726**	**7.314**
VI.	**TRADING PROFIT/(LOSS) (Net)**	**(4)**	**(10.772.786)**	**(7.636.594)**
6.1	Trading Gains/(Losses) on Securities		661.263	4.156.404
6.2	Gains/(Losses) on Derivative Financial Transactions		(11.934.566)	(5.137.049)
6.3	Foreign Exchange Gains/(Losses)		500.517	(6.655.949)
VII.	**OTHER OPERATING INCOME**	**(5)**	**5.594.561**	**5.919.245**
VIII.	**GROSS OPERATING INCOME (III+IV+V+VI+VII)**		**43.661.865**	**39.352.567**
IX.	**EXPECTED CREDIT LOSS (-)**	**(6)**	**16.285.959**	**12.194.001**
X.	**OTHER PROVISION EXPENSES (-)**	**(6)**	**507.892**	**2.874.919**
XI.	**PERSONNEL EXPENSE (-)**		**5.803.803**	**4.852.164**
XII.	**OTHER OPERATING EXPENSES (-)**	**(7)**	**10.193.937**	**8.343.307**
XIII.	**NET OPERATING PROFIT/(LOSS) (VIII-IX-X-XI-XII)**		**10.870.274**	**11.088.176**
XIV.	**EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER**		-	**-**
XV.	**PROFIT/LOSS FROM INVESTMENTS IN SUBSIDIARIES CONSOLIDATED BASED ON EQUITY METHOD**		**137.196**	**57.258**
XVI.	**PROFIT/(LOSS) ON NET MONETARY POSITION**		**-**	**-**
XVII.	**PROFIT/LOSS BEFORE TAX FROM CONTINUED OPERATIONS (XII+...+XV)**	**(10)**	**11.007.470**	**11.145.434**
XVIII.	**TAX PROVISION FOR CONTINUED OPERATIONS (±)**	**(11)**	**(3.018.958)**	**(3.348.927)**
18.1	Current Tax Provision		(3.422.904)	(3.554.074)
18.2	Deferred Tax Expense Effect (+)		(3.497.365)	(6.236.873)
18.3	Deferred Tax Income Effect (-)		3.901.311	6.442.020
XIX.	**CURRENT PERIOD PROFIT/LOSS FROM CONTINUED OPERATIONS (XVI±XVII)**	**(12)**	**7.988.512**	**7.796.507**
XX.	**INCOME FROM DISCONTINUED OPERATIONS**		**-**	**2.473.439**
20.1	Income from Non-Current Assets Held for Sale		-	1.107.539
20.2	Profit from Sales of Associates, Subsidiaries and Entities under Common		-	1.365.900
20.3	Income from Other Discontinued Operations		-	-
XXI.	**EXPENSES FOR DISCONTINUED OPERATIONS (-)**		-	**535.466**
21.1	Expenses on Non-Current Assets Held for Sale		-	535.466
21.2	Loss from Sales of Associates, Subsidiaries and Joint Ventures		-	-
21.3	Expenses for Other Discontinued Operations		-	-
XXII.	**PROFIT/LOSS BEFORE TAX FROM DISCONTINUED OPERATIONS (XIX-XX)**	**(10)**	-	**1.937.973**
XXII.	**TAX PROVISION FOR DISCONTINUED OPERATIONS (±)**	**(11)**	-	**(81.405)**
23.1	Current Tax Provision		-	(78.057)
23.2	Deferred Tax Expense Effect (+)		-	(3.766)
23.3	Deferred Tax Income Effect (-)		-	418
XXIV.	**CURRENT PERIOD PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XXII±XXIII)**	**(11)**	-	**1.856.568**
XXV.	**NET PROFIT/(LOSS) (XVIII+XXIII)**	**(12)**	**7.988.512**	**9.653.075**
25.1	Profit/(Loss) from the Group		7.918.978	9.651.452
25.2	Profit/(Loss) from Minority Interest	**(8)**	69.534	1.623
	Earnings/(Loss) per share (in TL full)		0,610	0,928

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

NOTES TO THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021

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

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish)

	V. CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	Current Period 1 Januay-31 December 2021	Prior Period 1 January-31 December 2020
I.	**PROFIT (LOSS)**	**7.988.512**	**9.653.075**
II.	**OTHER COMPREHENSIVE INCOME**	**(2.686.982)**	**3.176.865**
2.1	Other Comprehensive Income That will Not Be Reclassified To Profit or Loss	1.054.978	1.109.630
2.1.1	Gains (Losses) on Revaluation of Property, Plant and Equipment	836.615	2.133.124
2.1.2	Gains (losses) on revaluation of Intangible Assets	-	-
2.1.3	Gains (losses) on remeasurements of defined benefit plans	270.280	80.179
2.1.4	Other Components of Other Comprehensive Income That Will Not Be Reclassified to Profit Or Loss	(9.426)	(1.167.575)
2.1.5	Taxes Relating To Components Of Other Comprehensive Income That Will Not Be Reclassified To Profit Or Loss	(42.491)	63.902
2.2	Other Comprehensive Income That Will Be Reclassified to Profit or Loss	(3.741.960)	2.067.235
2.2.1	Exchange Differences on Translation	1.360.552	287.029
2.2.2	Valuation and/or Reclassification Profit or Loss from financial assets at fair value through other comprehensive income	(8.311.262)	1.425.327
2.2.3	Income (Loss) Related with Cash Flow Hedges	-	-
2.2.4	Income (Loss) Related with Hedges of Net Investments in Foreign Operations	1.550.776	644.292
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	1.657.974	(289.413)
III.	**TOTAL COMPREHENSIVE INCOME (I+II)**	**5.301.530**	**12.829.940**

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

NOTES TO THE CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS’ EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

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

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish)

						Accumulated Other Comprehensive Income or Expense Not Reclassified through Profit or Loss			Accumulated Other Comprehensive Income or Expense Reclassified through Profit or Loss								
	VI. CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS’ EQUITY	**Paid-in Capital**	**Share Premium**	**Share Cancellation profits**	**Other capital reserves**	**1**	**2**	**3(*)**	**4**	**5**	**6**	**Profit Reserves**	**Prior period net profit/(loss)**	**Current period net profit/(loss)**	**Shareholders’ Equity Before Minority Interest**	**Minority Interest**	**Total Equity**
	Current Period																
	31 December 2021																
I.	**Prior Period End Balance**	**13.100.000**	**-**	**-**	**(17.745)**	**6.136.881**	**3.716**	**(553.770)**	**3.036.019**	**839.365**	**644.292**	**58.720.828**	**13.159.432**		**95.069.018**	**4.535**	**95.073.553**
II.	**Corrections and Accounting Policy Changes Made According to TAS 8**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1	Effect of adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2	Effect of changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	**Adjusted Beginning Balance (I+II)**	**13.100.000**	**-**	**-**	**(17.745)**	**6.136.881**	**3.716**	**(553.770)**	**3.036.019**	**839.365**	**644.292**	**58.720.828**	**13.159.432**	**-**	**95.069.018**	**4.535**	**95.073.553**
IV.	**Total comprehensive income**	**-**	**-**	**-**	**-**	**846.609**	**216.224**	**(7.855)**	**1.360.552**	**(6.653.288)**	**1.550.776**	**-**	**-**	**7.918.978**	**5.231.996**	**69.534**	**5.301.530**
V.	**Capital increase by cash**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
VI.	**Capital increase by internal sources**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
VII.	**Paid-in capital inflation adjustment difference**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
VIII	**Convertible bonds to Shares**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
IX.	**Subordinated debt Instruments**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
X.	**Increase (decrease) by other changes**	**-**	**-**	**-**	**17.745**	**-**	**-**	**(2.117)**	**-**	**-**	**-**	**(824.515)**	**60.837**	**-**	**(748.050)**	**1.516.086**	**768.036**
XI.	**Profit distribution**	**-**	**-**	**-**	**-**	**-**	**-**	**2.114.374**	**-**	**-**	**-**	**10.669.398**	**(12.783.772)**	**-**	**-**	**-**	**-**
11.1	Dividends paid	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**		**-**	**-**	**-**	**-**
11.2	Transfers to Reserves	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**10.018.237**	**(10.018.237)**	**-**	**-**	**-**	**-**
11.3	Other	**-**	**-**	**-**	**-**	**-**	**-**	**2.114.374**	**-**	**-**	**-**	**651.161**	**(2.765.535)**	**-**	**-**	**-**	**-**
	Balance at the end of the period (III+IV+......+X+XI)	**13.100.000**	**-**	**-**	**-**	**6.983.490**	**219.940**	**1.550.632**	**4.396.571**	**(5.813.923)**	**2.195.068**	**68.565.711**	**436.497**	**7.918.978**	**99.552.964**	**1.590.155**	**101.143.119**

1. Increases and decreases in Tangible and Intangible Assets Revaluation Reserve

2. Accumulated Gains/Losses on Remeasurements of Defined Benefit Plans

3. Other (Other Comprehensive Income of Associates and Joint Ventures Accounted for Using Equity Method that will not be Reclassified 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

(*) Corporate Tax Law, 5. 1. e. The exemption amounts of the gains arising from the sale of immovables and affiliate shares amounting to TL 2.114.374 related to the article are followed.

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

NOTES TO THE CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL")
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish)

						Accumulated Other Comprehensive Income or Expense Not Reclassified through Profit or Loss			Accumulated Other Comprehensive Income or Expense Reclassified through Profit or Loss								
	VI. CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY	**Paid-in Capital**	**Share Premium**	**Share Cancellation profits**	**Other capital reserves**	**1**	**2**	**3**	**4**	**5**	**6**	**Profit Reserves**	**Prior period net profit/(loss)**	**Current period net profit/(loss)**	**Shareholders' Equity Before Minority Interest**	**Minority Interest**	**Total Equity**
	PRIOR PERIOD																
	31 December 2020																
I.	**Prior Period End Balance**	6.100.000	-	-	(571)	3.830.302	(60.427)	419.209	2.748.990	(296.630)	-	52.325.076	9.158.560	-	74.224.509	2.993	74.227.502
II.	**Corrections and Accounting Policy Changes Made According to TAS 8**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1	Effects of adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2	Effects of changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	**Adjusted Beginning Balance (I+II)**	6.100.000	-	-	(571)	3.830.302	(60.427)	419.209	2.748.990	(296.630)	-	52.325.076	9.158.560	-	74.224.509	2.993	74.227.502
IV.	**Total comprehensive income**	-	-	-	-	2.018.466	64.143	(972.979)	287.029	1.135.995	644.292	-	-	9.651.452	12.828.398	1.542	12.829.940
V.	**Capital increase by cash**	7.000.000	-	-	-	-	-	-	-	-	-	-	-	-	7.000.000	-	7.000.000
VI.	**Capital increase by internal sources**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	**Paid-in capital inflation adjustment difference**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII	**Convertible bonds to Shares**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	**Subordinated debt Instruments**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	**Increase (decrease) by other changes**	-	-	-	(19.370)	288.113	-	-	-	-	-	(728.699)	1.548.961	-	1.089.005	-	1.089.005
XI.	**Profit distribution**	-	-	-	2.196	-	-	-	-	-	-	7.124.451	(7.199.541)	-	(72.894)	-	(72.894)
11.1	Dividends paid	-	-	-	-	-	-	-	-	-	-	-	(72.894)	-	(72.894)	-	(72.894)
11.2	Transfers to Reserves	-	-	-	2.196	-	-	-	-	-	-	6.974.268	(6.976.464)	-	-	-	-
11.3	Other	-	-	-	-	-	-	-	-	-	-	150.183	(150.183)	-	-	-	-
	Balance at the end of the period (III+IV+......+X+XI)	13.100.000	-	-	(17.745)	6.136.881	3.716	(553.770)	3.036.019	839.365	644.292	58.720.828	3.507.980	9.651.452	95.069.018	4.535	95.073.553

1. Increases and decreases in Tangible and Intangible Assets Revaluation Reserve
2. Accumulated Gains/Losses on Remeasurements of Defined Benefit Plans
3. Other (Other Comprehensive Income of Associates and Joint Ventures Accounted for Using Equity Method that will not be Reclassified 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.

NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS AS OF 31 DECEMBER 2021

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL")
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish)

	VII. CONSOLIDATED STATEMENT OF CASH FLOWS	Note (Section Five)	Current Period 1 January-31 December 2021	Prior Period 1 January-31 December 2020
A.	**CASH FLOWS FROM BANKING OPERATIONS**			
1.1	Operating Profit Before Changes in Operating Assets and Liabilities		10.843.434	21.675.973
1.1.1	Interest Received		94.115.132	69.359.999
1.1.2	Interest Paid		(64.892.427)	(33.250.585)
1.1.3	Dividend Received		34.726	7.314
1.1.4	Fees and Commissions Received		8.916.382	6.364.892
1.1.5	Other Income		2.361.370	6.686.199
1.1.6	Collections from Previously Written-off Loans and Other Receivables		4.304.146	2.667.883
1.1.7	Cash Payments to Personnel and Service Suppliers		(6.456.199)	(5.451.129)
1.1.8	Taxes Paid		(3.967.727)	(3.711.294)
1.1.9	Other		(23.571.969)	(20.997.306)
1.2	Changes in Operating Assets and Liabilities		86.411.824	53.389.187
1.2.1	Net Increase/Decrease in Financial Assets at Fair Value Through Profit or Loss		(4.464.178)	(9.404.293)
1.2.2	Net (Increase)/Decrease in due from banks and other financial institutions		(71.745.309)	(32.409.950)
1.2.3	Net (Increase)/Decrease in loans		(120.024.538)	(146.468.732)
1.2.4	Net (Increase)/Decrease in other assets		(4.962.795)	(7.663.739)
1.2.5	Net Increase/(Decrease) in bank deposits		14.345.169	7.999.354
1.2.6	Net Increase/(Decrease) in other deposits		203.578.494	173.185.323
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		(2.610.288)	(4.616.790)
1.2.9	Net Increase/(Decrease) in payables		-	-
1.2.10	Net Increase/(Decrease) in other liabilities		72.295.269	72.768.014
I.	**Net Cash Provided from Banking Operations**		**97.255.258**	**75.065.160**
B.	**CASH FLOWS FROM INVESTING ACTIVITIES**			
II.	**Net Cash Provided from Investing Activities**		**(31.137.042)**	**(70.619.616)**
2.1	Cash Paid for Acquisition of Associates, Subsidiaries and Entities under Common Control (Joint Ventures)		(147.737)	(410.071)
2.2	Cash Obtained from Disposal of Associates, Subsidiaries and Entities under Common Control (Joint Ventures)		-	-
2.3	Purchases of Property and Equipment		(2.052.540)	(1.482.629)
2.4	Disposals of Property and Equipment		1.328.311	1.133.608
2.5	Purchase of Financial Assets at Fair Value Through Other Comprehensive Income		(70.946.216)	(114.440.414)
2.6	Sale of Financial Assets at Fair Value Through Other Comprehensive Income		41.672.891	51.339.571
2.7	Purchase of Financial Assets at Measured at Amortized Cost		(3.781.582)	(7.612.792)
2.8	Sale of Financial Assets at Measured at Amortized Cost		2.789.831	853.111
2.9	Other		-	-
C.	**CASH FLOWS FROM FINANCING ACTIVITIES**			
III.	**Net Cash Provided from Financing Activities**		**(438.619)**	**6.969.637**
3.1	Cash Obtained from Funds Borrowed and Securities Issued		17.907.409	16.688.914
3.2	Cash Used for Repayment of Funds Borrowed and Securities Issued		(17.962.537)	(16.389.618)
3.3	Issued Equity Instruments		-	7.000.000
3.4	Dividends Paid		-	-
3.5	Payments for Finance Leases		(383.491)	(329.659)
3.6	Other		-	-
IV.	**Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents**	**(1)**	**1.439.724**	**(464.042)**
V.	**Net Increase in Cash and Cash Equivalents (I+II+III+IV)**		**67.119.321**	**10.951.139**
VI.	**Cash and Cash Equivalents at the Beginning of the Period**	**(1)**	**43.002.234**	**32.051.095**
VII.	**Cash and Cash Equivalents at the End of the Period**	**(1)**	**110.121.555**	**43.002.234**

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

NOTES TO THE CONSOLIDATED STATEMENT OF PROFIT DISTRIBUTION AS OF 31 DECEMBER 2021

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL")
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish)

	VIII. STATEMENT OF PROFIT DISTRIBUTION (*)	Current Period 31 December 2021	Prior Period 31 December 2020
I.	**DISTRIBUTION OF CURRENT YEAR INCOME**		
1.1	Current Year Income	8.913.442	10.834.123
1.2	Taxes and Duties Payable (-)	(2.622.133)	(3.009.104)
1.2.1	Corporate Tax (Income tax)	(2.793.348)	(3.189.501)
1.2.2	Income withholding tax		-
1.2.3	Other taxes and duties	171.215	180.397
A.	**NET INCOME FOR THE YEAR (1.1-1.2)**	6.291.309	7.825.019
1.3	Prior Year Losses (-)	-	-
1.4	First Legal Reserves (-)	-	391.251
1.5	Other Statutory Reserves (-)	-	-
B.	**NET INCOME AVAILABLE FOR DISTRIBUTION [(A-(1.3+1.4+1.5)]**	-	7.433.768
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	-	7.433.768
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	-	0,5973
3.2	To Owners of Ordinary Shares (%)	-	59,73
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 Parent Bank. As of the date of the preparation of financial statements, the meeting for Ordinary General Assembly meeting for 2021 has not been held.

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

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").

The 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 the "Communiqué on Public Disclosures on Risk Management by Banks", 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 COVID-19 pandemic, which has emerged in China, has spread to various countries around the world, causing potentially fatal respiratory infections, affects both regional and global economic conditions negatively, as well as causing malfunctions in operations, especially in countries exposed to the pandemic. As a result of the spread of COVID-19 around the world, various measures have been taken in our country as well as in the world in order to prevent the transmission of the virus and it is still being taken. In addition to these measures, economic measures are also taken to minimize the economic impact of the virus outbreak on individuals and businesses in our country and worldwide.

While preparing the financial statements dated 31 December 2021, the Parent Bank reflected the possible effects of the COVID-19 outbreak on the estimates and judgments used in the preparation of the financial statements. Fair value measurements are revised within the scope of TFRS 13 Fair Value Measurement standard, with the expected credit loss provisions reflected in the financial statements and the assumptions and judgments used in estimating these losses.

As of 31 December 2021, due to the adverse effects of the COVID-19 pandemic, the Parent Bank reviewed the valuation of financial assets whose fair value difference was reflected to other comprehensive income and whose fair value difference was reflected to profit or loss and as of the reporting date, corrections have been taken into account. The fair values were determined and accounted for as of the valuation date with the valuation reports prepared for the entity under common control monitored with their fair values, the entity under common control and the securities representing a share in the capital. On the other hand, the Parent Bank evaluated the effects of the COVID-19 pandemic with regard to the financial instruments whose fair value hierarchy was determined as Level 3 due to the fact that it involves significant estimates and judgments and there are no changes that require any correction as of the reporting date. As of 31 December 2021, the Parent Bank does not have any assets or liabilities in the fair value hierarchy that would require any adjustment due to COVID-19.

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 2021, 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. The Parent Bank increased the weight of the adverse scenario in the expected credit loss calculation.

On 20 January 2022, the Public Oversight Authority made a statement on the Implementation of Financial Reporting in High Inflation Economies within the Scope of Turkish Financial Reporting Standards. Accordingly, it has been stated that companies applying TFRS are not required to make any adjustments in their financial statements for 2021 within the scope of TAS 29 Financial Reporting in High Inflation Economies.

Changes in Accounting Policies

The Benchmark Interest Rate Reform, which brings amendments to TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16, effective from 1 January 2021, has been implemented. With the amendments made, certain exceptions are provided in the basis for determining contractual cash flows and hedge accounting provisions. The Parent Bank has participated in international protocols within the scope of IBOR transformation. The Benchmark Interest Rate Reform process continues and the Parent Bank has been continuing to work within the scope of adaptation to the changes.

Explanation for convenience translation to English:

The differences between accounting principles, as described in these preceding paragraphs and accounting principles generally accepted in countries in which consolidated financial statements are to be distributed and International Financial Reporting Standards ("IFRS") have not been quantified in these consolidated financial statements. Accordingly, these consolidated financial statements are not intended to present the financial position, results of operations and changes in financial position and cash flows in accordance with the accounting principles generally accepted in such countries and IFRS.

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 denominated in Turkish Lira, 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 cheques payments and commitments for credit card limit 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 Turkey, 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.

Cost and return of foreign currency assets are subject to a close follow up. Positive margin of profit is sustained by adjusting deposit interest rates in line with the market interest rates.

Foreign currency operations are valued by the 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 on net investment hedge accounting applied in order to hedge the said total capital amount of EUR 288.527 thousand (31 December 2020: EUR 268.075 thousand), which is associated with this purpose, from exchange rate risk effects arising from changes in foreign exchange rates, is presented in Section Four, article no 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.

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

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, taking into account 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. In order 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 interest in the consolidated balance sheet are presented separately from the liabilities and shares of the Group shareholders. In addition, minority interest are presented separately in the profit or loss statement interest.

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' Share Percentage (%)	Parent Bank's Risk Group Share Percentage (%)
Ziraat Yatırım Menkul Değerler A.Ş.	İstanbul/Turkey	Brokerage Houses	99,60	99,60
Ziraat Portföy Yönetimi A.Ş.	İstanbul/Turkey	Portfolio Management	74,90	99,80
Ziraat Katılım Bankası A.Ş.	İstanbul/Turkey	Banking	100,00	100,00
Ziraat Gayrimenkul Yatırım Ortaklığı A.Ş.	İstanbul/Turkey	Real Estate	81,06	81,06
Ziraat Girişim Sermayesi Ortaklığı A.Ş.	İstanbul/Turkey	Venture Capital	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	99,91
Kazakhstan Ziraat Int. Bank	Almaty/Kazakhstan	Banking	99,75	99,75
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 entities under common control 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	Ashkhabad/Turkmenistan	Banking	50,00	50,00
Arap Türk Bankası A.Ş.	İstanbul/Turkey	Banking	15,43	15,43

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 Consolidated 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, full indemnity 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 Reserve) 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 expense 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 consumer, corporate and entrepreneurial 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 amortized 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 by;

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

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021
(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL")
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish)

Financial Assets at Fair Value Through Profit or Loss

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

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 Turkey, Eurobonds Bench The transaction prices in the Upmarket and the funds in the Parent 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 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 finansial 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 the share in the capital are accounted with their fair values 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 by using other valuation models. The valuation differences of the said securities are followed in the "Other Accumulated Comprehensive Income or Expenses That Will Not 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 are recognized at 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 "financial assets measured at amortized cost" portfolios of the Parent Bank include Consumer Price Index (CPI) indexed bonds and lease certificates. Mentioned securities are valued and accounted according to the effective interest rate method which is calculated according to the real coupon and dividend rate and the reference inflation index on the issue date. The actual coupon and dividend 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.

The Parent Bank also updates the estimated inflation rate used throughout the year in case of necessity. At the end of the year, the actual inflation rate is used.

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 Parent Bank. Foreign exchange indexed loans are used as TL by the valid counter foreign exchange buying rate of the Parent Bank at usage date. The repayments of foreign exchange indexed loans, which were extended in TL at the Parent Bank's counter foreign exchange buying rate valid on the date of use, are collected in TL equivalents calculated over the Parent Bank's counter foreign exchange selling rate valid on the installment collection date.

VIII. EXPLANATIONS ON IMPAIRMENT OF FINANCIAL ASSETS

Explanations on Expected Loss Provisions

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.

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, using expert opinion, the Parent Bank has made provision on the model outputs for customer groups that it believed that the model did not statistically respond to credit risk factors and/or were affected by the COVID-19 outbreak. The reserve will be reviewed in the following reporting periods, considering the impact of the pandemic, 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 that are not measured at fair value through profit or loss, 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:

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021
(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL")
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish)

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)

Financial assets are transferred to stage 2 if there is a significant increase in credit risk. While 1-year expected credit loss is calculated for the at stage 1, all remaining maturity expected credit loss is calculated for loans at stage 2.

The main criteria taken into consideration in determining the credit risk of the financial asset to be significantly increased and transferred to the stage 2 are, having day-past-due more than and equal to 30 days, and the Parent Bank's internal early warning system note.

Credit-Impaired Losses (Stage 3)

Includes financial assets with unbiased evidence that they are impaired as of 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 this estimation are the Gross Domestic Product (GDP) and the consumer price index (CPI), and risk parameters are updated if deemed necessary, taking into account their compatibility with the portfolio. In addition to macroeconomic indicators, the Parent Bank takes into account the future expectations of its portfolio and the possible effects of COVID-19 in its models by using its best estimations in the presence of model variables and taking expert opinion.

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 on the Principles and Procedures Regarding the Classification of Loans and Reserves Set Aside for These Loans entered into force with its publication in the Official Gazette No.30961 on 27 November 2019. Pursuant to the regulation, 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) if it cannot reasonably be expected to be recovered. Since the reporting period, it can be written-off from the records under TFRS 9. The write-off is an accounting policy and does not result in the waiver of the right to receivable. Within the scope of this amendment, no credit has been written-off by the Group as of the reporting date.

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 a legally enforceable right 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 is 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-CURRENTS ASSETS OR DISPPOSAL GROUPS "HELD FOR SALE" AND RELATED TO DISCONTINUED 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 to 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 Parent 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 part of an entity which is classified as to be 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

Goodwill: is the difference between the acquisition cost the fair value of the identifiable assets, liabilities and contingent liabilities of the acquisition and it represents the payment that the acquirer expects to benefit in the future from assets that are not individually identifiable and separately accountable. Assets which are not included in the financial statements of the business purchased in business combinations; however, that are capable of being separated from goodwill, intangible assets and/or contingent liabilities are reflected to the financial statements with their fair values. As of the date of balance sheet, the Group has no goodwill in its financial statements. (31 December 2020: 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%.

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

XIII. EXPLANATIONS ON PROPERTY AND EQUIPMENT

Property and equipment are measured at its cost when initially recognized 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 Parent Bank has changed its accounting policies and has decided to pursue the real estates registered in its portfolio at fair values. Valuation differences arising as a result of the valuation made by independent expertise firms for real estates are accounted under the tangible and intangible fixed asset revaluation differences account under 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	3-25	4%-33,33%
Assets held under leases	4-5	20%-25%

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 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 Parent 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 Group 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.

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 so as 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 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".

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

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 makes assumptions about issues such as discount rate and inflation. As of 31 December 2021, retirement benefit obligation is TL 1.393.410 (31 December 2020: TL 1.256.959).

	Current Period	Prior Period
Discount Rate	19,20%	12,96%
Inflation	14,30%	9,37%

Communiqué on "Turkish Accounting Standard ("TAS19") about Benefits for Employee (No: 9)" published in Official Gazette by Public Oversight Accounting and Auditing Standards Authority ("POA") on 12 March 2013 numbered 28585, was entered into force for the account periods starting after 31 December 2012 on accounting treatment of actuarial profit and loss resulting from changes in actuarial assumptions or differences between actual and actuarial assumptions. Actuarial gains amounting to TL 219.940 was classified under shareholders' equity in the financials. (31 December 2020: TL 3.716 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.

Liability of T.C. Ziraat Bankası and T. Halk Bankası Members Pension and Relief Fund (TZHEMSAN)

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 Turkey ("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.

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

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 2021 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.

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. (between 1 January 2018-31 December 2020 it was applied as 22% according to law No. 7061.) The Corporate Tax rate, which is 20% in accordance with Article 11 of the Law on the Procedure of Collection of Public Receivables and the Law on the Amendment of Certain Laws, published in the Official Gazette on 22 April 2021, and the Provisional Article 13 added to the Corporate Tax Law, 25% for the corporate earnings for the period will be applied as 23% for 2022. In accordance with Article 14 of the Law, the rate to be applied for the year 2021 has started with the second corporate tax declaration period and has been valid for the corporate earnings for the taxation period starting from 1 January 2021.

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 Turkey 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 (It was changed with 89th article of code 7061 that entries into force in 5 December 2017).

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).

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 2023 financial statements 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.

Tax rates used in tax calculation considering the related countries' tax legislation as of 31 December 2021 are presented below:

Russia	20%
Kazakhstan	20%
Germany	15%
Bosnia Herzegovina	10%
Azerbaijan	20%
Montenegro	9%
Georgia	15%
Uzbekistan	20%

In accordance with TAS 12 "Turkish Accounting Standards Relating to Income Tax" and taking into account the additional regulation introduced by the Law No. 7316 of 22 April 2021, the Parent Bank calculates and recognizes deferred tax for temporary differences between the bases calculated based on the accounting policies used and valuation principles and that calculated under the tax legislation. In accordance with the relevant law, the Corporate Tax rate has been increased to 25% for the taxation period starting from 1 January 2021, starting with the declarations that must be submitted as of 1 July 2021, and this rate will be applied as 23% for the period of 2022. As of 31 December 2020, deferred tax is calculated over 20%.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and are accounted for using the balance sheet liability method. In the deferred tax calculation, the Parent Bank estimates the time when temporary differences will be taxable/deductible and uses the legal tax rates valid as of the balance sheet date in accordance with the current tax legislation. As deferred tax assets or liabilities within the scope of TAS 12 are calculated based on the tax rates (and tax laws) effective or almost certain to come into effect 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, the Parent Bank has as of 31 December 2021, deferred tax calculations were made based on rates varying between 20% and 23% on assets and liabilities. While deferred tax liabilities are calculated for all taxable temporary differences, deferred tax assets consisting of deductible temporary differences are calculated provided that it is highly probable to benefit from these differences by generating taxable profit in the future. Except for goodwill or business combinations, deferred tax liability or asset is not calculated for temporary timing differences arising from the initial recognition of assets or liabilities and which do not affect both commercial and financial profit or loss.

The carrying amount of a deferred tax asset is reviewed at each balance sheet date. Carrying amount of a deferred tax asset can be reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to be applied in the period in which the liability is settled, or the asset realized and reflected in the statement of income as expense or income. Moreover, if the deferred tax is related with items directly recorded under the equity in the same or different period, deferred tax is associated directly with equity.

Deferred tax assets and liabilities are reflected in the consolidated financial statements by offsetting in the separate financial statements of the consolidated subsidiaries.

According to 8 December 2004 BRSA.DZM.2/13/1-a-3 notice, there is no deferred tax assets on general provision and free provision. In addition to this, deferred tax asset calculation has started to be measured over temporary expected provision losses differences according to TFRS 9 articles, beginning from 1 January 2018. Deferred rate calculation for free provisions are not calculated.

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 in 2021.

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 markets receivables 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 VIII of Section Four.

XXV. EXPLANATIONS ON OTHER MATTERS

None.

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 the regulations of BRSA numbered 9312 dated 8 December 2020. Based on recent regulation changes:

- In the calculation of the amount subject to credit risk within the framework of the regulation dated 16 September 2021 and numbered 9795; When calculating the valued amounts in foreign currency, the simple arithmetic average of the Central Bank's foreign exchange buying rates for the last 252 business days before the calculation date can be used.
- 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 2021, the Group's total capital has been calculated as TL 135.084.119 (31 December 2020: TL 114.356.330), capital adequacy ratio is 15,66% (31 December 2020: 17,25%). This ratio is well above the minimum ratio required by the legislation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2021

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

(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish)

1. Information Related to the Components of Shareholders' Equity

	Current Period 31 December 2021	Amount as per the regulation before 01/01/2014*
COMMON EQUITY TIER 1 CAPITAL		
Paid-in capital following all debts in terms of claim in liquidation of the Bank	13.100.000	-
Share issue premiums	-	-
Reserves	68.565.711	-
Gains recognized in equity as per TAS	18.413.122	-
Profit	8.355.475	-
Current Period Profit	7.918.978	-
Prior Period Profit	436.497	-
Shares acquired free of charge from associates, subsidiaries and entities under common control and cannot be recognized within profit for the period	138.703	-
Minority Interest	923	
Common Equity Tier 1 Capital Before Deductions	**108.573.934**	**-**
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	3.209.640	-
Improvement costs for operating leasing	76.178	-
Goodwill (net of related tax liability)	-	-
Other intangibles other than mortgage-servicing rights (net of related tax liability)	1.677.133	1.677.133
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	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2021

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

(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish)

	Current Period 31 December 2021	Amount as per the regulation before 01/01/2014*
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	**4.962.951**	**-**
Total Common Equity Tier I Capital	**103.610.983**	**-**
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	**21.860.635**	-
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	**21.860.635**	**-**
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 Consolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital	**-**	-
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital of 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	**21.860.635**	**-**
Total Tier I Capital (Tier I Capital= Common Equity Tier I Capital + Additional Tier I Capital)	**125.471.618**	**-**
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)	9.628.527	-
Tier II Capital Before Deductions	**9.628.527**	**-**
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	**9.628.527**	**-**
Total Capital (The sum of Tier I Capital and Tier II Capital)	**135.100.145**	**-**

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

	Current Period 31 December 2021	Amount as per the regulation before 01/01/2014*
Total Tier I Capital and Tier II Capital (Total Equity)	**135.100.145**	-
Deductions from Capital Loans granted contrary to the 50th and 51th Article of the Law	-	-
Net Book Values of Movables and Immovables Exceeding the Limit Defined in the Article 57, Clause 1 of the Banking Law and the Assets Acquired against Overdue Receivables and Held for Sale Purpose but Retained more than Five Years	-	-
Other items to be defined by the BRSA	**16.026**	-
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)	135.084.119	-
Total Risk Weighted Assets	862.578.752	-
CAPITAL ADEQUACY RATIOS		
Consolidated CET 1 Capital Ratio (%)	12,01	-
Consolidated Tier I Capital Ratio (%)	14,55	-
Consolidated Capital Adequacy Ratio (%)	15,66	-
BUFFERS		
Total additional core capital requirement ratio (a+b+c)	4,56	-
a) Capital conservation buffer requirement (%)	2,5	-
b) Bank specific countercyclical buffer requirement (%)	0,06	-
c) Higher bank buffer requirement ratio (%)	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	7,51	-
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	251.635	-
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	95.387	-
Remaining Mortgage Servicing Rights		-
Net Deferred Tax Assets arising from Temporary Differences	2.991.519	-
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	19.856.675	-
General Loan Provisions for Exposures in Standard Approach Limited by 1.25% of Risk Weighted Assets	9.628.527	-
Total Loan Provision that Exceeds Total Expected Loss Calculated According to Communique on Calculation of Credit Risk by Internal Ratings Based Approach	-	-
Total Loan Provision that Exceeds Total Expected Loss Calculated According to Communique 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	-	-

(*) Amounts considered within transition provisions.

	Prior Period 31 December 2020	Amount as per the regulation before 01/01/2014*
COMMON EQUITY TIER 1 CAPITAL		
Paid-in capital following all debts in terms of claim in liquidation of the Bank	13.100.000	-
Share issue premiums	-	-
Reserves	58.720.828	-
Gains recognized in equity as per TAS	10.121.812	-
Profit	13.159.432	-
Current Period Profit	9.651.452	-
Prior Period Profit	3.507.980	-
Shares acquired free of charge from associates, subsidiaries and entities under common control and cannot be recognized within profit for the period	17.388	-
Minority Interest	555	
Common Equity Tier 1 Capital Before Deductions	**95.120.015**	**-**
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	50.442	-
Improvement costs for operating leasing	44.857	-
Goodwill (net of related tax liability)	-	-
Other intangibles other than mortgage-servicing rights (net of related tax liability)	1.214.133	1.214.133
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	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2021

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish)

	Prior Period 31 December 2020	Amount as per the regulation before 01/01/2014*
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	**1.309.432**	**-**
Total Common Equity Tier I Capital	**93.810.583**	**-**
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	13.317.710	-
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	**13.317.710**	**-**
Total Tier I Capital and Tier II Capital (Total Equity)	-	-
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 Consolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital	-	-
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital of Consolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital	-	-
Other Items to be defined by the BRSA (-)	-	-
Transition from the Core Capital to Continue to deduce Components		
Goodwill and other intangible assets and related deferred tax liabilities which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
Net deferred tax asset/liability which is not deducted from Common Equity Tier 1 capital for the purposes of the sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-	-
Total Deductions from Additional Tier I Capital	**-**	**-**
Total Additional Tier I Capital	**13.317.710**	**-**
Total Tier I Capital (Tier I Capital= Common Equity Tier I Capital + Additional Tier I Capital)	**107.128.293**	**-**
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 (Covered by Temporary Article 3)	-	-
Third parties' share in the secondary capital	-	-
Provisions (Article 8 of the Regulation on the Equity of Banks)	7.251.206	-
Tier II Capital Before Deductions	**7.251.206**	**-**
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	**7.251.206**	**-**
Total Capital (The sum of Tier I Capital and Tier II Capital)	**114.379.499**	**-**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2021

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish)

	Prior Period 31 December 2020	Amount as per the regulation before 01/01/2014*
Total Capital (The sum of Tier I Capital and Tier II Capital)	**114.379.499**	**-**
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 Purpose but Retained more than Five Years	-	-
Other items to be defined by the BRSA (-)	23.169	-
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)	114.356.330	-
Total Risk Weighted Assets	663.051.749	-
CAPITAL ADEQUACY RATIOS		
Consolidated CET 1 Capital Ratio (%)	14,15	-
Consolidated Tier I Capital Ratio (%)	16,16	-
Consolidated Capital Adequacy Ratio (%)	17,25	-
BUFFERS		
Total additional core capital requirement ratio (a+b+c)	4,56	-
a) Capital conservation buffer requirement (%)	2,50	-
b) Bank specific countercyclical buffer requirement (%)	0,059	-
c) Higher bank buffer requirement ratio (%)	2,00	-
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	9,65	-
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	199.294	-
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	54.586	-
Remaining Mortgage Servicing Rights	-	-
Net Deferred Tax Assets arising from Temporary Differences	862.112	-
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	10.396.404	-
General Loan Provisions for Exposures in Standard Approach Limited by 1.25% of Risk Weighted Assets	7.251.206	-
Total Loan Provision that Exceeds Total Expected Loss Calculated According to Communique on Calculation of Credit Risk by Internal Ratings Based Approach	-	-
Total Loan Provision that Exceeds Total Expected Loss Calculated According to Communique 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 01 January 2018-01 January 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	-	-

(*) Amounts considered within transition provisions.

2. Items Included in Capital Calculation

Information about instruments included in total capital calculation-Current Period		
	T.C. Ziraat Bankası A.Ş.	**Ziraat Katılım Bankası A.Ş.**
Issuer	T.C. Ziraat Bankası A.Ş.	Türkiye Varlık Fonu Yönetimi A.Ş.
Identifier (CUSIP, ISIN vb.)	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 and Communique on Principles Regarding Debt Securities to be Included in the Calculation of Banks' Equity of the BRSA.	The Regulation on Bank Capital and Communique on Principles Regarding Debt Securities to be Included in the Calculation of Banks' Equity of the BRSA.
	Regulatory treatment	
Subject to 10% deduction as of 1/1/2015	None	None
Eligible on unconsolidated and/or unconsolidated basis	Eligible on consolidated and unconsolidated	Eligible on consolidated and unconsolidated
Instrument type	Additional Capital Bond Issuance (Tier 1 Capital)	Additional Capital Credit (Tier 1 Capital)
Amount recognized in regulatory capital (Currency in TL million, as of most recent reporting date)	20.710	1.150
Nominal value of instrument (TL million)	20.710	1.474
Accounting classification of the instrument	347001-Subordinated Debts Instruments	347000- Subordinated Loans
Original date of issuance	24 April 2019	24 April 2019
Maturity structure of the instrument (perpetual/dated)	Perpetual	Perpetual
Issue date of the instrument	24 April 2019	24 April 2019
Issuer call subject to prior supervisory (BRSA) approval	Yes	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.	Option date is 5 years, (subject to BRSA permission)
Subsequent call dates, if applicable	24.04.2024	
	Interest/dividend payment	
Fixed or floating coupon/dividend payments	Fixed	None
Coupon rate and any related index	First 5 years fixed 5,076%, next 5 years MS + 5,031% fixed	None
Existence of any dividend payment restriction	None	None
Fully discretionary, partially discretionary or mandatory	Fully discretionary	None
Existence of step up or other incentive to redeem	None	None
Noncumulative or cumulative	Noncumulative	None

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021
(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL")
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish)

	Convertible into equity shares	
If convertible, conversion trigger (s)	None	None
If convertible, fully or partially	None	None
If convertible, conversion rate	None	None
If convertible, mandatory or optional conversion	None	None
If convertible, type of instrument convertible into	None	None
If convertible, issuer of instrument to be converted into	None	None
	Write-down feature	
If bonds can be written-down, write-down trigger(s)	Yes. Article 7 of the Regulation on Bank Capital	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	Has full or partial write down feature	Has full or partial write down feature
If bond can be written-down, permanent or temporary	Has permanent or temporary write down feature	Has temporary write down feature.
If temporary write-down, description of write-up mechanism.	Has-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)	After the debt instruments to be included in secondary capital calculation, the depositors and all other creditors	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.	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.	Instrument is in compliant with Article 7 of the Regulation on Bank Capital.

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

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	**101.143.119**	**95.073.553**
Operational Leasing Development Costs	(76.178)	(44.857)
Goodwill and Other Intangible Assets and Related Deferred Taxes Liabilities	(1.677.133)	(1.214.133)
TIER 2 Capital (Provisions)	9.628.527	7.251.206
Debt Instruments and the Related Issuance Premiums Defined by the BRSA TIER 2 Capital (Provisions)	21.860.635	13.317.710
Other deductions from common equity	(16.026)	(23.169)
Minority interest	(1.589.232)	(3.980)
Other regulations	5.810.407	-
Amount recognized in regulatory capital	**135.084.119**	**114.356.330**

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 nonfinancial 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 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.

After the opening of the lines of the commercial loans, the firms are continued to be monitored and the changes at the financial structures and market relations of the credit firms are followed. The credit limits are identified and approved for one year and renewed in case of no negative change in the situation of the customer (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 29% and 34% respectively (31 December 2020: 23% and 27%).

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 2020: 48% and 59%).

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 2020: 24% and 30%).

The total amount of the first and second phase provisions set aside for the credit risk undertaken by the Group is TL 19.764.706. (31 December 2020: TL 10.303.277)

(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 bank	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 snd unconditional receivables secured by mortgages	Past due receivables	Receivables defined in high risk category by BRSA	Securities collateralised by mortgages	Securitization positions	Short-term receivables rom banks, brokerage houses and corporates	Invest- ments similar to collective investmet funds	Invesments in Equity Instruments	Other receivables	Total
Current Period																		
Domestic	466.229.438	463.257	6.043.516	-	-	21.634.146	439.273.197	283.055.124	106.002.214	4.252.148	11.652.938	-	-	-	1.065.711	1.349.590	37.418.927	1.378.440.206
European Union Countries	403.034	-	-	-	-	53.719.505	8.317.504	356.679	145.032	6.269	33.984	-	-	-	-	3.645	173.956	63.159.608
OECD Countries [1]	-	-	-	-	-	1.795.066	465.167	37.947	17.369	477	4.295	-	-	-	-	-	-	2.320.321
Off-shore banking	37	-	-	-	-	1.202.275	198.913	1.496	2.557	4	134	-	-	-	-	-	-	1.405.416
Usa, Canada	-	-	-	-	-	1.818.472	434.135	24.952	17.271	487	1.356	-	-	-	-	-	-	2.296.673
Other Countries	3.332.116	17.051	24	-	-	6.769.972	9.138.580	2.221.951	204.785	3.795	6.630.047	-	-	-	-	312.987	2.385.573	31.016.881
Subsidiaries, Associates and Joint Ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10.923	388.743	100	399.766
Unallocated Assets/ Liabilities [2]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	**469.964.625**	**480.308**	**6.043.540**	**-**	**-**	**86.939.436**	**457.827.496**	**285.698.149**	**106.389.228**	**4.263.180**	**18.322.754**	**-**	**-**	**-**	**1.076.634**	**2.054.965**	**39.978.556**	**1.479.038.871**

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 bank	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	Past due receivables	Receivables defined in high risk category by BRSA	Securities collateralised by mortgages	Securitization positions	Short-term receivables rom banks, brokerage houses and corporates	Investments similar to collective investmet funds	Invesments in Equity Instruments	Other receivables	Total
Prior Period																		
Domestic	229.733.733	536.899	763.014	-	-	34.987.970	326.130.329	252.803.855	100.831.143	3.911.447	106.954	-	-	-	1.873.895	246.995	39.267.401	991.193.635
European Union Countries	324.326	-	-	-	-	49.319.220	5.323.640	385.102	153.533	4.665	286	-	-	-	-	12	86.423	55.597.207
OECD Countries[1]	-	-	-	-	-	572.949	479.121	16.942	10.767	107	4	-	-	-	-	-	574	1.080.464
Off-shore banking	10	-	-	-	-	423.997	-	250	1.607	2	-	-	-	-	-	-	6	425.872
Usa, Canada	-	-	-	-	-	981.262	510.295	25.311	18.445	682	-	-	-	-	-	-	357	1.536.352
Other Countries	2.321.924	11.170	26	-	-	2.869.824	6.294.153	3.325.728	193.505	78.242	2.659.422	-	-	-	-	137.805	1.028.582	18.920.381
Subsidiaries, Associates and Joint Ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	203.969	318.295	100	522.364
Unallocated Assets/ Liabilities [2]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	**232.379.993**	**548.069**	**763.040**	**-**	**-**	**89.155.222,00**	**338.737.538**	**256.557.188**	**101.209.000**	**3.995.145**	**2.766.666**	**-**	**-**	**-**	**2.077.864**	**703.107**	**40.383.443**	**1.069.276.275**

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2021

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL")
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish)

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	Past due receivables	Receivables defined in high risk category by BRSA	Securities collateralised by mortgages	Securitization positions	Short-term from banks, brokerage houses and corporates	Investments similar to collective investment funds	Investments in Equity Instruments	Other Recivables	TL	FC	Total
Sectors/Counter Parties																				
Agriculture	82	1.078	10.881	-	-	-	14.646.439	88.172.607	5.272.058	263.782	1.938	-	-	-	-	214.435	-	107.867.185	716.115	108.583.300
Farming and Stockbreeding	5	1.078	10.881	-	-	-	13.989.591	87.746.978	5.242.773	262.287	1.846	-	-	-	-	214.435	-	107.177.086	292.788	107.469.874
Forestry	77	-	-	-	-	-	63.782	337.997	16.740	414	2	-	-	-	-	-	-	401.413	17.599	419.012
Fishing	-	-	-	-	-	-	593.066	87.632	12.545	1.081	90	-	-	-	-	-	-	288.686	405.728	694.414
Manufacturing	1.608.905	585	272.330	-	-	-	186.384.075	24.778.485	1.979.225	373.673	11.431	-	-	-	-	196.154	-	98.491.323	117.113.540	215.604.863
Mining and Quarrying	-	-	-	-	-	-	9.233.033	369.933	51.629	4.216	28	-	-	-	-	-	-	2.038.979	7.619.860	9.658.839
Production	1.608.897	7	110.647	-	-	-	136.277.381	24.120.136	1.887.971	365.882	11.383	-	-	-	-	196.154	-	87.653.952	76.924.506	164.578.458
Electric, Gas and Water	8	578	161.683	-	-	-	40.873.661	288.416	39.625	3.575	20	-	-	-	-	-	-	8.798.392	32.569.174	41.367.566
Construction	-	-	11	-	-	-	58.679.415	8.826.535	1.965.347	222.957	36.906	-	-	-	216.669	119.622	-	34.876.109	35.191.353	70.067.462
Services	265.706.017	18.767	427.461	-	-	86.851.466	172.785.520	53.401.901	4.472.691	624.318	1.708.463	-	-	-	859.924	1.355.629	29.927.596	248.136.926	370.002.827	618.139.753
Wholesale and Retail Trade	-	20	7.573	-	-	-	43.729.838	38.868.235	2.861.309	484.077	6.751	-	-	-	-	-	-	71.468.144	14.489.659	85.957.803
Hotel Food and Beverage Services	6.711	35	1.288	-	-	-	12.440.806	3.485.085	398.457	40.838	3.308	-	-	-	-	-	-	6.035.251	10.341.277	16.376.528
Transportation and Telecommunication	-	25	328.705	-	-	-	58.067.937	4.872.330	331.060	40.702	1.800	-	-	-	-	-	-	9.687.950	53.954.609	63.642.559
Financial Institutions	265.384.098	-	9.858	-	-	82.659.649	5.197.605	26.595	6.695	5	1.694.761	-	-	-	519.087	-554.863	29.927.596	126.657.876	258.213.206	384.871.082
Real Estatete and Leasing Services	236.571	18.686	17.194	-	-	4.191.817	49.942.402	4.552.574	744.515	41.494	1.699	-	-	-	340.837	1.910.492	-	30.044.409	31.953.876	61.998.285
Self Employment Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Education Services	77.122	-	28.501	-	-	-	1.293.562	616.265	76.969	10.470	26	-	-	-	-	-	-	1.572.313	530.602	2.102.915
Health and Social Services	1.515	1	34.342	-	-	-	2.113.370	980.817	53.686	6.732	118	-	-	-	-	-	-	2.670.983	519.598	3.190.581
Other	202.649.621	459.878	5.332.857	-	-	87.970	25.332.047	110.518.621	92.699.907	2.778.450	16.564.016	-	-	-	41	169.125	10.050.960	307.486.287	159.157.206	466.643.493
Total	**469.964.625**	**480.308**	**6.043.540**	**-**	**-**	**86.939.436**	**457.827.496**	**285.698.149**	**106.389.228**	**4.263.180**	**18.322.754**	**-**	**-**	**-**	**1.076.634**	**2.054.965**	**39.978.556**	**796.857.830**	**682.181.041**	**1.479.038.871**

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

	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	Past due receivables	Receivables defined in high risk category by BRSA	Securities collateralised 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
Sectors/Counter Parties																				
Agriculture	92	356	4.612	-	-	-	7.095.182	64.362.446	15.902.777	311.309	1.050	-	-	-	-	-	1.823.019	88.851.015	649.828	89.500.843
Farming and Stockbreeding	5	356	4.612	-	-	-	6.409.739	63.372.866	15.690.613	304.375	280	-	-	-	-	-	1.805.739	87.240.129	348.456	87.588.585
Forestry	87	-	-	-	-	-	59.716	370.303	78.315	1.898	7	-	-	-	-	-	12.855	516.544	6.637	523.181
Fishing	-	-	-	-	-	-	625.727	619.277	133.849	5.036	763	-	-	-	-	-	4.425	1.094.342	294.735	1.389.077
Manufacturing	109.312	683	245.890	-	-	-	142.685.606	27.973.361	12.326.844	514.318	11.746	-	-	-	-	38.948	356.927	96.261.345	88.002.290	184.263.635
Mining and Quarrying	-	-	2.736	-	-	-	7.210.149	342.688	151.385	3.419	45	-	-	-	-	-	134	1.954.255	5.756.301	7.710.556
Production	109.305	4	234.863	-	-	-	101.028.479	27.433.577	11.937.460	461.136	11.437	-	-	-	-	-	355.661	87.595.225	53.976.697	141.571.922
Electric, Gas and Water	7	679	8.291	-	-	-	34.446.978	197.096	237.999	49.763	264	-	-	-	-	38.948	1.132	6.711.865	28.269.292	34.981.157
Construction	-	-	71.547	-	-	-	44.075.516	7.909.278	5.163.311	918.930	198.123	-	-	-	243.923	-	32.507	34.269.035	24.344.100	58.613.135
Services	91.326.268	1.329	213.305	-	-	88.075.171	132.685.425	65.787.923	22.742.991	1.297.379	963.494	-	-	-	1.833.941	542.422	27.835.083	201.818.656	231.486.075	433.304.731
Wholesale and Retail Trade	4	20	8.314	-	-	-	39.353.451	46.362.844	14.116.226	756.760	7.472	-	-	-	-	69.981	95.061	88.858.054	11.912.079	100.770.133
Hotel Food and Beverage Services	5.800	35	1.676	-	-	-	9.252.108	4.983.261	2.464.940	124.383	260	-	-	-	-	-	17.096	9.035.248	7.814.311	16.849.559
Transportation and Telecommunication	4.226	163	105.714	-	-	-	43.053.545	7.320.684	3.072.453	81.962	2.210	-	-	-	-	-	38.513	12.772.298	40.907.172	53.679.470
Financial Institutions	90.812.667	-	6.088	-	-	79.210.387	3.440.531	19.255	12.923	13	951.960	-	-	-	322.294	472.441	27.676.744	56.023.581	146.901.722	202.925.303
Sectors/Counter Parties	423.838	1.089	23.663	-	-	8.864.784	34.936.769	5.214.373	2.461.739	285.117	1.529	-	-	-	1.511.647	-	6.413	30.606.531	23.124.430	53.730.961
Real Estatete and Leasing Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Self Employment Services	78.241	-	38.632	-	-	-	842.031	650.386	208.417	21.025	43	-	-	-	-	-	599	1.398.444	440.930	1.839.374
Education Services	1.492	22	29.218	-	-	-	1.806.990	1.237.120	406.293	28.119	20	-	-	-	-	-	657	3.124.500	385.431	3.509.931
Health and Social Services	140.944.321	545.701	227.686	-	-	1.080.051	12.195.809	90.524.180	45.073.077	953.209	1.592.253	-	-	-	-	121.737	10.335.907	218.930.116	84.663.815	303.593.931
Other	**232.379.993**	**548.069**	**763.040**	**-**	**-**	**89.155.222**	**338.737.538**	**256.557.188**	**101.209.000**	**3.995.145**	**2.766.666**	**-**	**-**	**-**	**2.077.864**	**703.107**	**40.383.443**	**640.130.167**	**429.146.108**	**1.069.276.275**

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

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	120.195.995	9.301.808	3.154.865	18.347.515	318.964.442
Conditional and unconditional exposures to regional governments or local authorities	7.863	1.839	9.991	91.227	369.388
Conditional and unconditional receivables from administrative units and non-commercial enterprises	46.482	3.227	506.799	194.452	5.292.580
Conditional and unconditional exposures to multilateral development banks	-	-	-	-	-
Conditional and unconditional exposures to international organisations	-	-	-	-	-
Conditional and unconditional exposures to banks and brokerage houses	32.541.315	16.932.692	5.222.004	3.474.173	28.769.252
Conditional and unconditional exposures to corporates	14.060.925	29.291.933	32.262.046	103.139.884	279.072.708
Conditional and unconditional retail exposures	3.268.755	10.042.445	11.223.112	85.474.845	175.688.992
Conditional and unconditional exposures secured by real estate property	178.822	757.971	918.768	5.389.712	99.143.955
Past due receivables	824.342	100.478	94.399	166.813	3.077.148
Receivables defined in high risk category by BRSA	2.269.085	199.529	1.121.556	1.513.906	13.218.678
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	-	68.611	-	89.640	918.383
Investments in Equity Instruments	-	-	-	-	2.054.965
Grand Total	**173.393.584**	**66.700.533**	**54.513.540**	**217.882.167**	**926.570.491**

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

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021
(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL")
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish)

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	7.987.543	3.893.690	3.754.214	7.083.518	209.661.028
Conditional and unconditional exposures to regional governments or local authorities	3.611	6.970	22.078	22.473	492.937
Conditional and unconditional receivables from administrative units and non-commercial enterprises	11.701	21.636	160.105	125.262	444.336
Conditional and unconditional exposures to multilateral development banks	-	-	-	-	-
Conditional and unconditional exposures to international organisations	-	-	-	-	-
Conditional and unconditional exposures to banks and brokerage houses	51.904.354	11.457.848	2.623.228	2.976.655	20.193.137
Conditional and unconditional exposures to corporates	9.579.447	17.296.467	17.369.732	55.516.521	238.975.371
Conditional and unconditional retail exposures	3.988.085	6.051.321	7.527.840	52.690.243	186.299.699
Conditional and unconditional exposures secured by real estate property	457.169	1.027.114	1.181.826	9.870.835	88.672.056
Past due receivables	1.314.035	52.610	75.175	112.406	2.440.919
Receivables defined in high risk category by BRSA	845.100	25.225	100.461	615.542	1.180.338
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	28.760	54.334	398.802	248.402	1.347.566
Investments in Equity Instruments	-	-	-	-	703.107
Grand Total	**76.119.805**	**39.887.215**	**33.213.461**	**129.261.857**	**750.410.494**

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 "Unrated" 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.

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%	2%	10%	20%	35%	50%	75%	100%	150%	200%	Other	Deductions from Equity
1	Exposures before Credit Risk Mitigation	475.305.383	-	-	27.463.700	3.438.596	76.174.991	348.878.623	514.842.373	18.313.684	-	14.621.521	1.769.337
2	Exposures after Credit Risk Mitigation	563.610.970	-	-	12.389.612	70.871.811	77.304.996	252.223.212	483.294.235	18.216.712	-	1.127.323	1.769.337

Prepared with the numbers after conversion rate to credit

Prior Period

	Risk Weights	0%	2%(*)	10%	20%	35%	50%	75%	100%	150%	200%	1250%	Deductions from Equity
1	Exposures before Credit Risk Mitigation	245.211.123	21.067.850	-	27.650.954	2.650.349	42.406.404	343.604.303	383.941.291	2.744.001	-	-	1.282.159
2	Exposures after Credit Risk Mitigation	345.642.501	1.581.631	-	16.572.834	71.304.824	61.234.416	221.494.128	348.703.954	2.741.987	-	-	1.282.159

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 CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL")
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish)

6. Information in terms of major sectors and type of counterparties

Current Period	Loans		Provision
	Impaired (TFRS 9)		
	Significant Increase in Credit Risk (Stage 2)	Non-performing loans (Stage 3)	Provisions for Expected Credit Loss (TFRS)
Agriculture	**6.163.652**	**1.252.576**	**1.160.147**
Farming and Stockbreeding	6.134.911	1.234.196	1.144.857
Forestry	18.739	11.537	9.463
Fishery	10.002	6.843	5.827
Manufacturing	**28.942.182**	**3.078.357**	**11.596.817**
Mining and Quarrying	252.933	37.923	58.031
Production	23.900.303	2.809.180	10.211.423
Electricity, Gas and Water	4.788.946	231.254	1.327.363
Construction	**9.602.610**	**3.410.313**	**5.032.188**
Services	**25.692.112**	**6.093.893**	**8.156.349**
Wholesale and Retail Trade	7.439.596	3.647.863	3.125.350
Accommodation and Dining	6.076.332	594.100	1.016.795
Transportation and Telecom.	979.903	217.375	183.586
Financial Institutions	146.444	11.664	9.760
Real Estate and Rental Services	9.360.640	1.464.067	3.437.207
Professional Services	3.330	174	130
Educational Services	698.445	82.069	76.917
Health and Social Services	987.422	76.581	306.604
Other	**14.287.873**	**6.371.061**	**4.319.208**
Total	**84.688.429**	**20.206.200**	**30.264.709**

Prior Period	Loans		Provision
	Impaired (TFRS 9)		
	Significant Increase in Credit Risk (Stage 2)	Non-performing loans (Stage 3)	Provisions for Expected Credit Loss (TFRS)
Agriculture	**2.736.308**	**2.024.815**	**1.246.624**
Farming and Stockbreeding	2.721.259	2.001.127	1.227.323
Forestry	4.590	12.258	10.179
Fishery	10.459	11.430	9.122
Manufacturing	**17.332.160**	**2.817.918**	**6.268.999**
Mining and Quarrying	141.979	38.627	57.255
Production	14.027.766	2.540.613	5.538.464
Electricity, Gas and Water	3.162.415	238.678	673.280
Construction	**4.636.989**	**3.257.106**	**2.815.258**
Services	**10.242.014**	**5.746.448**	**5.399.666**
Wholesale and Retail Trade	3.618.857	3.344.457	2.902.166
Accommodation and Dining	2.797.299	408.248	407.206
Transportation and Telecom.	230.312	294.026	229.964
Financial Institutions	11.997	53.519	52.819
Real Estate and Rental Services	2.563.665	1.461.697	1.418.643
Professional Services	-	502	268
Educational Services	115.954	89.149	73.284
Health and Social Services	903.930	94.850	315.316
Other	**5.031.966**	**2.834.927**	**2.404.111**
Total	**39.979.437**	**16.681.214**	**18.134.658**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2021

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

(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish)

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	11.911.061	5.273.331	(2.953.820)	1.042.324	15.272.896
2	Stage 1 and 2 Expected Loss Provisions	9.111.627	9.858.415	(1.318.091)	(30)	17.651.921

	Prior Period	Opening Balance	Provision for Period	Provision Reversals	Other Adjustments	Closing Balance
1	Stage 3 Expected Loss Provisions	9.202.528	3.791.820	(1.691.127)	607.840	11.911.061
2	Stage 1 and 2 Expected Loss Provisions	4.959.763	6.586.672	(2.434.808)	-	9.111.627

8. Risks Included Capital Capacity Buffer Calculations

Current Period

Country	Banking Accounts RWA	Trading Accounts RWA	TOTAL
Bosnia and Herzegovina	5.057.363	-	5.057.363
Germany	49.552.789	-	49.552.789
Azerbaijan	2.875.782	-	2.875.782
Turkish Republic of Northern Cyprus	2.307.808	-	2.307.808
Holland	2.238.210	-	2.238.210
Kazakhstan	2.040.795	-	2.040.795
Uzbekistan	1.585.613	-	1.585.613
Iraq	1.130.892	422.709	1.553.601
Russia	1.436.290	-	1.436.290
USA	452.491	957.428	1.409.919
Other	5.711.243	223.654	5.934.897

Prior Period

Country	Banking Accounts RWA	Trading Accounts RWA	TOTAL
Bosnia and Herzegovina	6.050.995	-	6.050.995
Germany	4.115.233	-	4.115.233
Turkish Republic of Northern Cyprus	1.592.974	-	1.592.974
Azerbaijan	1.579.233	-	1.579.233
Holland	1.438.561	-	1.438.561
Kazakhstan	1.349.362	-	1.349.362
USA	428.599	527.070	955.669
Montenegro	873.394	-	873.394
Iraq	676.683	190.941	867.624
Russia	800.109	-	800.109
Other	4.385.639	92.763	4.478.402

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2021

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

(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish)

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 Directors

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.

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 currency risk and within the scope of legal reporting, Foreign Currency Net General Position/Equity ratio and Foreign Currency Liquidity Position are regularly monitored. The Parent Bank manages the Turkish Lira or foreign currency risks that may occur in the domestic and international markets and follows the transactions that create these risks, and manages these risks at optimum levels within the framework of market expectations and within the scope of its strategies by considering the balances with other financial risks. Sensitivity analysis regarding the currency risk that the Group is exposed to is explained in Note 8.

4. 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
24.12.2021	11,6027	13,1354	8,3830	1,7669	1,2743	12,6295	9,0547	1,3132	15,5569	3,0899	10,1467
27.12.2021	11,3014	12,7989	8,1687	1,7215	1,2396	12,3123	8,8217	1,2761	15,1744	3,0097	9,8496
28.12.2021	11,7363	13,2608	8,4959	1,7838	1,2943	12,7832	9,1704	1,3327	15,7712	3,1250	10,2205
29.12.2021	12,5456	14,2342	9,0893	1,9150	1,3890	13,7155	9,7905	1,4270	16,9039	3,3428	10,9339
30.12.2021	12,9903	14,7271	9,4465	1,9809	1,4387	14,2219	10,1653	1,4768	17,5538	3,4606	11,2880
31.12.2021	13,0427	14,7930	9,4690	1,9897	1,4374	14,2745	10,2803	1,4770	17,6193	3,4745	11,3326

5. Simple 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
13,5272	15,2892	9,6790	2,0565	1,4878	14,6958	10,5750	1,5067	17,9950	3,6048	11,8897

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 Turkey	74.628.332	97.533.297	28.995.543	201.157.172
Banks [7]	5.853.482	6.163.158	4.742.338	16.758.978
Financial Assets at Fair Value Through Profit and Loss	-	983.997	25.547.096	26.531.093
Money Markets Receivables	-	-	450.634	450.634
Financial Assets at Fair Value Through Other Comprehensive Income	11.533.705	142.913.166	352.093	154.798.964
Loans [1] [6]	134.015.413	156.485.933	7.635.290	298.136.636
Subsidiaries, Associates, Entities Under Common Control (Joint Ventures)	-	486.755	26.502	513.257
Financial Assets Measured at Amortized Cost	25.313.443	6.592.181	69.979	31.975.603
Derivative Financial Assets for Hedging Purposes	-	-	-	-
Tangible Fixed Assets	264.160	4.561	922.965	1.191.686
Intangible Assets	43.387	6.660	71.845	121.892
Other Assets [3]	1.647.467	2.405.000	450.550	4.503.017
Total Assets [4]	**253.299.389**	**413.574.708**	**69.264.835**	**736.138.932**
Liabilities				
Interbank Deposits	**36.018.897**	**3.338.701**	**2.235.979**	**41.593.577**
Foreign Currency Deposits	268.679.015	240.545.195	91.566.902	600.791.112
Money Markets Borrowings	-	37.053.037	-	37.053.037
Funds Provided from Other Financial Institutions	19.512.810	39.534.423	1.392.692	60.439.925
Issued Marketable Securities[5]	21.427.602	25.151.350	371	46.579.323
Miscellaneous Payables	2.116.368	1.199.502	254.979	3.570.849
Derivative Financial Liabilities for Hedging Purposes	-	-	-	-
Other Liabilities	2.950.533	3.130.801	433.305	6.514.639
Total Liabilities	**350.705.225**	**349.953.009**	**95.884.228**	**796.542.462**
Net Balance Sheet Position	**(97.405.836)**	**63.621.699**	**(26.619.393)**	**(60.403.530)**
Net Off-Balance Sheet Position[2]	**100.986.295**	**(70.381.915)**	**32.096.177**	**62.700.557**
Financial Derivative Assets	114.544.132	92.671.196	38.423.861	245.639.189
Financial Derivative Liabilities	13.557.837	163.053.111	6.327.684	182.938.632
Non-Cash Loans	**82.654.563**	**128.029.712**	**17.311.928**	**227.996.203**
Prior Period				
Total Assets	137.052.937	219.153.377	40.345.214	396.551.528
Total Liabilities	194.188.510	204.513.430	58.763.457	457.465.397
Net Balance Sheet Position	**(57.135.573)**	**14.639.947**	**(18.418.243)**	**(60.913.869)**
Net Off-Balance Sheet Position [2]	**57.329.355**	**(24.817.036)**	**25.674.893**	**58.187.212**
Financial Derivative Assets	66.178.121	80.849.019	26.896.712	173.923.852
Financial Derivative Liabilities	8.848.766	105.666.055	1.221.819	115.736.640
Non-Cash Loans	**47.061.577**	**53.914.659**	**8.759.577**	**109.735.813**

[1] TL 133.697 equivalent of USD and TL 140.542 equivalent of EUR loans are originated as foreign currency indexed loans (31 December 2020: TL 129.364 equivalent of USD and TL 225.427 equivalent of EUR).
[2] Indicates the net balance of receivables and payables on derivative financial instruments
[3] Prepared expenses in other assets amounting to TL 52.840 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 and factoring transactions.
[7] Includes the guarantees given for derivative and repo transactions with foreign banks.

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL")
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish)

Analysis of Sensitivity to Currency Risk

The effect of 10% depreciation of TL against USD, Euro and other currencies on equity and profit or loss statement (excluding tax effects) for the year ended 31 December 2021 and 31 December 2020 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 2021		Prior Period – 31 December 2020	
	Profit or Loss Statement	Equity [*]	Profit or Loss Statement	Equity [*]
USD	(223.208)	(472.384)	(292.956)	(419.439)
EUR	101.066	(252.145)	(47.189)	(259.321)
Other Currencies	100.444	100.444	142.831	142.831
Total (Net) [**]	**(21.698)**	**(624.085)**	**(197.314)**	**(535.929)**

[*] Equity effect also includes the effect of profit or loss due to the 10% depreciation of TL 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 2021 and 31 December 2020 is shown in the table below.

	Current Period – 31 December 2021		Prior Period – 31 December 2020	
	Profit or Loss Statement	Equity [*]	Profit or Loss Statement	Equity [*]
USD	223.208	472.384	292.956	419.439
EUR	(101.066)	252.145	47.189	259.321
Other Currencies	(100.444)	(100.444)	(142.831)	(142.831)
Total (Net) [**]	**21.698**	**624.085**	**197.314**	**535.929**

[*] Equity effect also includes the effect of profit or loss due to the 10% appreciation of TL against related 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 2021

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish)

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 Turkey	30.229.017	-	-	-	-	197.311.613	227.540.630
Banks [8]	4.535.689	538.220	637.628	589	-	11.811.053	17.523.179
Financial Assets at Fair Value Through Profit and Loss	52.804	6.706.897	3.067.736	15.909.462	26.184	2.788.039	28.551.122
Money Markets Receivables	1.249.698	-	-	-	-	-	1.249.698
Financial Assets at Fair Value Through Other Comprehensive Income	42.468.332	20.572.880	59.285.568	96.175.210	60.561.662	714.402	279.778.054
Loans Given [3] [7]	251.702.029	81.325.397	166.982.372	262.666.274	73.902.547	4.933.304	841.511.923
Financial Assets Measured at Amortized Cost	813.081	1.110.034	10.184.626	27.787.469	6.433.681	-	46.328.891
Other Assets [2]	4.466.630	4.320.376	2.853.665	563.769	357.272	38.488.671	51.050.383
Total Assets [1] [5]	**335.517.280**	**114.573.804**	**243.011.595**	**403.102.773**	**141.281.346**	**256.047.082**	**1.493.533.880**
Liabilities							
Interbank Deposits	29.977.786	5.293.148	16.173.994	563.517	1.139.209	6.995.085	60.142.739
Other Deposits	399.092.536	136.846.047	78.282.668	9.080.479	4.252.706	364.163.526	991.717.962
Money Markets Borrowings	153.540.717	21.374.101	2.553.454	3.015.469	-	-	180.483.741
Miscellaneous Payables	-	-	-	-	-	19.033.000	19.033.000
Issued Marketable Securities [6]	1.245.168	2.527.922	9.333.952	38.630.139	-	-	51.737.181
Funds Provided from Other Financial Institutions	3.235.390	21.521.436	24.651.350	10.806.615	714.206	11.834	60.940.831
Other Liabilities [4] [6]	337.503	804.305	1.964.292	1.982.537	636.606	123.753.183	129.478.426
Total Liabilities [1]	**587.429.100**	**188.366.959**	**132.959.710**	**64.078.756**	**6.742.727**	**513.956.628**	**1.493.533.880**
Balance Sheet Long Position	**-**	**-**	**110.051.885**	**339.024.017**	**134.538.619**	**-**	**583.614.521**
Balance Sheet Short Position	**(251.911.820)**	**(73.793.155)**	**-**	**-**	**-**	**(257.909.546)**	**(583.614.521)**
Off-Balance Sheet Long Position	7.299.963	2.263.522	-	10	-	-	9.563.495
Off-Balance Sheet Short Position	16.883	30.847	(331.774)	26.227	(1.015.345)	-	(1.273.162)
Total Position	**(244.594.974)**	**(71.498.786)**	**109.720.111**	**339.050.254**	**133.523.274**	**(257.909.546)**	**8.290.333**

[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 and factoring transactions.
[8] Includes the guarantees given for derivative and repo transactions with foreign banks.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2021

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish)

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 Turkey	10.663.989	-	-	-	-	84.275.914	94.939.903
Banks	2.545.908	160.322	330.510	11.640	-	6.374.979	9.423.359
Financial Assets at Fair Value Through Profit and Loss	253.906	4.487.102	7.265.682	2.785.237	17.280	544.909	15.354.116
Money Markets Receivables	603.736	-	-	-	-	-	603.736
Financial Assets at Fair Value Through Other Comprehensive Income	26.336.732	16.862.958	39.096.787	61.982.137	42.555.478	406.232	187.240.324
Loans Given [3] [7]	124.751.285	75.525.451	131.837.989	240.244.974	64.503.611	4.770.153	641.633.463
Financial Assets Measured at Amortized Cost	2.778.964	61.323	7.787.481	16.078.725	3.908.653	-	30.615.146
Other Assets [2]	826.462	2.162.783	964.216	138.986	1.135.581	33.494.846	38.722.874
Total Assets [1] [5]	**168.760.982**	**99.259.939**	**187.282.665**	**321.241.699**	**112.120.603**	**129.867.033**	**1.018.532.921**
Liabilities							
Interbank Deposits	21.551.648	5.392.665	5.492.551	914.859	-	6.096.456	39.448.179
Other Deposits	285.316.807	99.345.949	55.720.758	6.508.650	539.054	207.958.843	655.390.061
Money Markets Borrowings	111.215.295	5.135.012	849.452	1.302.783	-	-	118.502.542
Miscellaneous Payables	4.225	-	-	-	-	13.578.047	13.582.272
Issued Marketable Securities [6]	864.135	2.606.819	4.799.651	23.151.207	-	-	31.421.812
Funds Provided from Other Financial Institutions	1.956.700	14.054.359	14.459.435	6.107.111	564.448	26.498	37.168.551
Other Liabilities [4]	1.838.258	683.454	924.477	1.905.131	5.779.625	111.888.559	123.019.504
Total Liabilities [1]	**422.747.068**	**127.218.258**	**82.246.324**	**39.889.741**	**6.883.127**	**339.548.403**	**1.018.532.921**
Balance Sheet Long Position	**-**	**-**	**105.036.341**	**281.351.958**	**105.237.476**	**-**	**491.625.775**
Balance Sheet Short Position	**(253.986.086)**	**(27.958.319)**	**-**	**-**	**-**	**(209.681.370)**	**(491.625.775)**
Off-Balance Sheet Long Position	3.460.446	3.574.705	516.189	-	-	-	7.551.340
Off-Balance Sheet Short Position	2.646.418	1.080.313	382.179	-	(1.015.345)	255.299	3.348.864
Total Position	**(247.879.222)**	**(23.303.301)**	**105.934.709**	**281.351.958**	**104.222.131**	**(209.426.071)**	**10.900.204**

[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.

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

2. Average Interest Rate Applied to the Monetary Financial Instruments (%) (Represents Values Belonging to the Parent Bank) (%)

	EUR	USD	JPY	TL
Current Period [4]				
Assets				
Cash (Cash in Vault, Effectives, Money in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey [1]	-	-	-	8,50
Banks	4,30	-	-	17,63
Financial Assets at Fair Value Through Profit or Loss	-	5,36		-
Money Markets Receivables	-	-	-	17,31
Financial Assets at Fair Value Through Other Comprehensive Income	3,72	4,83	-	14,70
Loans Given [2]	4,74	5,68	6,00	13,42
Financial Assets Measured at Amortized Cost	4,76	7,47	-	14,33
Liabilities				
Interbank Deposits	0,22	0,25	-	14,14
Other Deposits	0,27	0,93	-	14,15
Money Markets Borrowings	-	1,78	-	14,22
Miscellaneous Payables	-	-	-	-
Issued Marketable Securities [3]	5,08	5,05	-	16,99
Funds Provided from Other Financial Institutions	1,69	2,38	-	15,67

[1] The rate on TL column denotes the interest rates applied for required reserve at CBRT.
[2] Credit card loans are not included.
[3] Subordinated debt instruments are included
[4] Foreign branches are excluded.

	EUR	USD	JPY	TL
Prior Period [4]				
Assets				
Cash (Cash in Vault, Effectives, Money in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey [1]	-	-	-	12,00
Banks	1,79	-	-	18,02
Financial Assets at Fair Value Through Profit or Loss	-	5,36	-	11,88
Money Markets Receivables	-	-	-	15,89
Financial Assets at Fair Value Through Other Comprehensive Income	2,86	4,76	-	11,17
Loans Given [2]	4,70	5,93	5,95	11,03
Financial Assets Measured at Amortized Cost	4,87	7,47	-	15,86
Liabilities				
Interbank Deposits	0,20	0,26	-	17,94
Other Deposits	0,56	1,91	-	13,73
Money Markets Borrowings	-	2,34	-	17,25
Miscellaneous Payables	-	-	-	-
Issued Marketable Securities [3]	5,08	4,87	-	16,99
Funds Provided from Other Financial Institutions	1,61	2,57	-	14,90

[1] The rate on TL column denotes the interest rates applied for required reserve at CBRT.
[2] Credit card loans are not included.
[3] Subordinated debt instruments are included
[4] Foreign branches are excluded

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 shares

	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 (*)	379.440	379.440	-

(*) The mentioned stock investments are not traded on the stock exchange and there is no stock market price since they are not open to the public.

	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 (*)	289.106	289.106	-

(*) The mentioned stock investments are not traded on the stock exchange and there is no stock market price since they are not open to the public

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 İnterior Rating Approaches

The investments in equity instruments, partaking in banking accounts according to the credit risk standard method, are amounted TL 379.440 and all of them are 100% risk weighted (31 December 2020: are amounted TL 289.106 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 Supplemantary Capital**	**Total**	**Included in Supplemantary Capital**	**Included in Contribution Capital**
1. Private Capital Investments	-	-	-	-	-	-
2. Publicly Traded Stocks	-	-	-	-	-	-
3. Other Stocks	-	90.775	90.775	-	-	-
Total	-	**90.775**	**90.775**	-	-	-

VI. EXPLANATIONS ON 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 Parent Bank network are explained in "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 partners of Bank

Continuously the information exchange is actualized about the liquidity need and surpluses between the Parent Bank and its partners, the necessary guidance and procuders are moderated by Treasury Management and International Banking Group Presidency in order to manage liquidity need and surplus in effective way.

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021
(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL")
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish)

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, stress tests being done in order to test the endurance of the Parent Bank. These actions have been shared with key management of the Parent 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.

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 followed 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 from 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 were determined.

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 cover rate and transmits consolidated on weekly and consolidated on monthly basis to the BRSA. Within the last 3 months the consolidated lowest ratios are as follows: October FC 501,32, TL + FC 170,92; November FC 380,26, TL + FC 178,36; December was realized as FC 412,09, TL + FC 194,09 (31 December 2020: October FC 404,26, TL+FC 140,37; November FC 382,18, TL+FC 128,7; December FC 469,91, TL+FC 137,83).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2021

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL")
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish)

	Total Unweighted Amount (*)		Total Weighted Amount (*)	
Current Period	**TL+FC**	**FC**	**TL+FC**	**FC**
High Quality Liquid Assets				
High Quality Liquid Assets			322.965.247	218.841.464
Cash Outflows				
Retail and Small Business Customers, of which;	623.380.047	365.198.371	55.387.908	36.516.645
Stable deposits	139.001.924	63.842	6.950.096	3.192
Less stable deposits	484.378.123	365.134.529	48.437.812	36.513.453
Unsecured wholesale funding, of which;	307.755.422	144.545.013	143.765.782	68.741.940
Operational deposit	23.234.553	3.413.121	5.790.583	834.806
Non-operational deposits	228.893.514	126.380.404	101.843.105	53.562.568
Other unsecured funding	55.627.355	14.751.488	36.132.094	14.344.566
Secured funding			-	-
Other cash outflows, of which;	125.446.996	23.639.081	13.735.813	13.511.035
Derivatives cash outflow and liquidity needs related to market valuation changes on derivatives or other transactions	3.918.175	9.958.096	3.918.175	9.958.096
Obligations related to structured financial products	-	-	-	-
Commitments related to debts to financial markets and other off-balance sheet obligations	121.528.821	13.680.985	9.817.638	3.552.939
Other revocable off-balance sheet commitments and contractual obligations	15.827.184	15.827.184	791.359	791.359
Other irrevocable or conditionally revocable off-balance sheet obligations	100.068.408	71.449.597	5.525.433	3.572.480
Total Cash Outflows			219.206.295	123.133.459
Cash Inflows				
Secured lending	-	-	-	-
Unsecured lending	61.962.519	30.516.139	37.983.787	20.076.485
Other cash inflows	4.457.071	50.092.952	4.440.532	50.076.413
Total Cash Inflows	**66.419.590**	**80.609.091**	**42.424.319**	**70.152.898**
			Upper Limit Applied Amounts	
TOTAL HQLA STOCK			**322.965.247**	**218.841.464**
TOTAL NET CASH OUTFLOWS			**176.781.976**	**52.980.561**
LIQUIDITY COVERAGE RATIO (%)			**182,69**	**413,06**

(*) The average of last three months' liquidity coverage ratio calculated by monthly simple averages.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2021

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL")
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish)

	Total Unweighted Amount (*)		Total Weighted Amount (*)	
Prior Period	**TL+FC**	**FC**	**TL+FC**	**FC**
High Quality Liquid Assets				
High Quality Liquid Assets			188.259.913	102.705.164
Cash Outflows				
Retail and Small Business Customers, of which;	450.212.905	254.036.348	39.319.152	25.402.159
Stable deposits	114.042.765	29.514	5.702.138	1.476
Less stable deposits	336.170.140	254.006.834	33.617.014	25.400.683
Unsecured wholesale funding, of which;	243.764.352	90.509.605	115.252.460	44.137.448
Operational deposit	16.366.823	1.739.643	4.082.760	425.965
Non-operational deposits	200.570.849	79.628.315	91.107.616	34.705.377
Other unsecured funding	26.826.680	9.141.647	20.062.084	9.006.106
Secured funding			-	-
Other cash outflows, of which;	92.427.127	14.182.251	12.549.130	6.600.246
Derivatives cash outflow and liquidity needs related to market valuation changes on derivatives or other transactions	4.913.927	3.444.867	4.913.927	3.444.867
Obligations related to structured financial products	-	-	-	-
Commitments related to debts to financial markets and other off-balance sheet obligations	87.513.200	10.737.384	7.635.203	3.155.379
Other revocable off-balance sheet commitments and contractual obligations	8.300.305	8.300.305	415.015	415.015
Other irrevocable or conditionally revocable off-balance sheet obligations	66.179.789	43.406.259	3.781.762	2.170.313
Total Cash Outflows			**171.317.520**	**78.725.182**
Cash Inflows				
Secured lending	-	-	-	-
Unsecured lending	46.363.070	21.372.648	30.470.866	16.836.319
Other cash inflows	1.781.988	39.029.760	1.771.158	39.018.930
Total Cash Inflows	**48.145.058**	**60.402.408**	**32.242.024**	**55.855.249**
			Upper Limit Applied Amounts	
Total HQLA Stock			**188.259.913**	**102.705.164**
Total Net Cash Outflows			**139.075.496**	**22.869.933**
Liquidity Coverage Ratio (%)			**135,37**	**449,08**

(*) 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

The 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 from the portfolio (the important part of bonds and T-bills issued by Republic of Turkey 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 the 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 the Parent Bank's 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.

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021

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

(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish)

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 Turkey	97.714.902	129.825.728	-	-	-	-	-	227.540.630
Banks (5)	11.811.053	4.535.689	538.220	637.628	589	-	-	17.523.179
Financial Assets at Fair Value Through Profit and Loss	25.817	55.804	6.726.698	3.077.110	15.877.287	26.184	2.762.222	28.551.122
Money Markets Receivables	-	1.249.698	-	-	-	-	-	1.249.698
Financial Assets at Fair Value Through Other Comprehensive Income	45.385	9.787.108	7.103.025	34.726.794	142.522.561	85.227.398	365.783	279.778.054
Loans Given (4)	-	33.268.635	78.424.636	317.852.452	315.465.309	91.567.587	4.933.304	841.511.923
Investments Held-to-Maturity	49.882	280.189	167.106	2.694.295	25.382.203	17.755.216	-	46.328.891
Other Assets	15.295.094	4.169.005	4.432.875	2.751.142	563.769	644.922	23.193.576	51.050.383
Total Assets (2)	**124.942.133**	**183.171.856**	**97.392.560**	**361.739.421**	**499.811.718**	**195.221.307**	**31.254.885**	**1.493.533.880**
Liabilities								
Interbank Deposits	6.995.085	29.977.786	5.293.148	16.173.994	563.517	1.139.209	-	60.142.739
Other Deposits	364.163.526	399.083.229	136.828.265	78.200.843	9.185.386	4.256.713	-	991.717.962
Funds Provided from Other Financial Institutions	12.029	1.226.599	1.635.826	24.326.509	27.706.533	6.033.335	-	60.940.831
Money Markets Borrowings	-	153.540.717	21.374.101	2.553.454	3.015.469	-	-	180.483.741
Issued Marketable Securities (3)	-	1.245.168	2.527.551	9.334.323	38.630.139	-	-	51.737.181
Miscellaneous Payables	3.709.869	13.871.696	-	-	-	-	1.451.435	19.033.000
Other Liabilities(3)	20.907.333	1.463.737	882.686	2.032.113	1.982.537	2.359.850	99.850.170	129.478.426
Total Liabilities	**395.787.842**	**600.408.932**	**168.541.577**	**132.621.236**	**81.083.581**	**13.789.107**	**101.301.605**	**1.493.533.880**
Liquidity Gap	**(270.845.709)**	**(417.237.076)**	**(71.149.017)**	**229.118.185**	**418.728.137**	**181.432.200**	**(70.046.720)**	**-**
Net Off-Balance Sheet Position	**-**	**6.981.760**	**181.276**	**(400.762)**	**10**	**1.267.128**	**-**	**8.029.412**
Financial Derivative Assets	-	148.640.930	34.588.934	23.872.474	1.558.882	2.282.473	-	210.943.693
Financial Derivative Liabilities	-	141.659.170	34.407.658	24.273.236	1.558.872	1.015.345	-	202.914.281
Non-cash Loans	**84.421.912**	**13.045.014**	**36.067.565**	**98.489.814**	**51.648.354**	**8.632.545**	**-**	**292.305.204**
Prior Period								
Total Assets	53.515.349	94.960.467	68.901.398	208.533.644	393.675.838	172.657.866	26.288.359	1.018.532.921
Total Liabilities	232.885.329	431.292.326	118.576.521	82.037.452	46.971.389	11.625.253	95.144.651	1.018.532.921
Liquidity Gap	**(179.369.980)**	**(336.331.859)**	**(49.675.123)**	**126.496.192**	**346.704.449**	**161.032.613**	**(68.856.292)**	**-**
Net Off-Balance Sheet Position	**-**	**(928.056)**	**1.392.453**	**104.102**	**-**	**269.733**	**-**	**838.232**
Financial Derivative Assets	-	112.691.820	32.919.251	8.157.398	1.972	1.285.078	-	155.055.519
Financial Derivative Liabilities	-	113.619.876	31.526.798	8.053.296	1.972	1.015.345	-	154.217.287
Non-cash Loans	**48.553.453**	**5.871.734**	**14.137.642**	**47.245.602**	**37.445.134**	**6.267.013**	**533.425**	**160.054.003**

(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 credit losses for financial assets and other assets are recognized in the related account.

(3) Includes subordinated debt instruments.

(4) It also includes receivables from leasing and factoring transactions.

(5) Includes the guarantees given for derivative and repo transactions with foreign banks.

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

5. Presentation of Liabilities According to Their Remaining Maturities

Current Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Total
Bank Deposit	36.999.725	5.380.801	16.321.306	563.517	1.139.209	60.404.558
Other Deposit	764.160.661	138.238.821	79.424.483	9.237.447	4.260.840	995.322.252
Funds borrowed from other financial institutions	1.244.384	1.726.143	25.083.011	29.015.479	6.563.627	63.632.644
Funds borrowed from Interbank Money Market	153.782.720	21.574.464	2.564.750	3.024.105	-	180.946.039
Total	**956.187.490**	**166.920.229**	**123.393.550**	**41.840.548**	**11.963.676**	**1.300.305.493**
Prior Period						
Bank Deposit	28.446.118	6.950.206	570.961	914.861	-	36.882.146
Other Deposit	342.065.588	75.633.274	53.255.563	6.345.578	544.565	477.844.568
Funds borrowed from other financial institutions	3.691.604	2.584.561	15.342.280	11.933.612	5.040.989	38.593.046
Funds borrowed from Interbank Money Market	47.230.835	2.967.187	543.789	684.233	-	51.426.044
Total	**421.434.145**	**88.135.228**	**69.712.593**	**19.878.284**	**5.585.554**	**604.745.804**

VII. EXPLANATIONS ON CONSOLIDATED LEVERAGE

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 6,41% (31 December 2020: 8,00%). The decrease in leverage ratio occurs from the increase in total risk amount. The regulation sentenced the minimum leverage as 3%.

The decrease in the leverage ratio resulted from the increase in the total risk amount. The regulation stipulates the minimum leverage ratio as 3%.

Balance sheet assets	Current Period (*)	Prior Period (*)
On-balance sheet items (excluded derivative financial instruments and credit derivatives, included collateral)	1.383.075.977	1.019.008.924
(Assets deducted in determining Tier 1 capital)	(8.358.335)	(3.484.580)
Total on-balance sheet risks (sum of lines 1 and 2)	1.374.717.642	1.015.524.344
Derivative financial instruments and credit derivatives		
Replacement cost associated with all derivative financial instruments and credit Derivatives	10.782.578	6.447.370
Add-on amounts for PFE associated with all derivative financial instruments and credit derivatives	2.703.788	1.973.199
Total risks of derivative financial instruments and credit derivatives	13.486.366	8.420.569
Securities or commodity financing transactions (SCFT)		
Risks from SCFT assets	18.983.986	15.489.064
Risks from brokerage activities related exposures	-	-
Total risks related with securities or commodity financing transactions	18.983.986	15.489.064
Other off-balance sheet transactions		
Gross notional amounts of off-balance sheet transactions	409.632.556	257.863.235
(Adjustments for conversion to credit equivalent amounts)	(14.215.523)	(7.445.068)
Total risks of off-balance sheet items	395.417.033	250.418.167
Capital and total risks		
Tier 1 capital	114.811.438	103.142.384
Total risks	1.802.605.027	1.289.852.144
Leverage ratio		
Leverage ratio %	6,41	8,00

(*) Three month average of the amounts in the table are taken into account.

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 (**)	1.493.538.396	1.019.093.587
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"	4.516	560.666
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	458.963.706	343.739.300
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	131.178.567	46.521.925
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	14.215.523	7.445.068
Other differences between the amounts in consolidated financial statements prepared in accordance with the communiqué "Preparation of Consolidated Financial Statements" and risk amounts of such items	(139.379.975)	(55.563.620)
Total Risk Amount	**1.802.605.027**	**1.289.852.144**

(*) The amounts shown in the table are 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 2021 of the nonfinancial subsidiaries.

VIII. EXPLANATIONS ON CONSOLIDATED RISK MANAGEMENT

1. Explanations on Risk Management and Risk Weighted Amount

1.1 The Parent Bank's Risk Management Approach

It has to do with 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 directors

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. Usage levels for signal and risk parameters are subject to reports submitted to the Parent Bank's Top Management.

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 so on 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 systems

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 behavioral 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 behavioral 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 with a 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 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 fundamental funding resources are deposits, the strategy of preserving the common base 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.

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021
(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL")
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish)

Overview of Risk Weighted Amounts

		Risk Weighted Amount		Minimum capital Requirement
		Current Period	**Prior Period**	**Current Period**
1	Credit Risk (excluding counterparty credit risk)	757.683.306	567.727.732	60.614.664
2	Standardised approach	757.683.306	567.727.732	60.614.664
3	Internal rating-based approach	-	-	-
4	Counterparty credit risk	11.589.174	10.299.316	927.134
5	Standardised approach for counterparty credit risk	11.589.174	10.299.316	927.134
6	Internal model method	-	-	-
7	Basic risk weight approach to internal models equity position in the Banking account	-	-	-
8	Investments made in collective investment companies- look through approach	-	-	-
9	Investments made in collective investment companies-mandate-based approach	1.009.692	2.069.435	80.775
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	41.011.997	39.814.620	3.280.960
17	Standardised approach	41.011.997	39.814.620	3.280.960
18	Internal model approaches	-	-	-
19	Operational risk	51.284.583	43.140.646	4.102.767
20	Basic Indicator approach	51.284.583	43.140.646	4.102.767
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)**	**862.578.752**	**663.051.749**	**69.006.300**

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

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 (*)				
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	227.540.631	227.540.631	227.540.631	-	-	-	-
Banks	17.523.178	17.523.178	17.523.178	-	-	-	-
Receivables from Money Markets	1.249.698	1.249.698	570.988	678.710	-	-	-
Financial Assets Measured at Fair Value to Profit or Loss	28.551.122	28.551.122	37.342	-	-	28.513.780	-
Financial Assets Measured at Fair Value to Other Comprehensive İncome	279.778.054	279.778.054	210.519.544	170.822.248	-	69.258.510	-
Financial Assets Measured at Amortized Cost	46.329.168	46.328.891	46.328.891	4.600.734	-	-	-
Derivative Financial Assets	12.067.535	12.067.535	-	12.067.535	-	-	-
Loans (Net)	831.927.113	831.927.113	849.563.008	-	-	-	16.026
Investments in Associates (Net)	476.258	476.258	476.258	-	-	-	-
Investments in Subsidiaries (Net)	657.465	657.465	657.465	-	-	-	-
Jointly Controlled Partnerships (Joint Ventures) (Net)	606.376	606.376	606.376	-	-	-	-
Receivables Form Leasing Transactions	9.566.606	9.566.606	9.566.606	-	-	-	-
Factoring receivables	18.204	18.204	18.204	-	-	-	-
Tangible Assets (Net)	13.505.201	13.500.115	13.423.937	-	-	-	76.178
Intangible Assets (Net)	1.677.989	1.677.133	-	-	-	-	1.677.133
Investment Properties (Net)	1.268.500	1.268.500	1.268.500	-	-	-	-
Tax Asset	3.072.355	3.072.355	3.072.355	-	-	-	-
Non-Currents Assets or Disposal Groups "Held for Sale" And "From Discontinued Operations (Net)	5.450.287	5.450.287	5.450.287	-	-	-	-
Other Assets	12.272.656	12.274.359	12.274.359	-	-	-	-
Total Assets	**1.493.538.396**	**1.493.533.880**	**1.398.897.929**	**188.169.227**	**-**	**97.772.290**	**1.769.337**
Liabilities							
Deposits	1.051.829.717	1.051.860.701	-	-	-	-	-
Funds Borrowed	60.940.831	60.940.831	-	11.795.858	-	-	-
Money Markets	180.483.741	180.483.741	-	161.047.437	-	-	-
Securities Issued (Net)	30.309.580	30.309.580	-	-	-	-	-
Funds	45.908	31.956	-	-	-	-	-
Derivative Financial Liabilities	3.702.077	3.702.077	-	-	-	-	-
Factoring Liabilities	-	-	-	-	-	-	-
Other Liabilities	29.830.188	29.764.358	-	-	-	-	-
Factoring Liabilities	1.062.527	1.062.527	-	-	-	-	-
Provisions	9.791.008	9.791.008	-	-	-	-	-
Tax Liability	1.702.018	1.702.018	-	-	-	-	-
Non-Currents Liabilities or Disposal Groups "Held For Sale" And "From Discontinued Operations (Net)	-	-	-	-	-	-	-
Subordinated Debt Instruments	22.741.964	22.741.964	-	-	-	-	-
Equity	101.098.837	101.143.119	-	-	-	-	-
Total Liabilities	**1.493.538.396**	**1.493.533.880**	**-**	**172.843.295**	**-**	**-**	**-**

(*) 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.

(**) The Bank's consolidated financial statements.

			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	95.022.404	94.939.903	94.939.903	-	-	-	-
Banks	9.413.032	9.423.359	9.423.359	-	-	-	-
Receivables from Money Markets	603.736	603.736	467.510	136.226	-	-	-
Financial Assets Measured at Fair Value to Profit or Loss	15.354.116	15.354.116	24.056	-	-	15.330.060	-
Financial Assets Measured at Fair Value to Other Comprehensive İncome	187.240.324	187.240.324	120.688.428	52.130.594	-	66.551.896	-
Financial Assets Measured at Amortized Cost	30.615.423	30.615.146	30.615.146	5.118.323	-	-	-
Derivative Financial Assets	5.061.778	5.061.778	-	5.061.778	-	-	-
Loans (Net)	636.487.286	636.487.286	645.575.744	-	-	-	23.169
Investments in Associates (Net)	554.237	554.255	554.255	-	-	-	-
Investments in Subsidiaries (Net)	673.465	736.126	736.126	-	-	-	-
Jointly Controlled Partnerships (Joint Ventures) (Net)	194.962	194.962	194.962	-	-	-	-
Receivables Form Leasing Transactions	5.146.177	5.146.177	5.146.177	-	-	-	-
Factoring receivables	11.517.285	11.503.830	11.458.973	-	-	-	44.857
Tangible Assets (Net)	1.576.133	1.214.133	-	-	-	-	1.214.133
Intangible Assets (Net)	477.790	477.790	477.790	-	-	-	-
Investment Properties (Net)	891.194	891.194	891.194	-	-	-	-
Tax Asset	5.336.119	5.336.119	5.336.119	-	-	-	-
Non-Currents Assets or Disposal Groups "Held for Sale" And "From Discontinued Operations (Net)	12.928.125	12.752.687	12.752.687	-	-	-	-
Other Assets	**1.019.093.587**	**1.018.532.921**	**939.282.429**	**62.446.921**	**-**	**81.881.956**	**1.282.159**
Total Assets							
Liabilities	694.797.559	694.838.240	-	-	-	-	-
Deposits	37.658.707	37.168.551	-	6.096.622	-	-	-
Funds Borrowed	118.502.542	118.502.542	-	48.312.215	-	-	-
Money Markets	18.373.615	18.373.615	-	-	-	-	-
Securities Issued (Net)	6.192.868	6.053.060	-	-	-	-	-
Funds	3.486.961	3.486.961	-	-	-	-	-
Derivative Financial Liabilities	-	-	-	-	-	-	-
Factoring Liabilities	21.029.670	20.924.785	-	-	-	-	-
Other Liabilities	1.001.363	1.001.363	-	-	-	-	-
Factoring Liabilities	7.555.261	7.510.826	-	-	-	-	-
Provisions	1.783.191	1.783.191	-	-	-	-	-
Tax Liability	-	-	-	-	-	-	-
Non-Currents Liabilities or Disposal Groups "Held For Sale" And "From Discontinued Operations (Net)	13.816.234	13.816.234	-	-	-	-	-
Subordinated Debt Instruments	94.895.616	95.073.553	-	-	-	-	-
Equity	**1.019.093.587**	**1.018.532.921**	**-**	**54.408.837**	**-**	**-**	**-**

(*) 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.

(**) The Bank's consolidated financial statements.

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

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	**1.493.533.880**	**1.398.897.929**	**188.169.227**	**97.772.290**
Liabilities carrying value amount under regulatory scope of consolidation	-	-	172.843.295	-
Total net amount under regulatory scope of consolidation	**1.493.533.880**	**1.398.897.929**	**15.325.932**	**97.772.290**
Differences in valuations	691.567.637	187.847.877	265.502.197	-
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	**2.185.101.517**	**1.586.745.806**	**280.828.129**	**97.772.290**

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	**1.018.532.921**	**939.282.429**	**62.446.921**	**81.881.956**
Liabilities carrying value amount under regulatory scope of consolidation	-	-	54.408.837	-
Total net amount under regulatory scope of consolidation	**1.018.532.921**	**939.282.429**	**8.038.084**	**81.881.956**
Differences in valuations	443.071.666	103.488.079	189.394.399	-
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	**1.461.604.587**	**1.042.770.508**	**197.432.483**	**81.881.956**

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 structures.

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 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 on a daily basis 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 unfavorable 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 in place, indicating that credit risk limits are almost reached as a result of internal and external developments. Parameters for signal and limit structure and limit values of parameters are determined by risk management by consulting the relevant units. The approval of Audit Committee and Board of Directors is sought in order to implement parameters and signal/limit threshold values within The Parent Bank. It is ensured that risk signal and limit structure is forwarded to relevant units in the Bank and the structure is understood by the relevant staff. Actual values are monitored closely by the risk management. Actual values regarding signal and limit parameters are reported to the Bank’s Top 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 Presidency, Internal Control Presidency, Compliance Presidency and Risk Management Group Presidency. Credit risk management is one of the six services under the Risk Management Group Presidency.

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 Group Presidency 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, including the validation studies, 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.

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

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.

3.6. Credit Quality of Assets

Current Period	Defaulted	Non-defaulted	Allowances/ Amortization and impairments	Net values
Loans (*)	20.206.200	854.230.540	32.924.817	841.511.923
Debt Securities	-	267.214.776	8.515.635	258.699.141
Off-balance sheet exposures	1.251.695	431.337.006	3.401.185	429.187.516
Total	**21.457.895**	**1.552.782.322**	**44.841.637**	**1.529.398.580**

(*) It also includes receivables from leasing and factoring transactions.

Prior Period	Defaulted	Non-defaulted	Allowances/ Amortization and impairments	Net values
Loans (*)	16.681.214	645.974.937	21.022.688	641.633.463
Debt Securities	-	155.101.630	1.073.083	154.028.547
Off-balance sheet exposures	717.071	259.198.864	1.927.597	257.988.338
Total	**17.398.285**	**1.060.275.431**	**24.023.368**	**1.053.650.348**

(*) It also includes receivables from leasing transactions.

3.7 Changes in the Defaulted Receivables and Debt Instruments

Current Period

1	**Defaulted loans and debt securities at end of the previous reporting period**	**16.681.214**
2	Loans and debt securities that have defaulted since the last reporting period	9.186.707
3	Returned to non-defaulted status	1.095.890
4	Amounts written off	-
5	Other changes	(4.565.831)
6	**Defaulted loans and debt securities at end of the reporting period (1+2-3-4±5) (*) definitions**	**20.206.200**

(*) Provisions for non-cash loans are not included in the table.

It also includes receivables from leasing transactions.

Prior Period

1	**Defaulted loans and debt securities at end of the previous reporting period**	**14.531.430**
2	Loans and debt securities that have defaulted since the last reporting period	5.507.939
3	Returned to non-defaulted status	582.016
4	Amounts written off	-
5	Other changes	(2.776.139)
6	**Defaulted loans and debt securities at end of the reporting period (1+2-3-4±5)(*) definitions**	**16.681.214**

(*) 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. The Parent Bank has not set aside any provision for expected loss for funds originating loans that were classified as "Non-Performing Receivables" in the previous period, in accordance with Article 13 of the Provisions Regulation titled "Exceptions" and since the said risk does not belong to the Parent Bank. Fund originating loans classified as "Non-Performing Receivables" in accordance with the Uniform Chart of Accounts amendment of the BRSA started to be monitored off-balance sheet in the current period.

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 receivables

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.

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

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

	Loans and Receivables [2]	Non-Preforming Loans	Expected Loss Provisions	Total
Domestic	812.768.671	16.997.273	30.811.827	798.954.117
European Union Countries	4.095.665	56.617	78.536	4.073.746
USA, Canada	7.994	4.239	4.273	7.960
OECD Countries [1]	2.521.129	165.585	190.705	2.496.009
Off-Shore Banking Regions	-	-	-	-
Other	25.252.271	2.982.486	1.839.476	26.395.281
Total	**844.645.730**	**20.206.200**	**32.924.817**	**831.927.113**

[1] OECD countries other than EU countries, USA, and Canada.
[2] It also includes receivables from leasing and factoring transactions.

	Loans and Receivables [1]	Non-Preforming Loans	Expected Loss Provisions	Total
Agriculture	126.004.710	1.252.576	1.406.515	125.850.771
Farming and Stockbreeding	124.861.188	1.234.196	1.388.457	124.706.927
Forestry	638.054	11.537	11.492	638.099
Fishing	505.468	6.843	6.566	505.745
Manufacturing	199.716.181	3.078.357	12.204.830	190.589.708
Mining and Quarrying	15.713.981	37.923	103.853	15.648.051
Production	137.900.878	2.809.180	10.579.855	130.130.203
Electric, Gas and Water	46.101.322	231.254	1.521.122	44.811.454
Construction	100.555.816	3.410.313	5.280.244	98.685.885
Services	204.397.641	6.093.893	9.318.783	201.172.751
Wholesale and Retail Trade	81.549.827	3.647.863	3.336.209	81.861.481
Hotel Food and Beverage Services	21.243.462	594.100	1.328.441	20.509.121
Transportation and Telecommunication	21.737.560	217.375	232.947	21.721.988
Financial Institutions	8.283.521	11.664	34.500	8.260.685
Real Estate and Leasing Services	66.685.568	1.464.067	3.973.511	64.176.124
Self-Employment Services	157.081	174	848	156.407
Education Services	2.184.697	82.069	100.756	2.166.010
Health and Social Services	2.555.925	76.581	311.571	2.320.935
Other	213.971.382	6.371.061	4.714.445	215.627.998
Total	**844.645.730**	**20.206.200**	**32.924.817**	**831.927.113**

[1] Receivables from lease and factoring transactions are not included.

Aging Analysis for Overdue Receivables

Day Past Due	Current Period	Prior Period
1-30 Days	3.779.974	1.188.230
31-60 Days	2.482.529	793.810
61-90 Days	1.232.176	1.383.584
90 +	347.139	2.721.661
Total	**7.841.818**	**6.087.285**

Loans under close monitoring amounting to TL 76.846.611 (31 December 2020: TL 33.892.152) are not overdue.

Breakdown of restructured receivables by allocation of provision

Out of the Group's total restructured loans amounting to TL 58.726.946, a portion of TL 56.177.889 consists of performing loans and remaining portion of TL 2.549.057 consists of non-performing loans. The total amount of first and second stage expected loss provisions allocated for non-performing loans is TL 13.594.681 and the third stage expected loss provision for non-performing loans is TL 1.580.914. (31 December 2020: Out of the Group's total restructured loans amounting to TL 19.951.076, a portion of TL 18.566.150 consists of performing loans and remaining portion of TL 698.115 consists of non-performing loans. Total first and second stage expected loss provision for structured loans is TL 2.505.013 and third stage expected loss provision amount allocated for non-performing loans is 558.700. No expected loss provision has been allocated for non-performing loans amounting to TL 65.200 whose risk does not belong to the Bank.).

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 [*]	600.788.105	158.090.580	55.895.930	148.872.376	52.164.610	-	-
Debt Securities	212.202.463	-	-	-	-	-	-
Total	**812.990.568**	**158.090.580**	**55.895.930**	**148.872.376**	**52.164.610**	**-**	**-**
Of which defaulted	18.054.558	990.865	281.821	973.812	280.901	-	-

[*] It also includes receivables from leasing and factoring transactions.

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 [*]	489.160.650	143.739.220	68.716.959	138.718.903	66.054.305	-	-
Debt Securities	140.611.253	-	-	-	-	-	-
Total	**629.771.903**	**143.739.220**	**68.716.959**	**138.718.903**	**66.054.305**	**-**	**-**
Of which defaulted	15.629.079	887.419	247.846	881.293	247.239	-	-

[*] It also includes receivables from leasing transactions.

3.11. Credit risk in case of using standard approach

3.11.1. Qualitative explanations on ratings used by banks when calculating credit risk with the 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 "Gradeless" and take the risk weight which is appropriate for the "Gradeless" 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 grade assigned by a credit rating agency that is not listed in the BRSA's matching table is not used in calculations.

3.12. Standard Approach- Loan risk Exposure and the Effects of Loan Risk Reduction Techniques

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	469.451.512	1.225.247	520.883.728	683.328	10.821.358	2,1%
Exposures to regional and local governments	405.809	154.555	439.398	104.750	243.982	44,8%
Exposures to administrative bodies and non-commercial entities	5.432.768	1.377.014	5.418.976	610.772	6.005.324	99,6%
Exposures to multilateral development banks	-	-	-	-	-	-
Exposures to international organizations	-	-	-	-	-	-
Exposures to banks and brokerage houses	78.203.836	16.888.879	78.825.239	9.817.327	18.829.698	21,2%
Exposures to corporates	343.313.097	201.874.107	318.845.064	113.363.286	427.485.851	98,9%
Retail exposures	271.961.686	112.859.406	244.837.359	13.605.573	192.957.560	74,7%
Exposures secured by residential property	70.571.961	1.214.451	70.376.138	503.243	24.805.633	35,0%
Exposures secured by commercial property	33.025.808	3.729.848	33.025.808	2.288.216	20.360.465	57,7%
Past-due items	4.263.180	-	3.982.283	-	2.890.715	72,6%
Exposures in high-risk categories	16.952.456	6.528.004	16.952.451	1.370.110	27.337.835	149,2%
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	1.014.466	124.430	1.010.134	62.169	1.009.692	94,2%
Other exposures	39.978.557	-	39.978.554	-	30.941.735	77,4%
Equity share investments	2.054.965	-	2.054.965	-	2.054.965	100,0%
Total	**1.336.630.101**	**345.975.941**	**1.336.630.097**	**142.408.774**	**765.744.813**	**51,8%**

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021
(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL")
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish)

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	231.948.275	971.770	297.204.260	652.576	8.975.475	3,01%
Exposures to regional and local governments	512.473	76.717	572.847	58.739	305.684	48,40%
Exposures to administrative bodies and non-commercial entities	538.433	549.846	517.121	224.607	721.946	97,33%
Exposures to multilateral development banks	-	-	-	-	-	-
Exposures to international organizations	-	-	-	-	-	-
Exposures to banks and brokerage houses	82.735.792	14.853.033	83.425.896	7.125.907	16.382.876	18,09%
Exposures to corporates	259.361.476	138.356.697	229.627.285	78.588.205	305.044.911	98,97%
Retail exposures	248.065.075	80.672.085	215.148.335	8.340.228	166.291.304	74,41%
Exposures secured by residential property	71.009.064	979.519	70.911.940	398.843	24.957.538	35,00%
Exposures secured by commercial property	28.785.972	1.817.589	25.803.409	1.006.345	17.439.660	65,05%
Past-due items	3.995.145	-	3.747.911	-	2.566.079	68,47%
Exposures in high-risk categories	1.600.528	5.006.702	1.600.524	1.164.178	4.124.249	149,18%
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	2.012.544	131.459	2.005.249	65.320	2.069.435	99,95%
Other exposures	40.383.443	-	40.383.443	-	28.275.362	70,02%
Equity share investments	703.107	-	703.107	-	703.107	100,00%
Total	**971.651.327**	**243.415.417**	**971.651.327**	**97.624.948**	**577.857.626**	**54,04%**

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

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	502.823.003	-	270.902	-	-	-	15.411.948	-	3.061.203	-	-	-	521.567.056
Exposures to regional and local government	58.779	-	24.081	-	-	-	444.245	-	17.043	-	-	-	544.148
Exposures to administrative bodies and non-commercial entities	24.254	-	212	-	-	-	-	-	6.005.282	-	-	-	6.029.748
Exposures to multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-	-
Exposures to international organizations	-	-	-	-	-	-	-	-	-	-	-	-	-
Exposures to banks and brokerage houses	47.596.002	-	9.762.183	-	-	-	26.606.959	-	3.551.259	-	-	1.126.163	88.642.566
Exposures to corporates	2.149.456	-	1.510.618	-	-	-	2.726.825	-	425.820.291	-	-	1.160	432.208.350
Retail exposures	1.775.236	-	815.558	-	-	-	3.772	252.223.212	3.625.154	-	-	-	258.442.932
Exposures secured by residential property	5.075	-	2.495	-	70.871.811	-	-	-	-	-	-	-	70.879.381
Exposures secured by commercial property	-	-	-	-	-	29.907.118	-	-	5.406.906	-	-	-	35.314.024
Past-due items	1.019	-	56	-	-	-	2.181.009	-	1.800.199	-	-	-	3.982.283
Exposures in high-risk categories	78.736	-	3.482	-	-	-	23.120	-	511	18.216.712	-	-	18.322.561
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	62.611	-	-	-	-	-	-	-	1.009.692	-	-	-	1.072.303
Equity share investments	0	-	-	-	-	-	-	-	2.054.965	-	-	-	2.054.965
Other exposures	9.036.799	-	25	-	-	-	-	-	30.941.730	-	-	-	39.978.554
Total	**563.610.970**	**-**	**12.389.612**	**-**	**70.871.811**	**29.907.118**	**47.397.878**	**252.223.212**	**483.294.235**	**18.216.712**	**-**	**1.127.323**	**1.479.038.871**

(*) Demonstrates all receivables that are consisting of 50% risk weighted and out of the line "Exposures secured by commercial property".

3.13. Standard Approach: Receivables related with Risk Classes and Risk Weights

Prior Period Risk Classes/Risk Weight	0%	10%	20%	35% secured by property mortgage	50% secured by property mortgage	50% (*)	75%	100%	150%	200%	Other	Total risk amount (post-CCF and CRM)
Exposures to sovereigns and their central banks	281.805.624	-	263.864	-	-	13.729.292	-	2.058.056	-	-	-	297.856.836
Exposures to regional and local government	31.359	-	34	-	-	589.031	-	11.162	-	-	-	631.586
Exposures to administrative bodies and non-commercial entities	19.736	-	58	-	-	-	-	721.934	-	-	-	741.728
Exposures to multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-
Exposures to international organizations	-	-	-	-	-	-	-	-	-	-	-	-
Exposures to banks and brokerage houses	49.293.961	-	14.399.077	-	-	23.611.552	-	1.665.653	-	-	1.581.560	90.551.803
Exposures to corporates	1.200.058	-	1.035.599	-	-	2.284.083	-	303.695.750	-	-	-	308.215.490
Retail exposures	1.146.907	-	843.404	-	-	4.053	221.494.128	-	-	-	71	223.488.563
Exposures secured by residential property	1.711	-	4.248	71.304.824	-	-	-	-	-	-	-	71.310.783
Exposures secured by commercial property	32.912	-	26.454	-	18.632.037	-	-	8.118.351	-	-	-	26.809.754
Past-due items	663	-	81	-	-	2.362.209	-	1.384.958	-	-	-	3.747.911
Exposures in high-risk categories	361	-	7	-	-	22.159	-	188	2.741.987	-	-	2.764.702
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	1.134	-	-	-	-	-	-	2.069.435	-	-	-	2.070.569
Equity share investments	-	-	-	-	-	-	-	703.107	-	-	-	703.107
Other exposures	12.108.075	-	8	-	-	-	-	28.275.360	-	-	-	40.383.443
Total	**345.642.501**	**-**	**16.572.834**	**71.304.824**	**18.632.037**	**42.602.379**	**221.494.128**	**348.703.954**	**2.741.987**	**-**	**1.581.631**	**1.069.276.275**

(*) 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 risks

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 Turkey 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.

Amount subject to counter party credit risk is calculated with appraisal method based on its fair value in accordance with the Communiqué on Measurement and Assessment of Capital Adequacy of Banks and provisions in Appendix-2, and reported on a monthly basis. Accordingly, replacement cost and potential counter party credit risk amounts are calculated. Furthermore, capital obligation is also calculated for credit appraisal adjustment for all derivatives.

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.

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021
(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL")
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish)

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
	Valuation Method according to fair value - CCR (for derivatives)	7.543.403	1.978.589			9.521.992	2.302.875
1	Standardised approach - CCR (for derivatives)	-	-		1,4	-	-
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)					124.090.635	3.558.087
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)					21.150.098	1.168.307
5	Commodity lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit					-	-
6	**Total**						**7.029.269**

(*) Effective expected positive exposure

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

3.16. Evaluation of Counterparty Credit Risk in Accordance with the Measurement Methods

	Prior Period	Replacement cost	Potential Future exposure	EEPE (Effective Expected Positive Exposure) (*)	Alpha used for computing regulatory EAD	Exposure at default post CRM	RWA
	Valuation Method according to fair value - CCR (for derivatives)	4.223.311	1.831.453			6.054.764	2.413.718
1	Standardised approach - CCR (for derivatives)	-	-		1,4	-	-
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)					41.415.886	2.774.809
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)					8.427.178	2.840.299
5	Commodity lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit					-	-
6	**Total**						**8.028.826**

(*) 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	9.521.992	4.517.675
4	**Total subject to the CVA capital charge**	**9.521.992**	**4.517.675**

	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	6.054.764	2.238.857
4	**Total subject to the CVA capital charge**	**6.054.764**	**2.238.857**

3.18. Standardised 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)
Claims from central governments and central banks	101.134.282	-	-	3.538	-	249.063	-	-	101.386.883
Claims from regional and local governments	3.736	-	-	215	-	-	-	-	3.951
Claims from administration and non-commercial entity	6.272	-	-	-	-	393	-	-	6.665
Claims from multilateral development banks	-	-	-	-	-	-	-	-	-
Claims from international organizations	-	-	-	-	-	-	-	-	-
Claims from institutions	36.001.997	-	8.263.826	6.353.929	-	285.012	-	1.126.163	52.030.927
Corporates	778.467	-	-	-	-	1.653.624	-	1.160	2.433.251
Retail portfolios	15.817	-	-	-	12.347	-	-	-	28.164
Other claims (2)	-	-	-	-	-	-	206	-	206
Total	**137.940.571**	**-**	**8.263.826**	**6.357.682**	**12.347**	**2.188.092**	**206**	**1.127.323**	**155.890.047**

(1) Total credit exposure: the amount relevant for the capital requirements calculation, having applied CRM techniques.
(2) Other assets: the amount excludes exposures to “Central counterparty” which are reported in Counterparty credit.

Prior Period Risk Weight/Regulatory portfolio	0%	10%	20%	50%	75%	100%	150%	Other	Total credit exposure (1)
Claims from central governments and central banks	3.663.671	-	-	-	-	-	-	-	3.663.671
Claims from regional and local governments	1.819	-	-	-	-	-	-	-	1.819
Claims from administration and non-commercial entity	7.319	-	-	-	-	-	-	-	7.319
Claims from multilateral development banks	-	-	-	-	-	-	-	-	-
Claims from international organizations	-	-	-	-	-	-	-	-	-
Claims from institutions	31.669.526	-	9.088.397	9.374.982	-	119.392	-	1.581.560	51.833.857
Corporates	510.104	-	-	-	-	1.389.997	-	-	1.900.101
Retail portfolios	11.066	-	-	-	1.740	-	-	71	12.877
Receivables defined under high risk category by BRSA	-	-	-	-	-	-	590	-	590
Other claims (2)	-	-	-	-	-	-	-	-	-
Total	**35.863.505**	**-**	**9.088.397**	**9.374.982**	**1.740**	**1.509.389**	**590**	**1.581.631**	**57.420.234**

(1) Total credit exposure: the amount relevant for the capital requirements calculation, having applied CRM techniques.
(2) Other assets: the amount excludes exposures to “Central counterparty” which are reported in Counterparty credit.

3.19. Risk classes and counterparty credit risk explanations

None.

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

Collaterals for CCR

Current Period	Collateral for derivative transactions				Collateral for other transactions	
	Collateral received		Collateral given			
	Segregated	Unsegregated	Segregated	Unsegregated	Collateral received	Collateral given
Cash-domestic currency	-	-	-		16.681.835	-
Cash-foreign currency	-	-	-		34.393.015	-
Domestic sovereign debts	-	-	-		538.955	-
Other sovereign debts	-	-	-		-	-
Government agency debts	-	-	-		-	-
Corporate Debts	-	-	-		-	-
Equity Securities	-	-	-		-	-
Other collateral	-	-	-		-	-
Total	**-**	**-**	**-**		**51.613.805**	**-**

Prior Period	Collateral for derivative transactions				Collateral for other transactions	
	Collateral received		Collateral given			
	Segregated	Unsegregated	Segregated	Unsegregated	Collateral received	Collateral given
Cash-domestic currency	-	-	-	-	24.810.805	-
Cash-foreign currency	-	-	-	-	28.022.665	-
Domestic sovereign debts	-	-	-	-	136.170	-
Other sovereign debts	-	-	-	-	-	-
Government agency debts	-	-	-	-	-	-
Corporate Debts	-	-	-	-	-	-
Equity Securities	-	-	-	-	-	-
Other collateral	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**52.969.640**	**-**

Credit Derivatives

None.

Risk Weight changes under CCR on the Internal Modeling Management Methods.

None.

Risks Related with Other Parts of the Center

		Exposure at default (post-CRM)	RWA
1	**Exposure to Qualified Central Counterparties (QCCPs) (total)**	**2.111.507**	**42.230**
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	-	-
3	(i) OTC Derivatives	5.122	102
4	(ii) Exchange-traded Derivatives	-	-
5	(iii) Securities financing transactions	1.122.201	22.444
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	984.184	19.684
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 Disclosures

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

For the purposes of market risk aversion in line with financial risk management, the Parent Bank has identified market risk management activities in accordance with the Communiqué on Measurement and Assessment of Capital Adequacy of Banks and the Regulation on the Internal Systems and Internal Capital Adequacy Assessment Processes of Banks and has taken required precautions.

The Parent Bank's market risk management policies and implementation procedures have been specified in the scope of the Regulation on Risk Management, Stress Test Program and ICAAP 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 Group Presidency, 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 so as 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		**Current Period**	**Prior Period**
	Outright products		
1	Interest rate risk (general and specific)	31.222.830	32.279.735
2	Equity risk (general and specific)	4.312.614	1.056.572
3	Foreign exchange risk	5.456.779	6.478.313
4	Commodity risk	19.774	-
	Options		
5	Simplified approach	-	-
6	Delta-plus method	-	-
7	Scenario approach	-	-
8	Securitization	-	-
9	**Total**	**41.011.997**	**39.814.620**

Standard method is being used by The Parent Bank to calculate the risk of the sector.

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 also by deducting profit/loss gained from sale of securities monitored out of purchase-sale account, extraordinary incomes, operating expense made against support service and amounts compensated from insurance.

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

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021
(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL")
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish)

Current Period	**31.12.2018**	**31.12.2019**	**31.12.2020**	**Total/Number of Positive GI years**	**Ratio (%)**	**Total**
Gross Income	23.869.120	24.241.440	33.944.773	27.351.778	15	4.102.767
Amount Subject to Operational Risk (Total*12,5)						**51.284.583**

Prior Period	**31.12.2017**	**31.12.2018**	**31.12.2019**	**Total/Numberof Positive GI years**	**Ratio (%)**	**Total**
Gross Income	20.914.474	23.869.120	24.241.440	23.008.345	15	**3.451.252**
Amount Subject to Operational Risk (Total*12,5)						**43.140.646**

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 also 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 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 the 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	(11.867.872)	(9,48%)
2. TL	(400)	11.154.863	8,91%
3. EUR	200	3.274.065	2,61%
4. EUR	(200)	(3.384.407)	(2,70%)
5. USD	200	(6.087.622)	(4,86%)
6. USD	(200)	7.760.534	6,20%
Total (for negative shocks)		**15.530.990**	**12,40%**
Total (for positive shocks)		**(14.681.429)**	**(11,72%)**

Type of Currency -Prior Period	**Shock Applied (+/- x basis point)**	**Gains/(Losses)**	**Gains/Equity-(Losses)/Equity**
1. TL	500	(19.609.423)	(17,63%)
2. TL	(400)	19.212.179	17,28%
3. EUR	200	2.430.904	2,19%
4. EUR	(200)	(2.346.330)	(2,11%)
5. USD	200	(3.826.830)	(3,44%)
6. USD	(200)	4.724.669	4,25%
Total (for negative shocks)		**21.590.518**	**19,42%**
Total (for positive shocks)		**(21.005.349)**	**(18,89%)**

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

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 2021, the following notes to be presented on a quarterly and semi-annually 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 financial risk hedge accounting, the Parent Bank applies net investment hedging in order to hedge its investments abroad, which are included in the consolidated financial statements. The effective part of the fair value change of the hedging instrument in the net investment hedging transaction has been accounted for in the "Other Accumulated Comprehensive Income or Expenses to be Reclassified to Profit or Loss" under equity.

The efficiency test is performed using the "Dollar off-set method" to compare the changes in fair value of the hedging instrument and the item subject to financial risk. 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 dd 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
FX Deposit (EUR)	EUR Capital Amounts Allocated to Foreign Partnerships	Foreign exchange rate risk	(2.195.068)	2.195.068	-

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 Parent 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 Parent Bank is the main financial institution that meets the financing needs of agricultural sector in Turkey, 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 Loan 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 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 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 another 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.

As of 31 December 2021, 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".

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2021

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

(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish)

1. Table for Segment Reporting

Current Period	Retail Banking	Corporate/ Commercial banking	Specialized Banking	Treasury/ Investment Banking	Consolidation Corrections	Other/ Undistributed	Total
OPERATING INCOME/EXPENSE							
Interest Income	**20.524.091**	**37.437.587**	**13.153.152**	**37.343.822**	**-**	**994.669**	**109.453.321**
Interest Income from Loans	20.524.091	37.437.587	13.153.152	7.304.551	-	-	78.419.381
Interest Income from Banks	-	-	-	214.351	-	-	214.351
Interest Income from Securities	-	-	-	28.275.160	-	-	28.275.160
Other Interest Income	-	-	-	1.549.760	-	994.669	2.544.429
Interest Expense	**26.497.078**	**13.576.439**	**-**	**26.331.280**	**-**	**512.776**	**66.917.573**
Interest Expense on Deposits	26.497.078	13.576.439	-	4.338.929	-	-	44.412.446
Interest Expense on Funds Borrowed	-	-	-	1.432.793	-	-	1.432.793
Interest Expense on Money Market Transactions	-	-	-	17.831.743	-	-	17.831.743
Interest Expense on Securities Issued	-	-	-	2.727.815	-	-	2.727.815
Other Interest Expense	-	-	-	-		512.776	512.776
Net Interest Income/Expense	**(5.972.987)**	**23.861.148**	**13.153.152**	**11.012.542**	**-**	**481.893**	**42.535.748**
Net Fees and Commission Income/Expense	**3.773.556**	**3.394.562**	**190.337**	**(1.990.372)**	**-**	**901.533**	**6.269.616**
Fees and Commissions Received	3.780.377	3.434.089	190.337	18.806	-	1.231.703	8.655.312
Fees and Commissions Paid	6.821	39.527	-	2.009.178	-	330.170	2.385.696
Dividend Income	**-**	**-**	**-**	**144.306**	**(109.580)**	**-**	**34.726**
Trading Profit/Loss (Net)	**-**	**-**	**-**	**(10.809.228)**	**(78.211)**	**114.653**	**(10.772.786)**
Other Operating Income	**35.077**	**1.752.074**	**49.585**	**6.744**	**(935.074)**	**4.686.155**	**5.594.561**
Provision for Expected Loss (-)	**3.304.553**	**10.506.570**	**2.257.548**	**-**	**-**	**217.288**	**16.285.959**
Other Provision Expense	**402**	**92.990**	**-**	**-**	**-**	**414.500**	**507.892**
Personnel Expenses (-)	**-**	**-**	**-**	**-**	**-**	**5.803.803**	**5.803.803**
Other Operating Expense	**4.079.235**	**340.704**	**114.590**	**8**	**-**	**5.659.400**	**10.193.937**
Net Operating Profit/Loss	**(9.548.544)**	**18.067.520**	**11.020.936**	**(1.636.016)**	**(1.122.865)**	**(5.910.757)**	**10.870.274**
Profit/Loss on Equity Method Applied Subsidiaries	**-**	**-**	**-**	**-**	**117.827**	**19.369**	**137.196**
Tax Provision	**-**	**-**	**-**	**-**	**-**	**(3.018.958)**	**(3.018.958)**
Discontinued Operations Profit/ Loss Before Taxes	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Discontinued Operations Tax Provision	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Net Profit/Loss	**(9.548.544)**	**18.067.520**	**11.020.936**	**(1.636.016)**	**(1.005.038)**	**(8.910.346)**	**7.988.512**
SEGMENT ASSETS							
Financial Assets at FV Through P/L	-	-	-	28.551.122	-	-	28.551.122
Banks and Receivables from Money Market	-	-	-	18.772.877		-	18.772.877
Financial Assets at Fair Value Through Other Comprehensive Income (Net)	-	-	-	279.776.537	1.517	-	279.778.054
Loans (*)	172.972.249	535.676.379	116.362.035	16.501.260		-	841.511.923
Financial Assets Measured at Amortized Cost (Net)	-	-	-	46.328.891	-	-	46.328.891
Derivative Financial Assets	-	-	-	12.067.535	-	-	12.067.535
Associates, Subsidiaries and Entities under Common Control	-	-	-	21.974.194	(20.234.095)	-	1.740.099
Other Assets	7.334	6.743.213	121.636	200.444.598	1.110.349	56.356.249	264.783.379
Total Segment Assets	**172.979.583**	**542.419.592**	**116.483.671**	**624.417.014**	**(19.122.229)**	**56.356.249**	**1.493.533.880**
SEGMENT LIABILITIES							
Deposits	750.686.340	178.215.323	-	56.488.596	-	66.470.442	1.051.860.701
Derivative Financial Liabilities Held for Trading	-	-	-	3.702.077	-	-	3.702.077
Funds Borrowed	-	-	-	60.940.831	-	-	60.940.831
Money Markets Borrowings	13.812	120.192.120	-	60.277.809		-	180.483.741
Securities Issued (Net)	-	-	-	30.309.580	-	-	30.309.580
Provisions	2.792	3.295.851	-	-		6.492.365	9.791.008
Other Liabilities	-	-	-	-	(11.540)	55.314.363	55.302.823
Shareholders' Equity		-	-	-	(19.120.407)	120.263.526	101.143.119
Total Segmentliabilities	**750.702.944**	**301.703.294**	**-**	**211.718.893**	**(19.131.947)**	**248.540.696**	**1.493.533.880**

(*) It also includes receivables from leasing and factoring transactions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2021

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

(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish)

Prior Period	Retail Banking	Corporate/ Commercial banking	Specialized Banking	Treasury/ Investment Banking	Consolidation Corrections	Other/ Undistributed	Total
OPERATING INCOME/ EXPENSE							
Interest Income	**16.074.598**	**25.901.597**	**8.593.354**	**23.257.080**	**-**	**624.108**	**74.450.737**
Interest Income from Loans	16.074.598	25.901.597	8.593.354	5.540.452	-	-	56.110.001
Interest Income from Banks	-	-	-	133.438	-	-	133.438
Interest Income from Securities	-	-	-	17.320.104	-	-	17.320.104
Other Interest Income	-	-	-	263.086	-	624.108	887.194
Interest Expense	**14.143.315**	**8.344.640**	**-**	**10.927.193**	**-**	**3.557.392**	**36.972.540**
Interest Expense on Deposits	14.143.315	8.344.640	-	1.887.011	-	-	24.374.966
Interest Expense on Funds Borrowed	-	-	-	1.325.340	-	-	1.325.340
Interest Expense on Money Market Transactions	-	-	-	5.791.733	-	-	5.791.733
Interest Expense on Securities Issued	-	-	-	1.923.109	-	-	1.923.109
Other Interest Expense	-	-	-	-	-	3.557.392	3.557.392
Net Interest Income/Expense	**1.931.283**	**17.556.957**	**8.593.354**	**12.329.887**	**-**	**(2.933.284)**	**37.478.197**
Net Fees and Commission Income/Expense	**2.424.183**	**1.895.359**	**127.990**	**(1.153.164)**	**-**	**290.037**	**3.584.405**
Fees and Commissions Received	2.424.183	1.918.495	127.990	3.876	-	971.221	5.445.765
Fees and Commissions Paid	-	23.136	-	1.157.040	-	681.184	1.861.360
Dividend Income	**-**	**-**	**-**	**1.119.673**	**(1.112.359)**	**-**	**7.314**
Trading Profit/Loss (Net)	**-**	**-**	**-**	**(7.660.157)**	**-**	**23.563**	**(7.636.594)**
Other Operating Income	**55.809**	**355.388**	**29.260**	**525.716**	**(298.577)**	**5.251.649**	**5.919.245**
Provision for Expected Loss (-)	**3.215.565**	**6.924.254**	**1.552.502**	**-**	**-**	**501.680**	**12.194.001**
Other Provision Expense	**-**	**48.342**	**-**	**49**	**-**	**2.826.528**	**2.874.919**
Personnel Expense (-)	**-**	**-**	**-**	**-**	**-**	**4.852.164**	**4.852.164**
Other Operating Expense	**3.374.073**	**164.646**	**77.763**	**114.392**	**-**	**4.612.433**	**8.343.307**
Net Operating Profit/Loss	**(2.178.363)**	**12.670.462**	**7.120.339**	**5.047.514**	**(1.410.936)**	**(10.160.840)**	**11.088.176**
Profit/Loss on Equity Method Applied Subsidiaries	**-**	**-**	**-**	**-**	**40.087**	**17.171**	**57.258**
Tax Provision	**-**	**-**	**-**	**-**	**-**	**(3.348.927)**	**(3.348.927)**
Discontinued Operations Profit/ Loss Before Taxes	**-**	**-**	**-**	**-**	**-**	**1.937.973**	**1.937.973**
Discontinued Operations Tax Provision	**-**	**-**	**-**	**-**	**-**	**(81.405)**	**(81.405)**
Net Profit/Loss	**(2.178.363)**	**12.670.462**	**7.120.339**	**5.047.514**	**(1.370.849)**	**(11.636.028)**	**9.653.075**
SEGMENT ASSETS							
Financial Assets at FV Through P/L	-	-	-	15.354.116	-	-	15.354.116
Banks and Receivables from Money Markets	-	-	-	10.027.095	-	-	10.027.095
Financial Assets at Fair Value Through Other Comprehensive Income (Net)	-	-	-	187.238.807	1.517	-	187.240.324
Loans (*)	179.301.086	367.187.496	85.643.924	9.500.957	-	-	641.633.463
Financial Assets Measured at Amortized Cost (Net)	-	-	-	30.615.146	-	-	30.615.146
Derivative Financial Assets	-	-	-	5.061.778	-	-	5.061.778
Associates, Subsidiaries and Entities under Common Control	-	-	-	15.245.526	(13.760.183)	-	1.485.343
Other Assets	8.689	6.524.817	122.567	88.366.223	524.208	31.569.152	127.115.656
TOTAL SEGMENT ASSETS	**179.309.775**	**373.712.313**	**85.766.491**	**361.409.648**	**(13.234.458)**	**31.569.152**	**1.018.532.921**
SEGMENT LIABILITIES							
Deposits	465.068.519	151.576.278	-	34.215.803	-	43.977.640	694.838.240
Derivative Financial Liabilities Held for Trading	-	-	-	3.486.961	-	-	3.486.961
Funds Borrowed	-	-	-	37.168.551	-	-	37.168.551
Money Market Borrowings	9.029	22.701.248	-	95.792.265	-	-	118.502.542
Securities Issued (Net)	-	-	-	18.373.615	-	-	18.373.615
Provisions	1.308	1.862.610	-	-	-	5.646.908	7.510.826
Other Liabilities	-	-	-	-	(1.667)	43.580.300	43.578.633
Shareholders' Equity	-	-	-	-	(13.232.792)	108.306.345	95.073.553
TOTAL SEGMENT LIABILITIES	**465.078.856**	**176.140.136**	**-**	**189.037.195**	**(13.234.459)**	**201.511.193**	**1.018.532.921**

(*) It also includes receivables from leasing transactions.

(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	**1.209.754.418**	**1.172.565.612**
Due from Interbank Money Market	1.249.768	1.247.985
Banks	17.535.641	17.532.194
Financial Assets Measured at Fair Value Through Other Comprehensive Income	279.778.054	279.778.054
Financial Assets Measured at Amortised Cost	46.339.025	53.479.175
Loans	864.851.930	820.528.204
Financial Liabilities	**1.184.886.076**	**1.176.353.207**
Bank Deposits	60.142.739	59.882.319
Other Deposits	991.717.962	980.751.108
Funds Borrowed from Other Financial Institutions	60.940.831	61.495.610
Issued Marketable Securities	53.051.544	55.191.170
Miscellaneous Payables	19.033.000	19.033.000

Prior Period	Book Value	Fair Value
Financial Assets	**885.404.729**	**859.602.894**
Due from Interbank Money Market	603.790	602.246
Banks	9.430.160	9.421.649
Financial Assets Measured at Fair Value Through Other Comprehensive Income	187.240.324	187.240.324
Financial Assets Measured at Amortised Cost	30.620.481	27.992.429
Loans	657.509.974	634.346.246
Financial Liabilities	**777.778.912**	**779.910.196**
Bank Deposits	39.448.179	39.416.429
Other Deposits	655.390.061	655.542.414
Funds Borrowed from Other Financial Institutions	37.168.551	38.016.673
Issued Marketable Securities	32.189.849	33.352.408
Miscellaneous Payables	13.582.272	13.582.272

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.

2. Information on Fair Value Measurements Recognized in the Financial Statements

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)	**279.506**	**28.271.616**	**-**	**28.551.122**
Government Debt Securities	37.355	25.678.537	-	25.715.892
Marketable Securities	25.041	-	-	25.041
Other Marketable Securities	217.110	2.593.079	-	2.810.189
Financial Assets at Fair Value Through Other	**278.244.901**	**1.175.310**	**313.437**	**279.733.648**
Government Debt Securities	277.342.628	-	-	277.342.628
Marketable Securities	7.940	-	313.437	321.377
Other Marketable Securities	894.333	1.175.310	-	2.069.643
Derivative Financial Assets	**-**	**12.067.535**	**-**	**12.067.535**
Subsidiaries and Joint Ventures			**1.263.841**	**1.263.841**
Total Assets	**278.524.407**	**41.514.461**	**1.577.278**	**321.616.146**
Derivative Financial Liabilities	-	3.702.077	-	3.702.077
Total Liabilities	**-**	**3.702.077**	**-**	**3.702.077**

Prior Period	Level 1	Level 2	Level 3	Total
Financial Assets at Fair Value Through Profit or (Loss)	**239.716**	**15.114.400**	**-**	**15.354.116**
Government Debt Securities	92.249	13.699.516	-	13.791.765
Marketable Securities	109.543	434.012	-	543.555
Other Marketable Securities	37.924	980.872	-	1.018.796
Financial Assets at Fair Value Through Other	**184.722.246**	**2.250.232**	**236.776**	**187.209.254**
Government Debt Securities	180.817.801	-	-	180.817.801
Marketable Securities	5.869	122	236.776	242.767
Other Marketable Securities	3.898.576	2.250.110	-	6.148.686
Derivative Financial Assets	**-**	**5.061.778**	**-**	**5.061.778**
Subsidiaries and Joint Ventures	**-**	**-**	**931.088**	**931.088**
Total Assets	**184.961.962**	**22.426.410**	**1.167.864**	**208.556.236**
Derivative Financial Liabilities	-	3.486.961	-	3.486.961
Total Liabilities	**-**	**3.486.961**	**-**	**3.486.961**

The movement of financial assets in Level 3 is presented below:

	Current Period	Prior Period
Balances at Beginning at Period	**1.167.864**	**565.103**
Purchases	-	274.964
Disposals Through Sale/Redemptions	(69.981)	-
Valuation effect	518.343	327.797
Transfers	(38.948)	-
Balances at the End at Period	**1.577.278**	**1.167.864**

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 Turkey (the "CBRT")

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash in TL/Foreign Currency	2.688.076	8.674.065	2.239.346	3.983.617
Central Bank of the Republic of Turkey	23.698.821	191.052.534	6.127.060	82.146.802
Other	24	1.435.839	-	449.400
Total	**26.386.921**	**201.162.438**	**8.366.406**	**86.579.819**

Explanation on reserve requirements

Banks that are established in Turkey or performing their operations by opening branches in Turkey are subject to Communiqué on Required Reserves of Central Bank of the Republic of Turkey's numbered 2013/15. Based on accounting standards and registration layout for banks and financing companies, the items specified within the Communiqué, except from liabilities to Central Bank, Treasury, Domestic banks, and head offices and branches in Turkey of the banks established by international agreements, constitute required reserves liabilities.

Banks are required to maintain reserves with Central Bank of the Republic of Turkey for their TL and FC liabilities that are specified in the aforementioned Communique. Required reserves are calculated every two weeks as of Friday and established for 14-day intervals.

Required reserve rates vary according to the maturity structure of the liabilities and are applied between 3%-8% for TL deposits and other liabilities, 5%-26% for FX deposits and for other FC liabilities. Within the scope of the Communiqué No. 2021/14 on Supporting the Conversion of Turkish Lira Deposit and Participation Accounts, the conversion rate from foreign currency deposit accounts in US dollars, Euros and British Pounds and participation fund accounts in foreign currency to time deposits and participation funds in Turkish lira as of the obligation date of 15/4/2022 It has been decided not to apply an annual commission of 1.5% to the banks that have reached the 10% level and the 20% level as of the 8/7/2022 obligation date, up to the amount to be kept for their liabilities until the end of 2022.

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021
(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL")
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish)

Information on the account of the Central Bank of the Republic of Turkey

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted Demand Deposit	23.091.176	43.412.219	5.905.660	21.462.861
Unrestricted Time Deposit	-	18.403.250	-	-
Restricted Time Deposit	-	682	-	370
Other [1]	607.645	129.236.383	221.400	60.683.571
Total	**23.698.821**	**191.052.534**	**6.127.060**	**82.146.802**

[1] Includes required reserves and CBRT restricted electronic money funds amounting to TL 16.046. Required reserve of branches abroad amounting to TL 399.329 is presented in this line. TL 4.103.676 of the current period's FC required reserve is the part of the TL required reserves that are held in FC (31 December 2020: Includes required reserves and CBRT restricted electronic money funds amounting to TL 12.011. Required reserve of branches abroad amounting to TL 265.879 is presented in this line. TL 9.120.863 of the current period's FC required reserve is the part of the TL required reserves that are held in FC).

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	1.894.329	987.872
Assets Blocked/Given as Collateral	23.897.387	13.708.749
Total	**25.791.716**	**14.696.621**

3. Positive Differences Statement Regarding Trading Derivative Financial Assets

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	818.332	8.596	69.015	1.618
Swap Transactions	9.632.350	1.535.695	2.872.371	2.112.607
Futures Transactions	-	-	6.018	-
Options	-	72.562	-	-
Other	-	-	140	9
Total	**10.450.682**	**1.616.853**	**2.947.544**	**2.114.234**

4. Information on Bank Account and Foreign Banks

4.1. Information on Bank Balances

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic	4.302	414.080	3.213	2.625.254
Foreign [*]	761.144	16.356.115	578.142	6.223.551
Foreign Head Office and Branches	-	-	-	-
Total	**765.446**	**16.770.195**	**581.355**	**8.848.805**

[*] In accordance with the Uniform Chart of Accounts that entered into force as of 1 January 2021, foreign bank derivative and repo transactions collaterals amounting to TL 5.800.233 as of the balance sheet date, which were included in the previous period's other assets, are reported in the foreign banks line in the current period.

4.2. Information on Foreign Bank Accounts

	Unrestricted Amount		Restricted Amount	
	Current Period	Prior Period	Current Period	Prior Period
European Union Countries	3.809.167	3.127.880	4.953.475	-
USA, Canada	1.270.401	472.364	715.740	-
OECD Countries (1)	1.581.935	229.374	-	-
Off-shore Banking Regions	-	-	-	-
Other	4.655.523	2.970.814	131.018	1.261
Total	**11.317.026**	**6.800.432**	**5.800.233**	**1.261**

(1) OECD countries other than EU countries, USA and Canada.

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	173.441.580	54.282.961
Assets Blocked/Given as Collateral	53.977.913	84.326.980
Total	**227.419.493**	**138.609.941**

6. Information on Financial Assets Fair Value Through Other Comprehensive Income

	Current Period	Prior Period
Debt Securities	293.409.533	189.012.067
Quoted at Stock Exchange	292.769.022	187.266.123
Not Quoted in Stock Exchange	640.511	1.745.944
Share Certificates	420.414	302.479
Quoted at Stock Exchange	2.740	2.733
Not Quoted in Stock Exchange	417.674	299.746
Provision for Impairment (-)	14.051.893	2.074.222
Total	**279.778.054**	**187.240.324**

7. Information 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	
	TL	FC	TL	FC
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)	764.199	-	642.578	-
Total	**764.199**	**-**	**642.578**	**-**

(1) Interest rediscount and interest accrual amounting TL 6.342, are not included (31 December 2020: Interest rediscount and interest accrual amounting TL 4.190 are not included).

(2) Since the balance of overdraft accounts related to employees amounting TL 33.441, is showed under Table 7.3. as overdraft accounts (real person), it is not included to the table above (31 December 2020: Since the balance of overdraft accounts related to employees amounting TL 21.494, is showed under Table 7.3. as overdraft accounts (real person), it is not included to the table above).

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021
(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish)

7.2. Information on the First and Second Group Loans and Other Receivables Including Restructured or Rescheduled Loans

Current Period		Loans Under Close Monitoring (2)		
			Loans under restructuring	
Cash Loans (3)	Standard Loans	Not Under the Scope of Restructuring	Loans with revised contract terms	Refinancing
Non-Specialized Loans	641.613.947	24.918.925	1.355.461	47.648.327
Commercial Loans	422.801.254	15.437.647	1.135.800	47.492.680
Export Loans	15.001.635	214.053	-	-
Import Loans	1.135.986	41.924	-	-
Loans Given to Financial Sector	6.334.659	-	-	-
Consumer Loans	146.945.300	5.359.270	218.295	150.676
Credit Cards	31.481.786	2.372.525	-	1.174
Other	17.913.327	1.493.506	1.366	3.797
Specialized Loans (1)	104.062.560	3.789.550	38.766	1.269.130
Other Receivables	-	-	-	-
Interest Income Accruals	14.280.794	888.668	50.298	4.729.304
Total	**759.957.301**	**29.597.143**	**1.444.525**	**53.646.761**

(1) Agricultural loans to support farmers are shown in specialized loans.

(2) It includes a loan amounting to TL 347.139 with a delay of more than 90 days.

(3) In accordance with the BRSA's Uniform Chart of Accounts amendment, fund-based loans amounting to TL 5.715.578 started to be monitored off-balance sheet in the current period.

Prior Period		Loans Under Close Monitoring (3)		
			Loans under restructuring	
Cash Loans	Standard Loans	Not Under the Scope of Restructuring	Loans with revised contract terms	Refinancing
Non-Specialized Loans	511.771.755	20.159.042	1.024.130	13.930.913
Commercial Loans	300.433.370	17.973.440	944.727	13.822.319
Export Loans	6.969.102	502.089	-	-
Import Loans	63.885	-	-	-
Loans Given to Financial Sector	7.383.937	-	-	-
Consumer Loans	166.429.646	1.371.308	79.208	104.309
Credit Cards	17.742.374	234.189	-	3.354
Other	12.749.441	78.016	195	931
Specialized Loans (1) (2)	79.035.186	1.188.468	764	1.216.456
Other Receivables	-	-	-	-
Interest Income Accruals	10.042.382	1.670.508	57.285	731.871
Total	**600.849.323**	**23.018.018**	**1.082.179**	**15.879.240**

(1) Funds are originated agricultural loans are shown in specialized loans.

(2) Agricultural loans to support farmers are shown in specialized loans.

(3) It includes a loan amounting to TL 2.721.661 with a delay of more than 90 days.

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

	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	2.660.108	-	2.888.030	-
Significant Increase in Credit Risk	-	14.991.813	-	6.223.597

7.3. Distribution of Cash Loans by Maturity Structure

		Loans under Close Monitoring	
Current Period	**Standard Loans**	**Loans Not Subject to Restructuring**	**Restructured or Rescheduled**
Short-term Loans	185.203.936	9.235.604	4.434.891
Medium and Long-term Loans and Other Receivables	560.472.571	19.472.871	45.876.793

[1] Accruals are not included in the table.
[2] In accordance with the BRSA's Uniform Chart of Accounts amendment, fund-based loans amounting to TL 5.715.578 started to be monitored off-balance sheet in the current period.

		Loans under Close Monitoring	
Prior Period	**Standard Loans**	**Loans Not Subject to Restructuring**	**Restructured or Rescheduled**
Short-term Loans	99.763.206	4.216.356	1.206.028
Medium and Long-term Loans and Other Receivables	491.043.735	17.131.154	14.966.235

[1] Accruals are not included in the table.

7.4. Information on consumer loans, personal credit cards, personnel loans and personnel credit cards

Current Period	Short-Term	Medium and Long-Term	Total
Consumer Loans-TL	1.173.135	146.481.934	147.655.069
Mortgage Loans	14.062	90.688.507	90.702.569
Automotive Loans	9.358	809.089	818.447
Consumer Loans	1.149.715	54.984.338	56.134.053
Other	-	-	-
Consumer Loans- Indexed to FC	977	422.317	423.294
Mortgage Loans	-	69.982	69.982
Automotive Loans	-	3.167	3.167
Consumer Loans	-	21.511	21.511
Other	977	327.657	328.634
Consumer Loans-FC	13.036	1.668.736	1.681.772
Mortgage Loans	270	368.305	368.575
Automotive Loans	40	16.974	17.014
Consumer Loans	8.224	224.825	233.049
Other	4.502	1.058.632	1.063.134
Retail Credit Cards-TL	17.057.839	219.892	17.277.731
With Installment	4.848.028	196.462	5.044.490
Without Installment	12.209.811	23.430	12.233.241
Retail Credit Cards-FC	87.809	1.479	89.288
With Installment	86.371	-	86.371
Without Installment	1.438	1.479	2.917
Personnel Loans-TL	20.983	435.875	456.858
Mortgage Loans	-	2.772	2.772
Automotive Loans	-	128	128
Consumer Loans	20.983	432.975	453.958
Other	-	-	-
Personnel Loans-Indexed to FC	-	14.275	14.275
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	14.275	14.275
Personnel Loans-FC	2.658	52.375	55.033
Mortgage Loans	-	8.261	8.261
Automotive Loans	-	400	400
Consumer Loans	2.492	1.955	4.447
Other	166	41.759	41.925
Personnel Credit Cards-TL	228.633	7.223	235.856
With Installment	61.491	6.538	68.029
Without Installment	167.142	685	167.827
Personnel Credit Cards-FC	2.177	-	2.177
With Installment	2.137	-	2.137
Without Installment	40	-	40
Overdraft Accounts-TL (Real Person)	2.387.151	-	2.387.151
Overdraft Accounts-FC (Real Person)	89	-	89
Total [1]	**20.974.487**	**149.304.106**	**170.278.593**

[1] TL 1.309.768 of interest income rediscount and accrual is not included.

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

Prior Period	Short-Term	Medium and Long-Term	Total
Consumer Loans-TL	695.314	163.835.316	164.530.630
Mortgage Loans [2]	9.748	95.348.941	95.358.689
Automotive Loans	7.567	1.063.501	1.071.068
Consumer Loans [2]	677.999	67.422.874	68.100.873
Other	-	-	-
Consumer Loans- Indexed to FC	273	352.145	352.418
Mortgage Loans	-	55.203	55.203
Automotive Loans	-	2.889	2.889
Consumer Loans	65	18.236	18.301
Other	208	275.817	276.025
Consumer Loans-FC	5.168	899.509	904.677
Mortgage Loans	298	161.298	161.596
Automotive Loans	104	13.049	13.153
Consumer Loans	1.915	77.306	79.221
Other	2.851	647.856	650.707
Consumer Credit Cards-TL	9.906.452	199.310	10.105.762
With Installment	3.324.760	184.008	3.508.768
Without Installment	6.581.692	15.302	6.596.994
Consumer Credit Cards-FC	57.384	22	57.406
With Installment	56.678	-	56.678
Without Installment	706	22	728
Personnel Loans-TL	14.553	405.788	420.341
Mortgage Loans	-	1.082	1.082
Automotive Loans	-	425	425
Consumer Loans	14.553	404.281	418.834
Other	-	-	-
Personnel Loans-Indexed to FC	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Personnel Loans-FC	232	36.600	36.832
Mortgage Loans	-	10.446	10.446
Automotive Loans	-	-	-
Consumer Loans	5	1.538	1.543
Other	227	24.616	24.843
Personnel Credit Cards-TL	176.667	7.245	183.912
With Installment	63.409	6.890	70.299
Without Installment	113.258	355	113.613
Personnel Credit Cards-FC	1.493	-	1.493
With Installment	1.470	-	1.470
Without Installment	23	-	23
Credit Deposit Account-TL (Real Person)	1.739.573	-	1.739.573
Credit Deposit Account-FC (Real Person)	-	-	-
Total [1]	**12.597.109**	**165.735.935**	**178.333.044**

[1] TL 1.089.551 of interest income accrual is not included.

[2] Funds originated consumer loans amounting to TL 3.914.794 of are included.

7.5. Information on Commercial Installment Loans and Corporate Credit Cards

Current Period	Short-Term	Medium and Long-Term	Total
Commercial Installment Loans- TL	3.763.212	90.134.805	93.898.017
Mortgage Loans	7.154	1.696.440	1.703.594
Automotive Loans	251.321	3.415.447	3.666.768
Consumer Loans	3.504.737	85.022.918	88.527.655
Other	-	-	-
Commercial Installment Loans- FC Indexed	1.050.065	657.659	1.707.724
Mortgage Loans	-	-	-
Automotive Loans	-	20	20
Consumer Loans	25.436	598.659	624.095
Other	1.024.629	58.980	1.083.609
Commercial Installment Loans- FC	2.182.877	73.871.304	76.054.181
Mortgage Loans	178.060	475.530	653.590
Automotive Loans	91	54.056	54.147
Consumer Loans	1.661.146	72.292.426	73.953.572
Other	343.580	1.049.292	1.392.872
Corporate Credit Cards- TL	15.944.209	247.639	16.191.848
With Installment	7.042.609	247.539	7.290.148
Without Installment	8.901.600	100	8.901.700
Corporate Credit Cards- FC	58.585	-	58.585
With Installment	56.752	-	56.752
Without Installment	1.833	-	1.833
Overdraft Account-TL (Legal Entity)	1.463.188	-	1.463.188
Overdraft Account-FC (Legal Entity)	-	-	-
Total [1]	**24.462.136**	**164.911.407**	**189.373.543**

[1] Accruals and rediscount amounts related to loans are not included in the table above.

Prior Period	Short-Term	Medium and Long-Term	Total
Commercial Installment Loans- TL	2.473.246	106.838.039	109.311.285
Mortgage Loans	1.352	1.475.010	1.476.362
Automotive Loans	155.613	2.166.836	2.322.449
Consumer Loans	2.316.281	103.196.193	105.512.474
Other	-	-	-
F Commercial Installments Loans- FC Indexed	779.976	1.009.417	1.789.393
Mortgage Loans	779.976	1.006.474	1.786.450
Automotive Loans	-	2.943	2.943
Consumer Loans	-	-	-
Other	-	-	-
Commercial Installment Loans- FC	315.999	46.135.941	46.451.940
Mortgage Loans	38.228	147.081	185.309
Automotive Loans	-	37.882	37.882
Consumer Loans	161.831	45.305.788	45.467.619
Other	115.940	645.190	761.130
Corporate Credit Cards- TL	7.533.999	75.399	7.609.398
With Installment	3.278.089	75.279	3.353.368
Without Installment	4.255.910	120	4.256.030
Corporate Credit Cards- FC	21.946	-	21.946
With Installment	21.412	-	21.412
Without Installment	534	-	534
Overdraft Account- TL (Legal Entity)	940.273	-	940.273
Overdraft Account- FC (Legal Entity)	26.457	-	26.457
Total (1)	**12.091.896**	**154.058.796**	**166.150.692**

(1) Accruals and rediscount amounts related to loans are not included in the table above.

7.6. Loans According to Types of Borrowers

	Current Period (*)	Prior Period
Public	13.011.446	5.912.984
Private	811.685.220	622.413.730
Interest Income Accruals of Loans	19.949.064	12.502.046
Total	**844.645.730**	**640.828.760**

(*) In accordance with the BRSA's Uniform Chart of Accounts amendment, fund-based loans amounting to TL 5.715.578 started to be monitored off-balance sheet in the current period.

7.7. Distribution of Domestic and Foreign Loans

	Current Period (*)	Prior Period
Domestic Loans	802.846.934	613.508.290
Foreign Loans	21.849.732	14.818.424
Interest Income Accruals of Loans	19.949.064	12.502.046
Total	**844.645.730**	**640.828.760**

(*) In accordance with the BRSA's Uniform Chart of Accounts amendment, fund-based loans amounting to TL 5.715.578 started to be monitored off-balance sheet in the current period.

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021
(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL")
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish)

7.8. Loans Granted to Investments in Associates and Subsidiaries

	Current Period	Prior Period
Direct loans granted to subsidiaries and associates	1.522.167	1.138.436
Indirect loans granted to subsidiaries and associates	-	-
Total	**1.522.167**	**1.138.436**

7.9. Credit-Impaired Losses (Stage III/Spesific Provision)

	Current Period	Prior Period
Loans and other receivables with limited collectability	1.651.518	1.234.735
Loans and other receivables with doubtful collectability	1.127.454	655.989
Uncollectible loans and other receivables	12.493.924	10.020.337
Total	**15.272.896**	**11.911.061**

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 and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
Current Period			
Gross amounts before the provisions	609.360	289.568	1.650.130
Rescheduled Loans	609.360	289.568	1.650.130
Prior Period			
Gross amounts before the provisions	245.295	124.385	1.015.246
Rescheduled Loans	245.295	124.385	1.015.246

7.10.2. Information on The Movement of Total Non-Performing Loans

	Group III	Group IV	Group V
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
Prior Period Ending Balance	**2.608.435**	**1.341.890**	**12.730.889**
Additions (+)	4.260.719	2.486.621	2.439.367
Transfers from Other Categories of Loans under Follow-Up (+)	-	2.369.904	3.025.906
Transfers to Other Categories of Loans under Follow-Up (-)	2.369.904	3.025.906	-
Collections (-) (1)	870.607	965.782	3.825.332
Write-offs (-)	-	-	-
Sold	-	-	-
Corporate and Commercial Loans	-	-	-
Consumer Loans	-	-	-
Credit Cards	-	-	-
Other	-	-	-
Balance at the End of the Period	**3.628.643**	**2.206.727**	**14.370.830**
Provision (-)	1.651.518	1.127.454	12.493.924
Net Balance at Balance Sheet	**1.977.125**	**1.079.273**	**1.876.906**

(1) In accordance with the BRSA's Uniform Chart of Accounts amendment it includes transfers to first and second group loans amounting to TL 1.095.890 and portion of non-performing loans from funds amounting to TL 261.685 transferred off balance sheet.

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

7.10.3. Information on Non-Performing Loans Granted as Foreign Currency Loans

	Group III Loans and other receivables with limited collectability	Group IV Loans and receivables with doubtful collectability	Group V Uncollectible loans and other receivables
Current Period			
Period Ending Balance	**2.591.923**	**149.615**	**1.122.002**
Provision (-)	1.282.982	131.027	800.680
Net Balance on Balance Sheet	**1.308.941**	**18.588**	**321.322**
Prior Period:			
Period Ending Balance	**1.421.370**	**134.815**	**384.361**
Provision (-)	684.262	93.696	321.922
Net Balance on Balance Sheet	**737.108**	**41.119**	**62.439**

7.10.4. Breakdown of Non-Performing Loans According to Their Gross and Net Values

	Group III Loans and other receivables with limited collectability	Group IV Loans and other receivables with doubtful collectability	Group V Uncollectible loans and other receivables
Current Period (Net)	**1.977.125**	**1.079.273**	**1.876.906**
Loans to Real Persons and Legal Entities (Gross)	3.628.643	2.206.727	14.214.115
Provisions (-)	1.651.518	1.127.454	12.337.209
Loans to Real Persons and Legal Entities (Net)	1.977.125	1.079.273	1.876.906
Banks (Gross)	-	-	-
Provisions (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	156.715
Provisions (-)	-	-	156.715
Other Loans and Receivables (Net)	-	-	-
Prior Period (Net)	**1.373.700**	**685.901**	**2.710.552**
Loans to Real Persons and Legal Entities (Gross)	2.608.435	1.341.890	12.582.423
Provisions (-)	1.234.735	655.989	9.871.871
Loans to Real Persons and Legal Entities (Net)	1.373.700	685.901	2.710.552
Banks (Gross)	-	-	-
Provisions (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	148.466
Provisions (-)	-	-	148.466
Other Loans and Receivables (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 Loans and other receivables with limited collectability	Group IV Loans and other receivables with doubtful collectability	Group V Uncollectible loans and other receivables
Current Period (Net)	**99.409**	**53.083**	**105.201**
Interest Accruals and Valuation Differences	179.747	215.297	824.897
Provisions (-)	80.338	162.214	719.696
Prior Period (Net)	**168.569**	**40.312**	**157.220**
Interest Accruals and Valuation Differences	257.319	128.081	570.510
Provisions (-)	88.750	87.769	413.290

7.11. Information on expected loss provisions set aside for loans

Current Period	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Balances at Beginning of the Period	**2.888.030**	**6.223.597**	**11.911.061**	**21.022.688**
Additions during the Period	693.496	8.866.608	4.290.429	13.850.533
Disposals (-)(*)	(782.231)	(322.611)	(843.562)	(1.948.404)
Sales (-)	-	-	-	-
Write-offs (-)	-	-	-	-
Transfer to Stage 1	283.075	(56.898)	(226.177)	-
Transfer to Stage 2	(345.288)	534.630	(189.342)	-
Transfer to Stage 3	(76.974)	(253.513)	330.487	-
Balances at End of Period	**2.660.108**	**14.991.813**	**15.272.896**	**32.924.817**

Prior Period	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Balances at Beginning of the Period	**1.484.228**	**3.475.535**	**9.202.528**	**14.162.291**
Additions during the Period	1.966.662	5.732.986	3.948.567	11.648.215
Disposals (-)(*)	(543.249)	(3.031.323)	(1.112.201)	(4.686.773)
Sales (-)	-	-	(101.045)	(101.045)
Write-offs (-)	-	-	-	
Transfer to Stage 1	157.552	(102.528)	(55.024)	-
Transfer to Stage 2	(159.634)	250.417	(90.783)	-
Transfer to Stage 3	(17.529)	(101.490)	119.019	-
Balances at End of Period	**2.888.030**	**6.223.597**	**11.911.061**	**21.022.688**

(*) It includes the provision cancellation of the loan amounting to USD 1.155 million collected while monitoring in the second phase. The amount related to the part of the said provision allocated in previous years has been accounted under the "Other Operating Income" item, and the amount related to the part allocated in the current year has been accounted under the "Provisions for Expected Loss" item.

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.

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

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. Information on Financial Assets Measured at Amortized Cost

8.1. Information on Comparative Net Values of Financial Assets Measured at Amortized Cost Subject to Repo Transactions and Given as a Collateral/Blocked

Financial Assets Measured at Amortized Cost subject to repo transactions

	Current Period		Prior Period	
	TL	FC	TL	FC
Government Bonds	1.390.806	3.209.928	3.315.575	1.802.748
Treasury Bills	-	-	-	-
Other Government Debts	-	-	-	-
Bank Bonds and Bank Guaranteed Bonds	-	-	-	-
Asset Backed Securities	-	-	-	-
Other	-	-	-	-
Total	**1.390.806**	**3.209.928**	**3.315.575**	**1.802.748**

Financial Assets Measured at Amortized Cost given as collateral or blocked

	Current Period		Prior Period	
	TL	FC	TL	FC
Bills	-	-	-	-
Bonds and Similar Investment Securities	607,105	25.626.356	8.723.020	14.875.540
Other	-	332.803	-	-
Total	**607.105**	**25.959.159**	**8.723.020**	**14.875.540**

8.2. Information on Government Debt Securities at Amortized Cost

	Current Period	Prior Period
Government Debt	45.620.065	29.577.973
Treasury Bills	87.599	22.087
Other Public Sector Debt Securities	290.413	874.661
Total	**45.998.077**	**30.474.721**

8.3. Information on Investments Valued at Amortized Cost

	Current Period	Prior Period
Debt Securities	46.339.321	30.620.661
Quoted at Stock Exchange	44.293.342	29.571.518
Unquoted at Stock Exchange	2.045.979	1.049.143
Impairment (-)	296	180
Total	**46.339.025**	**30.620.481**

8.4. The Movement of Financial Assets at Amortized Costs

	Current Period	Prior Period
Balance at the Beginning of the Period	**30.620.481**	**18.171.615**
Foreign Currency Differences on Monetary Assets	11.313.351	4.245.424
Purchases During the Year (1)	7.195.320	9.056.733
Disposals through Sales and Redemptions	(2.789.831)	(853.111)
Impairment Provision (-)	296	180
Balance at the End of the Period	**46.339.025**	**30.620.481**

(1) Accruals are shown in "Purchases During the Year".

9. Information on Associates Accounts (Net)

9.1. Information on the Parent Bank's Consolidated Associates

	Title	Address (City/Country)	The Bank's Share Percentage, if Different, Voting Percentage (%)	The Bank's Risk Group Share Percentage (%)
1	Platform Ortak Kartlı Sistemler A.Ş.	Istanbul/Turkey	20,00	20,00
2	Bileşim Finansal Teknolojiler ve Ödeme Sistemleri A.Ş.	Istanbul/Turkey	33,34	33,34

(*) Keskinoğlu Tavukçuluk ve Damızlık İşl. San. Tic. A.Ş. within the scope of the BRSA's Uniform Chart of Accounts amendments, it has been classified under the fixed assets held for sale in the current period.

	Total Assets (2)	Shareholders' Equity (2)	Total Non-Current Assets (2)(3)	Interest Income (2)	Income from Marketable Securities (2)	Current Period Profit/Loss (2)	Prior Period Profit/Loss (2)	Fair Value (1)
1	5.711	5.682	38	-	-	918	(464)	-
2	203.358	151.976	104.098	15.830	-	(1.953)	3.675	-

(1) There is no fair value due to the fact that associates are not traded in the stock exchange.

(2) Current period financial information has been provided from unaudited financial statements as of 31 December 2021. Prior period profit/loss information has been provided from independently audited financial statements as of 31 December 2020.

(3) Total noncurrent assets include tangible and intangible assets.

9.2. Information on Consolidated Associates

	Title	Address (City/Country)	The Parent Bank's Share Percentage-if different Voting Percentage (%)	The Parent Bank's Group Share Percentage (%)
1	Arap Türk Bankası A.Ş.	İstanbul/Turkey	15,43	15,43

	Total Assets (2)	Shareholders' Equity (2)	Total Non-Current Assets (2)	Interest Income (2)	Income from Marketable Securities (2)	Current Period Profit/Loss (2)	Prior Period Profit/Loss (2)	Fair Value (1)
1	9.706.492	1.334.796	211.401	242.059	147.409	160.336	96.575	-

(1) There is no fair value of Arap Türk Bankası A.Ş. due to the fact that associates are not traded in the stock exchange

(2) Current period information of Arap Türk Bankası A.Ş. has been provided from unaudited financial statements as of 31 December 2021. Prior period profit/loss information of associates has been provided from independently audited financial statements as of 31 December 2020.

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

9.3. Information on Financial Associates

	Current Period	Prior Period
Balance at the Beginning of the Period	**177.879**	**162.465**
Movement During the Period	**28.080**	**15.414**
Additions	-	-
Bonus Share Certificates	-	-
Dividends from Current Year Income	24.740	14.902
Transfer (-)	-	-
Sales	-	-
Revaluation Increase	3.340	512
Revaluation/Impairment	-	-
Balance at the End of the Period	**205.959**	**177.879**
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	205.959	177.879
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	-	-
Finance Companies	-	-
Other Financial Associates	-	-

9.5. Subsidiaries Quoted to the Stock Exchange

None (31 December 2020: None).

10. Information on Subsidiaries (Net)

10.1. Information on the Parent Bank's Consolidated 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.	İstanbul/Turkey	100,00	100,00

(*) Rinerji Rize Elektrik Üretim A.Ş., which was previously a subsidiary within the scope of the BRSA's Uniform Chart of Accounts amendments, it has been classified under non-current assets held for sale in the current period.

	Total Assets (2)	Shareholders' Equity (2)	Total Non-Current Assets (2)	Interest Income (2)	Income from Marketable Securities (2)	Current Period Profit/Loss (2)	Prior Period Profit/Loss (2)	Fair Value (1)
1	99.580	19.798	5.942	1.409	50	1.961	2.954	51.826

(1) There is no fair value due to the fact that subsidiaries are not traded in the stock exchange.

(2) Current period financial information has been provided from unaudited financial statements as of 31 December 2021. Prior period profit/loss information has been provided from independently audited financial statements as of 31 December 2020.

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.	İstanbul/Turkey	99,60	99,60
2	Ziraat Portföy Yönetimi A.Ş.	İstanbul/Turkey	74,90	99,80
3	Ziraat Katılım Bankası A.Ş.	İstanbul/Turkey	100,00	100,00
4	Ziraat Gayrimenkul Yatırım Ortaklığı A.Ş.	İstanbul/Turkey	81,06	81,06
5	Ziraat Girişim Sermayesi Yatırım Ortaklığı A.Ş.	İstanbul/Turkey	100,00	100,00
6	Ziraat Bank International A.G.	Frankfurt/Germany	100,00	100,00
7	Ziraat Bank BH d.d.	Sarajevo/Bosnia Herzegovina	100,00	100,00
8	Ziraat Bank (Moscow) JSC	Moscow/Russia	99,91	99,91
9	Kazakhstan Ziraat Int. Bank	Almaty/Kazakhstan	99,75	99,75
10	Ziraat Bank Azerbaycan ASC	Baku/Azerbaijan	99,98	100,00
11	Ziraat Bank Montenegro AD	Podgorica/Montenegro	100,00	100,00
12	JSC Ziraat Bank Georgia	Tbilisi/Georgia	100,00	100,00
13	Ziraat Bank Uzbekistan JSC	Tashkent/Uzbekistan	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	Shareholder's equity amount needed
1	978.371	701.872	4.669	172.856	-	368.107	314.841	1.415.705	-
2	216.637	203.959	4.998	28.974	-	76.170	68.873	240.035	-
3	98.515.638	4.321.735	525.758	5.458.583	801.333	558.689	638.562	2.768.158	-
4	8.643.897	8.372.611	7.155.391	132.704	-	1.320.242	377.764	9.280.885	-
5	1.078.890	1.077.749	906	43.465	-	94.360	136.886	1.054.509	-
6	18.145.567	4.032.468	48.003	425.410	10.702	122.424	69.669	2.904.896	-
7	9.182.415	1.199.803	70.588	166.550	-	10.962	(231.512)	436.423	-
8	3.538.446	684.987	29.329	86.899	605	53.365	37.340	674.735	-
9	3.977.734	1.073.311	334.721	172.913	-	56.483	53.165	824.418	-
10	2.975.539	607.298	184.000	116.055	10.026	37.582	4.501	414.271	-
11	930.761	205.327	13.565	24.642	2.543	(30.082)	2.198	112.034	-
12	645.240	252.518	25.788	21.567	2.282	7.311	3.204	216.604	-
13	1.914.524	431.912	28.145	88.769	7.559	38.731	34.448	215.812	-

(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 Gayrimenkul Yatırım Ortaklığı A.Ş. and Ziraat Katılım Bankası A.Ş.'s independently audited financial statements dated 31 December 2021, and the unaudited financial statements of other subsidiaries, profit/loss figures for the previous period are taken from the independently audited financial statements dated 31 December 2020

(Reflects the values of the Parent Bank)

	Current Period	Prior Period
Balance at the Beginning of the Period	**13.901.878**	**7.335.025**
Movements During the Period	**6.656.609**	**6.566.853**
Additions to Scope of Consolidation	-	-
Purchases [1]	767.894	2.499.959
Bonus Shares Obtained	99.967	-
Dividends from current year income	-	-
Sales	-	-
Revaluation Increase [2]	7.476.690	4.738.323
Impairment Provision (-)	1.687.942	671.429
Transfer (-)	-	-
Balance at the End of the Period	**20.558.487**	**13.901.878**
Capital Commitments	-	-
Share percentage at the end of the period (%)	-	-

[1] The paid capital increases during the period are shown in the "Purchases" line. The amount of TL 463.531 in the current period is the share repurchase price paid by the Bank within the scope of the repurchase commitment regarding the public offering of Ziraat Gayrimenkul Yatırım Ortaklığı A.Ş.

[2] Includes changes arising from conversion of subsidiaries, whose capitals are paid in Euro amounts, into TL at period end currency rate

[3] Non-financial subsidiaries are not included in the table.

10.3. Sectoral Information on Financial Subsidiaries and the Related Carrying Amounts

(Reflects the values of the Parent Bank)

	Current Period	Prior Period
Banks	8.567.353	6.558.371
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	-	-
Financing Companies	-	-
Other Financial Subsidiaries	11.991.134	7.343.507

10.4.Subsidiaries Quoted to the Stock Exchange

	Current Period	Prior Period
Quoted at domestic stock exchanges [1]	9.280.885	-
Quoted at international stock exchanges	-	-

[1] The shares of Ziraat Gayrimenkul Yatırım Ortaklığı A.Ş., a subsidiary of the Bank, were offered to the public and started to be traded on Borsa İstanbul A.Ş. as of 6 May 2021

11. Information on the Parent Bank's Entities under Common Control (Joint Ventures)

Entities under Common Control (Joint Ventures) [1]	Parent Bank's Share (%)	Group Share (%)	Current Assets	Non-Current Assets	Long Term Liabilities	Income	Expense
Turkmen Turkish Joint Stock Commercial Bank	50,00	50,00	9.755.646	40.364	13.523	399.554	175.463

[1] Information on entity under joint control is provided from the unaudited financial statements as of 31 December 2021.

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021
(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL")
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish)

12. Information on Lease Receivables

Information on receivables from leasing transactions is shown in the table below;

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 Year	449.965	431.939	101.563	97.448
1-5 Years	8.194.720	7.153.214	4.664.859	4.133.051
More than 5 Years	2.363.504	1.981.453	1.166.870	915.678
Total	**11.008.189**	**9.566.606**	**5.933.292**	**5.146.177**

13. Information on the Hedging Derivative Financial Assets

The Group has no hedging derivative financial assets.

14. Information on the Investment Property

The Group's investment properties are TL 1.268.500 (31 December 2020: TL 477.790).

15. Information on non-currents assets or disposal groups "held for sale" and "from 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 usage exists by the Group. Those immovables considered for sales are announced at the web site of the Group.

Keskinoğlu Tavukçuluk ve Damızlık İşl. San. Tic. A.Ş., which was included in subsidiaries and Rinerji Rize Elektrik Üretim A.Ş. which was included in affiliates, are classified under non-current assets held for sale as partnership interests acquired due to receivables in the current period within the scope of BRSA's Uniform Chart of Accounts amendments. The total of the partnership shares acquired by the Bank due to the aforementioned receivables is TL 181.483. (31 December 2020: None). The Bank's immovables acquired amount to TL 5.243.721 (31 December 2020: TL 5.334.912) consisting of TL 7.334 (31 December 2020: TL 8.689) due to consumer loans, TL 5.114.751 (31 December 2020: TL 5.203.416) on its commercial loans and TL 121.636 (31 December 2020: TL 122.567) on its agricultural loans. Also, the sum of movables acquired from consumer loan amounts to TL 25.083 (31 December 2020: TL 1.207). The net book value of the Bank's fixed assets held for sale acquired through fiduciary rights is TL 1.798.324 (31 December 2020: TL 1.602.442).

16. Information 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	10.823.747	1.035.150	1.663.895	240.018	332.258	-	14.095.068
Accumulated Depreciation (-)	874.064	191.392	1.138.675	96.935	287.401	-	2.588.467
Impairment (-)	2.153	-	618	-	-	-	2.771
Net Book Value	**9.947.530**	**843.758**	**524.602**	**143.083**	**44.857**	**-**	**11.503.830**
Current Period End							
Net Book Value at the Beginning of the Period	9.947.530	843.758	524.602	143.083	44.857	-	11.503.830
Change During the Period (Net)	1.509.997	46.190	212.745	(37.526)	22.316	-	1.753.722
- Cost	1.557.392	116.904	467.935	22.380	47.162	-	2.211.773
- Depreciation (Net) (-)	47.225	70.714	255.190	59.906	24.846	-	457.881
- Impairment (-)	170	-	-	-	-	-	170
Net Currency Translation from Foreign Subsidiaries	186.999	20.655	25.650	254	9.005	-	242.563
Cost at Period End	12.568.138	1.172.709	2.157.480	262.652	388.425	-	16.549.404
Accumulated Depreciation at Period End (-)	921.289	262.106	1.393.865	156.841	312.247	-	3.046.348
Impairment (-)	2.323	-	618	-	-	-	2.941
Closing Net Book Value	**11.644.526**	**910.603**	**762.997**	**105.811**	**76.178**	**-**	**13.500.115**

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
Establishmement Costs	13.143	10.351	2.792	9.173	7.100	2.073
Goodwill	-	-	-	-	-	-
Intangible Rights	2.503.778	829.437	1.674.341	1.803.278	591.218	1.212.060
Total	**2.516.921**	**839.788**	**1.677.133**	**1.812.451**	**598.318**	**1.214.133**

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.

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021
(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL")
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish)

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.

20. Information on Deferred Tax Asset

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit in accordance with the Turkish Accounting Standards (TAS 12) "Income Taxes". In the computation of deferred tax, effective tax rates as of the balance sheet date are used in accordance with the current tax legislation.

Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Calculated deferred tax assets and deferred tax liabilities are net off in the consolidated associates individual financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2021

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish)

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	9.209.978	3.590.528
Deferred Tax Liabilities	(6.240.296)	(2.735.544)
Net Deferred Tax Assets/(Liabilities)	2.969.682	854.984
Net Deferred Tax Income/(Expense)	403.946	205.147

	Current Period	Prior Period
Deferred Tax Asset	**9.209.978**	**3.590.528**
Expected Loss Provisions	3.854.978	1.982.864
Reserve for Employee Benefits	368.858	313.811
Marketable Securities Portfolio	2.673.355	18.720
Other	2.312.787	1.275.133
Deferred Tax Liabilities	**6.240.296**	**2.735.544**
Financial Assets Valuation Differences	5.523.521	1.912.767
Real Estate Valuation Difference	499.970	509.930
Other	216.805	312.847
Net Deferred Tax Asset	**2.969.682**	**854.984**

As of 31 December 2021, deferred tax income amounting to TL 403.946 was classified on profit or loss table and deferred tax income amounting TL 1.615.483 was classified under shareholders’ equity. (As of 31 December 2020, deferred tax income amounting to TL 205.147 was classified on profit or loss table and deferred tax income amounting TL 225.511 was classified under shareholders’ equity).

21. Information on expected loss provisions for financial assets

	Current Period	Prior Period
Cash and Balances at Central Bank	8.729	6.322
Banks and Receivables from Money Markets	12.532	6.855
Financial Assets Measured at Amortized Cost	10.134	5.335
Other assets	60.574	74.615
Total	**91.969**	**93.127**

22. Information on Other Assets

As of 31 December 2021, other assets do not exceed 10% of the total assets excluding off-balance sheet commitments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2021

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish)

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 (*)	70.203.865	-	13.030.976	112.837.748	24.125.159	2.977.746	7.890.123	181.935	231.247.552
Foreign Currency Deposits	190.377.004	-	49.794.596	170.108.911	26.535.508	18.382.592	68.957.900	15.469	524.171.980
Residents in Turkey	157.004.194	-	48.397.670	148.443.080	17.906.947	8.254.009	32.105.695	13.806	412.125.401
Residents Abroad	33.372.810	-	1.396.926	21.665.831	8.628.561	10.128.583	36.852.205	1.663	112.046.579
Public Sector Deposits	14.149.540	-	9.547.190	8.721.258	912.677	501.108	12.929	-	33.844.702
Commercial Inst. Deposits	29.300.264	-	33.098.860	32.960.078	1.363.882	2.729.921	4.532.757	-	103.985.762
Other Institutions Deposits	3.818.724	-	8.104.480	12.507.489	1.509.098	770.022	536.828	-	27.246.641
Precious Metals Deposit	56.314.128	-	1.279.645	11.840.063	781.965	508.828	496.696	-	71.221.325
Interbank Deposits	6.995.086	-	28.867.166	6.149.726	92.113	9.753.095	8.285.553	-	60.142.739
The CBRT	364.127	-	-	-	-	-	-	-	364.127
Domestic Banks	343.628	-	28.744.473	833.275	-	971	2.663.800	-	32.586.147
Foreign Banks	6.195.958	-	122.693	5.316.451	92.113	9.752.124	5.621.753	-	27.101.092
Participation Banks	91.373	-	-	-	-	-	-	-	91.373
Other	-	-	-	-	-	-	-	-	-
Total	**371.158.611**	**-**	**143.722.913**	**355.125.273**	**55.320.402**	**35.623.312**	**90.712.786**	**197.404**	**1.051.860.701**

(*) As of 31 December 2021, the balance of savings deposits includes TL 13.970.133 Treasury Currency Protected Deposits and TL 2.804.414 CBRT Currency Protected 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	48.014.520	-	7.562.276	91.260.511	20.510.140	2.843.804	5.568.085	209.210	175.968.546
Foreign Currency Deposits	90.996.954	-	23.352.900	103.448.833	17.035.980	13.237.413	40.367.364	10.170	288.449.614
Residents in Turkey	75.717.042	-	22.370.527	90.250.701	10.546.198	5.530.704	14.516.185	8.374	218.939.731
Residents Abroad	15.279.912	-	982.373	13.198.132	6.489.782	7.706.709	25.851.179	1.796	69.509.883
Public Sector Deposits	9.785.775	-	18.323.885	11.465.709	689.739	203.345	74.892	-	40.543.345
Commercial Inst. Deposits	17.896.366	-	22.287.509	32.520.742	548.261	3.587.070	2.241.276	-	79.081.224
Other Institutions Deposits	3.488.854	-	2.866.572	16.121.648	791.308	562.211	460.252	-	24.290.845
Precious Metals Deposit	37.776.374	-	726.639	7.339.550	539.658	369.773	304.493	-	47.056.487
Interbank Deposits	6.096.456	-	19.987.356	5.698.564	2.232.920	3.545.368	1.887.515	-	39.448.179
The CBRT	2.224	-	-	-	-	-	-	-	2.224
Domestic Banks	495.511	-	18.589.118	51.984	-	622	1.801.705	-	20.938.940
Foreign Banks	5.492.499	-	1.398.238	5.646.580	2.232.920	3.544.746	85.810	-	18.400.793
Participation Banks	106.222	-	-	-	-	-	-	-	106.222
Other	-	-	-	-	-	-	-	-	-
Total	**214.055.299**	**-**	**95.107.137**	**267.855.557**	**42.348.006**	**24.348.984**	**50.903.877**	**219.380**	**694.838.240**

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]	140.238.589	114.341.657	89.913.174	60.801.597
Foreign Currency Saving Deposits [1]	123.294.124	93.780.765	275.115.788	136.623.674
Other Deposits in the form of Saving Deposits	-	-	-	-
Foreign Branches and under the Guarantees of Foreign Authority Insurance[2]	3.353.517	2.089.213	1.629.055	638.133
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 1.208.852 and TL 34.311 respectively, cannot be decomposed by type and are therefore included in the table above (31 December 2020: TL 562.575 and TL 30.001).

Based on the Council of Minister's decree dated 29 December 2003 and numbered 2003/6668, TL 479 (31 December 2020: TL 536) of demand deposits is not included in the above calculation, since the Bank paid the saving deposits amount attributable to T. İmar Bank T.A.Ş.

Savings Deposit Insurance Fund premiums are calculated based on deposit amount attributable to real persons in domestic branches of the Banks. As total of capital amount and interest expense accruals of saving deposits up to TL 150 attributable to a real person is covered by the insurance, TL 2.114.087 (31 December 2020: TL 1.508.273) of interest expense accrual is included in the above-mentioned figures in accordance with the Communiqué on Insurance Deposits and Participation Funds and Premiums Collected by the Savings Deposit Insurance Fund published in the Official Gazette dated 15 February 2013 and numbered 28560.

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 Parent Bank's head office is located in Turkey.

1.4. Saving deposits of real persons which are not under the guarantee of saving deposit insurance fund

	Current Period	Prior Period
Deposits and other Accounts in Branches Abroad	12.236	5.865
Deposits of Ultimate Shareholders and Their Close Family Members	-	-
Deposits of Chairman and Members of the Board of Directors, CEO, Executive Vice Presidents and Their Close Family Members	30.687	33.185
Deposits Obtained through Illegal Acts Defined in the 282nd Article of the 5237 numbered Turkish Criminal Code dated 26 September 2004	-	-
Saving Deposits in Banks Established in Turkey Exclusively for Off-Shore Banking Activities	-	-

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021
(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL")
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish)

2. Negative Differences Statement Regarding Trading Derivative Financial Assets

	Current Period		Prior Period	
	TL	**FC**	**TL**	**FC**
Forward Transactions	798.079	6.271	46.748	549
Swap Transactions	475.473	2.350.376	1.417.814	2.021.850
Futures Transactions	-	-	-	-
Options	-	71.878	-	-
Other	-	-	-	-
Total	**1.273.552**	**2.428.525**	**1.464.562**	**2.022.399**

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	-	-	-	-
Domestic Banks and Institutions	490.338	10.174.565	1.165.521	5.113.189
Foreign Banks, Institutions and Funds	10.568	50.265.360	228.249	30.661.592
Total	**500.906**	**60.439.925**	**1.393.770**	**35.774.781**

3.2. Information on Maturity Structure of Borrowings

	Current Period		Prior Period	
	TL	**FC**	**TL**	**FC**
Short-Term	488.941	4.160.282	1.164.557	2.939.194
Medium and Long-Term	11.965	56.279.643	229.213	32.835.587
Total	**500.906**	**60.439.925**	**1.393.770**	**35.774.781**

3.3. Further Information is Disclosed for the Areas of Group's Liability Concentrations, Main Liability Concentration Areas Fund Supplier Customers, Sector Groups or other Risk Concentration Criteria

70,43% 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

	Short-Term		Short-Term	
	TL	**FC**	**TL**	**FC**
From Domestic Transactions	**143.430.704**	**-**	**94.932.803**	**-**
Financial Institutions and Organizations	143.258.075	-	93.973.463	-
Other Institutions and Organizations	158.819	-	950.313	-
Real Person	13.810	-	9.027	-
From Overseas Operations	**-**	**37.053.037**	**-**	**23.569.739**
Financial Institutions and Organizations	-	37.053.037	-	23.569.739
Other Institutions and Organizations	-	-	-	-
Real Person	-	-	-	-
Total	**143.430.704**	**37.053.037**	**94.932.803**	**23.569.739**

5. Information on Securities Issued

	Current Period		Prior Period	
	TL	FC	TL	FC
Bank Bills	-	97.988	-	-
Asset-Backed Securities	4.156.876	-	4.017.250	-
Treasury Bonds	1.000.982	25.053.734	1.010.353	13.346.012
Total	**5.157.858**	**25.151.722**	**5.027.603**	**13.346.012**

6. If Other Liabilities Exceed 10% of the Balance Sheet Total, Name and Amount of Sub-Accounts Constituting at Least 20% of These Liabilities

Other liabilities do not exceed 10% of the balance sheet total.

7. Information on Lease Liabilities (Net)

Information on lease liabilities represented in the table below

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 Year	88.525	49.499	110.268	61.690
Between 1-4 Years	487.584	415.605	736.107	413.059
More than 4 Years	1.088.930	597.423	816.332	526.614
Total	**1.665.039**	**1.062.527**	**1.662.707**	**1.001.363**

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 finance lease receivables (31 December 2020: None).

9.2. Liabilities on Employee Benefits Provision

9.2.1. Termination benefit and Unused Vacation Rights

The Group accounts for its vacation and termination benefit 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 2021, unpaid vacation liability amounted to TL 384.562 and employment termination amounted to TL 1.393.410 are presented under the "Employee Benefits Provision" in the financial statements (31 December 2020: unpaid vacation liability amounted to TL 290.280, and employment termination amounted to TL 1.256.959 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 2021 and 31 December 2020.

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.).

According to related Actuary Report, the Fund's surplus is TL 10.235.620 as of 31 December 2021 (31 December 2020: TL 7.663.184).

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021
(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL")
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish)

	Current Period	Prior Period
Non-Medical Assets	6.297.140	4.310.644
Actual and Technical Overrun	10.235.620	7.663.184

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	358.942	87.668
Property and equipment	495.566	381.205
Marketable securities	5.417.571	3.831.575
Other	25.061	10.196
Total	**6.297.140**	**4.310.644**

9.3. Information on Other Provisions

Except for the requirements of BRSA Accounting and Financial Reporting Legislation, free provision amounting to TL 3.730.000 has been made by the Group management, of which TL 3.505.000 has been reserved in previous periods, TL 250.000 has been reserved in the current period and TL 25.000 has been canceled in the current period. In addition, there is a provision amounting to TL 68.300 and other provisions amounting to TL 157 for the money groups made by civil servants. Expected loss provisions for non-cash loans are TL 3.401.185 (31 December 2020: Except for the requirements of BRSA Accounting and Financial Reporting Legislation, a free provision of TL 3.505.000 has been set aside by the Group management, of which TL 910.000 has been reserved in previous periods, TL 2.630.000 has been reserved in the current period and TL 35.000 has been canceled in the current period. In addition, there is a provision amounting to TL 40.750 and other provisions amounting to TL 157 for money groups made by civil servants. Expected loss provisions for non-cash loans are TL 1.927.597).

Regarding the Group's lawsuit files, a total amount of TL 147.924 provision has been provided in financial statements for the lawsuits against the Group which are not finalized yet. (31 December 2020: TL 92.766)

10. Explanations on Tax Liability

10.1. Explanations on Current Tax Liability

10.1.1. Information on Taxes Payable

As of 31 December 2021, the remaining corporate tax liability after deducting temporary taxes paid for the period is TL 397.162 (As of 31 December 2020, the remaining corporate tax liability after deducting temporary taxes paid for the period is TL 978.761).

10.1.2. Information on Current Taxes Payable

	Current Period	Prior Period
Corporate Tax Payable	397.162	978.761
Taxation on Income From Securities	436.229	286.356
Property Tax	4.191	1.862
Banking Insurance Transaction Tax (BITT)	463.810	261.298
Foreign Exchange Transaction Tax	119.822	20.902
Value Added Tax Payable	63.871	21.524
Other	133.007	157.295
Total	**1.618.092**	**1.727.998**

10.1.3. Information on Premium Payables

	Current Period	Prior Period
Social Security Premiums – Employee	83	63
Social Security Premiums – Employer	98	93
Bank Social Aid Pension Fund Premium - Employee	22.904	17.743
Bank Social Aid Pension Fund Premium - Employer	33.563	26.008
Pension Fund Membership Fees and Provisions - Employee	4	2
Pension Fund Membership Fees and Provisions - Employer	15	4
Unemployment Insurance – Employee	1.807	1.384
Unemployment Insurance - Employer	3.615	2.768
Other	-	-
Total	**62.089**	**48.065**

10.2. Information on Deferred Tax Liabilities if Any

The Group has TL 21.837 deferred tax liability (31 December 2020: TL 7.128).

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 2020: None).

12. Information on Subordinated Loan

	Current Period		Prior Period	
	TL	FC	TL	FC
Debt instruments to be included in additional capital calculation	-	22.741.964	-	13.816.234
Subordinated loans	-	1.314.363	-	768.037
Subordinated debt instruments	-	21.427.601	-	13.048.197
Debt instruments to be included in contribution capital calculation	-	-	-	-
Subordinated loans	-	-	-	-
Subordinated debt instruments	-	-	-	-
Total	**-**	**22.741.964**	**-**	**13.816.234**

(*) Subordinated loans are explained in detail in the Note "information about debt instruments included in total capital calculation" in Section Four.

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021
(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL")
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish)

13. Information on Shareholders' Equity

13.1. Presentation of Paid-In Capital

	Current Period	Prior Period
Common stock	13.100.000	13.100.000
Preferred stock	-	-

13.2. Amount of Paid-In-Capital, Explanations 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 Shares

There are no capital increases in the current period.

13.4. Other Information on Capital Increases and Increased Share Capital with Reserves within 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. Effects on the Group's Equity of The Anticipation Based on the Financial Figures For Prior Periods Regarding the Group's Income, Profitability and Liquidity, and 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.

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)	41.654	(25.912)	356.498	(24.632)
Valuation Difference	9.691.095	(9.023.318)	3.563.047	956.442
Foreign Exchange Differences	4.167.614	3.271	2.262.057	187
Total	**13.900.363**	**(9.045.959)**	**6.181.602**	**931.997**

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	24.817.588	14.252.453
Subsidiaries and Associates Capital Contribution Commitments	3.150	3.150
Loan Granting Commitments	22.929.479	14.730.515
Commitments for Cheques Payments	7.058.166	5.098.875
Commitments for Credit Card Expenditure Limits	61.914.689	44.677.624
Promotion Campaigns Commitments Relating to Credit Card and Bank Services	102.027	68.632
Tax and Fund Liabilities from Export Commitments	22.637	16.428
Other Irrevocable Commitments	23.435.761	21.014.255
Total	**140.283.497**	**99.861.932**

1.2. 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 3.401.185 for possible losses arising from the off-balance sheet items in the current period. (31 December 2020: TL 1.927.597).

1.2.1. Non-Cash Loans Including Guarantees, Acceptances, Financial Guarantees and Other Letter of Credits

	Current Period	Prior Period
Letters of Guarantee	206.713.656	124.706.662
Letters of Credit	65.176.324	24.663.278
Bank Acceptances	11.968.706	7.210.528
Endorsements	6.009.467	1.520.463
Other Guarantees	2.433.706	1.939.522
Other Collateral	3.345	13.550
Total	**292.305.204**	**160.054.003**

1.2.2. Certain Guarantees, Temporary Guarantees, Surety Ships and Similar Transactions

	Current Period	Prior Period
Letters of Certain Guarantees	122.155.860	72.970.790
Letters of Advance Guarantees	32.445.562	19.941.194
Letters of Temporary Guarantees	5.056.575	4.240.556
Letters of Guarantees Given to Customs Offices	2.002.466	1.714.398
Other Letters of Guarantees	45.053.193	25.839.724
Total	**206.713.656**	**124.706.662**

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	**39.535.612**	**21.758.344**
With Original Maturity of One Year or Less	19.970.315	11.012.186
With Original Maturity of More than One Year	19.565.297	10.746.158
Other Non-Cash Loans	**252.769.592**	**138.295.659**
Total	**292.305.204**	**160.054.003**

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021
(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL")
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish)

1.3.2. Information on Sectorial Risk Concentrations of Non-Cash Loans

	Current Period			
	TL	(%)	FC	(%)
Agricultural	1.020.971	1,59	601.803	0,26
Farming and Raising Livestock	680.997	1,06	217.657	0,10
Forestry	303.563	0,47	7.432	0,00
Fishing	36.411	0,06	376.714	0,17
Manufacturing	15.298.998	23,79	109.560.770	48,05
Mining and Quarrying	524.150	0,82	1.491.607	0,65
Production	11.422.874	17,76	99.176.944	43,50
Electric, Gas and Water	3.351.974	5,21	8.892.219	3,90
Construction	19.487.980	30,30	60.838.959	26,68
Services	27.405.594	42,62	55.418.149	24,31
Wholesale and Retail Trade	13.245.513	20,60	18.883.926	8,28
Hotel, Food and Beverage Services	523.186	0,81	2.122.733	0,93
Transportation and Telecommunication	4.093.727	6,37	19.624.279	8,61
Financial Institutions	6.798.085	10,57	11.009.899	4,83
Real Estate and Leasing Services	2.283.832	3,55	2.736.219	1,20
Self-employment Services	88.008	0,14	34.855	0,02
Education Services	187.502	0,29	342.189	0,15
Health and Social Services	185.741	0,29	664.049	0,29
Other	1.095.458	1,70	1.576.522	0,69
Total	**64.309.001**	**100,00**	**227.996.203**	**100,00**

	Prior Period			
	TL	(%)	FC	(%)
Agricultural	507.654	1,01	438.330	0,40
Farming and Raising Livestock	321.356	0,64	196.998	0,18
Forestry	164.574	0,33	8.593	0,01
Fishing	21.724	0,04	232.739	0,21
Manufacturing	11.728.431	23,31	50.841.549	46,33
Mining and Quarrying	395.638	0,79	1.197.427	1,09
Production	7.787.279	15,48	44.059.268	40,15
Electric, Gas and Water	3.545.514	7,05	5.584.854	5,09
Construction	16.672.415	33,13	33.281.107	30,33
Services	20.867.045	41,47	23.955.254	21,83
Wholesale and Retail Trade	10.468.229	20,80	8.124.883	7,40
Hotel, Food and Beverage Services	459.514	0,91	1.247.769	1,14
Transportation and Telecommunication	2.645.879	5,26	5.943.787	5,42
Financial Institutions	5.039.936	10,02	6.382.920	5,82
Real Estate and Leasing Services	1.881.737	3,74	1.791.930	1,63
Self-employment Services	-	-	14.821	0,01
Education Services	180.068	0,36	236.028	0,22
Health and Social Services	191.682	0,38	213.116	0,19
Other	542.645	1,08	1.219.573	1,11
Total	**50.318.190**	**100,00**	**109.735.813**	**100,00**

(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	**62.500.519**	**220.967.595**	**1.659.219**	**5.955.346**
Letters of Guarantee	59.507.559	138.606.485	1.628.584	5.761.454
Bank Acceptances	211.032	11.757.674	-	-
Letters of Credit	855.944	64.150.354	1.325	156.850
Endorsements	1.911.984	4.030.031	29.310	37.042
Underwriting Commitments	-	-	-	-
Factoring Guarantees	-	-	-	-
Other Commitments and Contingencies	14.000	2.423.051	-	-

Prior Period	Group I		Group II	
	TL	FC	TL	FC
Non-Cash Loans	**49.022.985**	**105.385.915**	**1.092.794**	**3.861.945**
Letters of Guarantee	47.696.629	71.558.193	1.092.794	3.670.382
Bank Acceptances	122.254	7.084.468	-	3.806
Letters of Credit	997.868	23.479.556	-	184.154
Endorsements	99.000	1.417.860	-	3.603
Underwriting Commitments	-	-	-	-
Factoring Guarantees	-	-	-	-
Other Commitments and Contingencies	107.234	1.845.838	-	-

2. Explanations on Derivative Transactions

	Current Period	Prior Period
Types of Trading Transactions		
Foreign Currency Related Derivative Transactions: (I)		
Forward Transactions	413.857.974	309.272.806
Swap Transactions	13.699.022	5.018.987
Futures Transactions	390.162.522	302.953.741
Option Transactions	-	1.300.078
Interest Related Derivative Transactions (II)	9.996.430	-
Forward Interest Rate Agreements	84.644.944	54.425.306
Interest Rate Swaps	-	-
Interest Rate Options	84.644.944	54.425.306
Interest Rate Futures	-	-
Other Trading Derivative Transactions: (III)	-	-
A. Total Trading Derivative Transactions (I+II+III)	-	-
	498.502.918	**363.698.112**
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)	-	**-**
	498.502.918	**363.698.112**

The Group 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	6.651.055	673.046	(561.818)	-	1.267.129	8.029.412
- Inflow	142.062.199	39.670.855	25.369.297	1.558.870	2.282.472	210.943.693
- Outflow	(135.411.144)	(38.997.809)	(25.931.115)	(1.558.870)	(1.015.343)	(202.914.281)
Interest rate derivatives	-	-	-	-	-	-
- Inflow	5.000	40.000	173.902	11.923.284	30.180.286	42.322.472
- Outflow	(5.000)	(40.000)	(173.902)	(11.923.284)	(30.180.286)	(42.322.472)
Derivatives held for hedging	-	-	-	-	-	-
Foreign exchange derivatives	-	-	-	-	-	-
- Inflow	-	-	-	-	-	-
- Outflow	-	-	-	-	-	-
Interest rate derivatives	-	-	-	-	-	-
- Inflow	-	-	-	-	-	-
- Outflow	-	-	-	-	-	-
Total Inflow	**142.067.199**	**39.710.855**	**25.543.199**	**13.482.154**	**32.462.758**	**253.266.165**
Total Outflow	**(135.416.144)**	**(39.037.809)**	**(26.105.017)**	**(13.482.154)**	**(31.195.629)**	**(245.236.753)**

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	(928.501)	1.392.896	104.104	-	269.733	838.232
- Inflow	113.856.312	31.752.995	8.159.164	1.972	1.285.076	155.055.519
- Outflow	(114.784.813)	(30.360.099)	(8.055.060)	(1.972)	(1.015.343)	(154.217.287)
Interest rate derivatives	-	-	-	-	-	-
- Inflow	180.000	180.000	230.000	1.329.506	25.293.147	27.212.653
- Outflow	(180.000)	(180.000)	(230.000)	(1.329.506)	(25.293.147)	(27.212.653)
Derivatives held for hedging	**-**	**-**	**-**	**-**	**-**	**-**
Foreign exchange derivatives	-	-	-	-	-	-
- Inflow	-	-	-	-	-	-
- Outflow	-	-	-	-	-	-
Interest rate derivatives	-	-	-	-	-	-
- Inflow	-	-	-	-	-	-
- Outflow	-	-	-	-	-	-
Total Inflow	**114.036.312**	**31.932.995**	**8.389.164**	**1.331.478**	**26.578.223**	**182.268.172**
Total Outflow	**(114.964.813)**	**(30.540.099)**	**(8.285.060)**	**(1.331.478)**	**(26.308.490)**	**(181.429.940)**

3. Explanations on Contingent Assets and Liabilities

Provision is allocated for transactions with complete and accurate data that may have an effect on the financial structure of the Group and otherwise, provision is provided based on the estimations.

The Group's liability resulting from the cheques given to its customers amounts TL 7.058.166 (31 December 2020: TL 5.098.875).

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

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

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]	**65.545.749**	**12.873.632**	**47.263.559**	**8.846.442**
Short Term Loans	18.110.213	1.131.266	**9.595.908**	**794.095**
Medium- and Long-Term Loans	46.409.666	11.571.060	36.455.889	8.044.912
Interest on Loans Under Follow-Up	1.025.870	171.306	1.211.762	7.435
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 Turkey	-	-	-	-
Domestic Banks	42.130	39.369	25.249	22.240
Foreign Banks	58.796	74.056	29.151	56.798
Headquarters and Branches Abroad	-	-	-	-
Total	**100.926**	**113.425**	**54.400**	**79.038**

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	340.826	21.891	179.595	1.520
Financial Assets at Fair Value Through Other Comprehensive Income	18.441.568	5.867.587	11.564.004	3.278.853
Financial Assets Measured at Amortized Cost	2.118.949	1.484.339	1.376.172	919.960
Total	**20.901.343**	**7.373.817**	**13.119.771**	**4.200.333**

1.4. Information on interest income received from associates and subsidiaries

	Current Period	Prior Period
Interest Income from Associates and Subsidiaries	153.583	118.872

2. Interest Expense

2.1. Information on Interest Expense on Borrowings

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks [1]	106.432	1.104.452	252.996	1.072.344
Central Bank of the Republic of Turkey	-	-	2.428	-
Domestic Banks	30.832	207.339	99.668	249.866
Foreign Banks	75.600	897.113	150.900	822.478
From Abroad Headquarters and Branches	-	-	-	-
Other Institutions	119.587	102.322	-	-
Total	**226.019**	**1.206.774**	**252.996**	**1.072.344**

[1] Includes fees and commissions expenses on cash loans.

2.2. Information on Interest Expenses Given to Associates and Subsidiaries

	Current Period	Prior Period
Interest Expenses Given to Subsidiaries and Associates	33.226	24.527

2.3. Information on Interest Given on Securities Issued

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest Expense on Securities Issued	779.662	1.948.153	671.377	1.251.732

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

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	-	4.142.850	59.482	-	-	-	-	4.202.332
Saving Deposit	-	1.765.114	17.209.606	3.712.528	414.016	1.143.333	13.679	24.258.276
Public Sector Deposit	617	1.168.189	1.170.581	97.723	55.120	9.291	-	2.501.521
Commercial Deposit	162	3.463.825	4.088.137	149.172	727.258	68.465	-	8.497.019
Other Deposit	-	386.959	1.801.246	161.337	102.571	49.431	-	2.501.544
Deposit with 7 Days Notification	-	-	-	-	-	-	-	-
Total	**779**	**10.926.937**	**24.329.052**	**4.120.760**	**1.298.965**	**1.270.520**	**13.679**	**41.960.692**
FC								
Foreign Currency Deposit	4.034	255.968	1.211.700	143.180	139.324	504.380	3	2.258.589
Bank Deposit	638	12.892	43.302	1.387	21.139	61.523	-	140.881
Deposit with 7 Days Notification	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	13.262	32.541	2.765	2.011	1.705	-	52.284
Total	**4.672**	**282.122**	**1.287.543**	**147.332**	**162.474**	**567.608**	**3**	**2.451.754**
Grand Total	**5.451**	**11.209.059**	**25.616.595**	**4.268.092**	**1.461.439**	**1.838.128**	**13.682**	**44.412.446**

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	1.830.715	1.403	-	213	-	-	1.832.335
Saving Deposit	-	635.805	7.750.711	2.798.171	250.707	997.549	20.833	12.453.776
Public Sector Deposit	370	1.556.295	561.725	60.430	121.588	6.452	-	2.306.860
Commercial Deposit	107	1.741.470	2.267.735	58.790	471.424	91.849	-	4.631.375
Other Deposit	-	224.845	851.230	137.773	78.577	24.028	-	1.316.453
Deposit with 7 Days Notification	-	-	-	-	-	-	-	-
Total	**481**	**5.989.130**	**11.432.804**	**3.055.164**	**922.509**	**1.119.878**	**20.833**	**22.540.799**
FC								
Foreign Currency Deposit	1.983	154.788	999.474	83.870	103.831	382.225	7	1.726.178
Bank Deposit	11	36.116	20.897	6.753	8.865	7.859	-	80.501
Deposit with 7 Days Notification	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	4.709	17.692	1.824	1.796	1.467	-	27.488
Total	**1.994**	**195.613**	**1.038.063**	**92.447**	**114.492**	**391.551**	**7**	**1.834.167**
Grand Total	**2.475**	**6.184.743**	**12.470.867**	**3.147.611**	**1.037.001**	**1.511.429**	**20.840**	**24.374.966**

3. Explanations on Dividend Income

	Current Period	**Prior Period**
Financial Assets at Fair Value Through Profit or Loss	-	27
Financial Assets at Fair Value Through Other Comprehensive Income	29.810	6.727
Other [1]	4.916	560
Total	**34.726**	**7.314**

[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	**607.623.137**	**204.700.835**
Trading Gains on Securities	765.834	4.217.803
Gains on Derivative Financial Transactions	8.769.860	5.693.391
Foreign Exchange Gains	598.087.443	194.789.641
Loss (-)	**618.395.923**	**212.337.429**
Trading Losses on Securities	104.571	61.399
Losses on Derivative Financial Transactions	20.704.426	10.830.440
Foreign Exchange Losses	597.586.926	201.445.590

5. Information on Other Operating Income

Significant proportion of other operating income consists of reversals from prior period provisions amounting to TL 3.873.173 and income from sales of assets amounting to TL 356.398 (31 December 2020: significant portion of other operating income consists of reversal from prior period provisions amounting to TL 4.602.348, and income from sales of assets amounting to TL 279.210).

6. Expected Credit Loss and Other Provision Expense

	Current Period	**Prior Period**
Expected Credit Loss Provision	16.285.959	12.194.001
12 Month Expected Credit Loss (Stage 1)	462.160	1.690.665
Significant Increase in Credit Risk (Stage 2)	10.073.055	5.886.484
Non-Performing Loans (Stage 3)	5.750.744	4.616.852
Marketable Securities Impairment Provision	95	49
Financial Assets at Fair Value Through Profit or Loss	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	95	49
Subsidiaries, Associates and Entities Under Common Control Impairment Provision	-	-
Associates	-	-
Subsidiaries	-	-
Entities Under Common Control	-	-
Other [*]	507.797	2.874.870
Total	**16.793.851**	**15.068.920**

[*] Includes free provision expense amounting to TL 250.000 in the current period (31 December 2020: TL 2.010.000) (Note II.9.3 of Section Five).

(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	402.526	285.243
Bank Social Aid Fund Deficit Provision	-	16
Impairment Expenses of Tangible Assets	250	-
Depreciation Expenses of Tangible Assets	614.952	518.860
Impairment Expenses of Intangible Assets	-	-
Goodwill Impairment Expense	-	-
Amortization Expenses of Intangible Assets	179.301	156.251
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 andDiscontinued Operations	-	-
Other Operating Expenses	5.101.119	4.169.018
Leasing Expenses on TFRS 16 Exceptions	90.730	82.699
Maintenance Expenses	252.155	158.628
Advertisement Expenses	339.839	279.065
Other Expenses	4.418.395	3.648.626
Loss on Sales of Assets	9.187	4.434
Other [1]	3.886.602	3.209.485
Total	**10.193.937**	**8.343.307**

[1] TL 1.841.342 of other items consists of Saving Deposit Insurance Fund accrual expense while TL 1.300.320 consists of taxes, duties and charges expense
(31 December 2020: TL 1.417.753 of other items consists of Saving Deposit Insurance Fund accrual expense, TL 1.017.684 consists of taxes, duties and charges expense)

8. Profit/(Loss) from Minority Interest

	Current Period	Prior Period
Profit/(Loss) from Minority Interest	69.534	1.653

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 26 March 2021 is given in the table below:

	Current Period	Prior Period
Independent Audit Fee	13.039	9.023
Tax Consultancy Fee	272	299
Other Assurance Services Fee	877	1.117
Other Non-Audit Services Fee	596	148
Total	**14.784**	**10.587**

[*] The fee information is given over the amounts excluding VAT in the table.

10. Information on Profit/Loss Before Tax from Continuing and Discontinuing Operations

The Group's compositions of the profit/loss before tax from the continuing operations are following:

	Current Period	Prior Period
Net Interest Income	42.535.748	37.478.197
Net Fees and Commissions Income	6.269.616	3.584.405
Other Operating Income	5.594.561	5.919.245
Dividend Income	34.726	7.314
Trading Profit/Loss (Net)	(10.772.786)	(7.636.594)
Personnel Expenses (-)	5.803.803	4.852.164
Expected Credit Loss (-)	16.285.959	12.194.001
Other Provision Expenses (-)	507.892	2.874.919
Other Operating Expenses (-)	10.193.937	8.343.307
Profit/Loss from Investments in Subsidiaries Consolidated based on Equity Method	137.196	57.258
Current Period Profit/Loss from Continued Operations	**11.007.470**	**11.145.434**

The Group's compositions of the profit/loss before tax from the discontinued operations are following:

	Current Period	Prior Period
Income from Discontinued Operations	-	2.473.439
Expenses for Discontinued Operations (-)	-	535.466
Profit/Loss Before Tax from Discontinued Operations	**-**	**1.937.973**

11. Information on Tax Provision of Continued and Discontinued Operations

As of 31 December 2021, TL 3.018.958 of the Group's total tax provision expense consists of TL 3.422.904 of current tax expense and TL 403.946 of deferred tax income (As of 31 December 2020, TL 3.348.927 of the Group's total tax provision expense consists of amounting to TL 3.554.074 current tax expense while remaining balances amounting to TL 205.147 consists of deferred tax income).

As of 31 December 2021, the Group has no discontinued operations. (As of 31 December 2020, TL 81.405 of the Group's tax provision expense from discontinued operations consists of TL 78.057 of current tax expense from discontinued operations and TL 3.348 of deferred tax expense from discontinued operations.)

12. Explanation on Current Period Net Profit and Loss of Continued and Discontinued Operations

The Group's net profit after tax amounts to TL 7.988.512 (31 December 2020: TL 7.796.507 and net profit from discontinued operations is TL 1.856.568).

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.

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

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 commission and fees received from credit card transactions and banking transactions.

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 13.100.000. (31 December 2020: TL 13.100.000)

2. Explanations on Profit Distribution:

According to the Parent Bank's Ordinary General Assembly Meeting dated 26 March 2021;

In accordance with paragraph 1 of Article 33 of the Bank's Articles of Association regarding the determination, allocation and distribution of net profit for the period; has been set aside 5% (TL 391.251) of the remaining legal reserve from the net profit of TL 7.825.019, Real estate sales revenue exception calculated in accordance with the TPL within the scope of the 5/1-e clause of the Corporate Tax Law no. 5520 after deducting 50% of its base, TL 18.462, to be transferred to a special fund account under equities to be monitored until the end of the fifth year following the sale to leave the remaining TL 7.415.306 within the Bank.

Being monitored in the profit of previous years; within the scope of the transfer of Ziraat Sigorta A.Ş. and Ziraat Hayat ve Emeklilik A.Ş. to Türkiye Varlık Fonu Finansal Yatırımlar A.Ş. reported with the transfer of TL 2.495.459 to TL 1.980.523 the 5/1-e clause of the Corporate Tax Law no. 5520 to be included in a special fund account under equity to be monitored until the end of the fifth year following the year in which the sale was made, except for adding to the capital, since the provisions of the tax exemption of the participation share sales earnings have been utilized, reclassification of some stocks in the Bank's portfolio with the remaining TL 514.936 5% (TL 38.545) of legal reserves from the previous years' profit amounting to TL 770.897, which is the total of TL 255.961 recorded as a result, and transferring the remaining TL 732.352 to extraordinary reserves.

TL 115.389, which is 50% of the real estate sales income exemption base calculated according to the TPL within the scope of the 5/1-e clause of the Corporate Tax Law no. 5520, out of TL 766.550, which arises from real estate valuation differences and is monitored in the profit of previous years as required by TAS-16 to be monitored until the end of the fifth year following the year in which the sale was made, to a special fund account under equity, 5% (TL 32.558) of the remaining TL 651.161 to be allocated as legal reserves, and the remaining TL 618.603 to be decided to transfer to extraordinary reserves.

The Parent Bank plans to distribute its profit in 2021 in line with its articles of association. However, as of the date of preparation of the financial reports, no decision has been taken regarding profit distribution.

3. Profit Reserves:

As of the balance sheet date, the profit reserves were TL 68.565.711, legal reserves were TL 5.676.734, extraordinary reserves were TL 60.721.651 and other profit reserves were TL 2.167.326. (As of 31 December 2020, profit reserves were TL 58.720.828 and legal reserves were 5.145.171 TL. TL, extraordinary reserves were 52.425 TL.681 and other profit reserves were TL 1.149.976).

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 10.843.434 of the income amount, TL 94.115.132 mainly consists of the interests received from loans and securities, and TL 64.892.427 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 1.439.724 as of 31 December 2021. (TL 464.042 as of 31 December 2020)

Cash in TL, cash in foreign currency, Central Bank of the Republic of Turkey, 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	6.672.363	7.825.560
Central Bank of the Republic of Turkey and Other Banks	35.726.081	23.603.766
Money Market Operations	603.790	621.769
Total Cash and Cash Equivalents	**43.002.234**	**32.051.095**

Period End	**Current Period**	**Prior Period**
Cash in TL and in Foreign Currency	12.798.004	6.672.363
Central Bank of the Republic of Turkey and Other Banks	96.073.783	35.726.081
Money Market Operations	1.249.768	603.790
Total Cash and Cash Equivalents	**110.121.555**	**43.002.234**

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 Regarding Loans Belonging to the Risk Group of the Bank

Risk Group of the Parent Bank	**Subsidiaries, Associates and Entities under Common Control (Joint Venture)**		**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	1.138.436	27.516	-	-	-	-
Ending Balance	1.522.167	10.407	-	-	-	-
Interest and Commissions Income	153.583	77	-	-	-	-

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

Risk Group of the Parent Bank	Subsidiaries, Associates and Entities under Common Control (Joint Venture)		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	317.906	87.558	-	-	-	-
Ending Balance	1.138.436	27.516	-	-	-	-
Interest and Commissions Income	118.872	798	-	-	-	-

1.2. Information on Deposits of the Parent Bank's Risk Group

Risk Group of the Parent Bank	Subsidiaries, Associates and Entities under Common Control (Joint Venture)		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	283.286	111.739	-	-	-	-
Ending Balance	261.948	283.286	-	-	-	-
Interest Expense on Deposits	33.226	24.527	-	-	-	-

1.3. Information on Forward and Option Agreements and Other Similar Agreements made with the Group's Risk Group

None (31 December 2020: None).

1.4. Information Regarding Benefits Provided to the Group's Key Management

Fees paid to the Group's key management amount to TL 57.213 (31 December 2020: TL 47.234).

VIII. EXPLANATIONS AND NOTES RELATED TO POST-BALANCE SHEET MATTERS

The Parent Bank's capital has been decided to be increased by TL 21.800.000 to TL 34.900.000, all of which will be paid in cash by Turkey Wealth Fund and the process regarding this capital increase has been continuing.

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]	1.727	24.518			
			Country of Incorporation		
Foreign Representative Office [2]	1	-	1- Iran		
				Total Assets	**Statutory Share Capital**
Foreign Branch [2]	1	3	1- England	16.833.939	907.341
	5	5	2- Bulgaria	2.602.654	209.855
	2	4	3- Iraq	1.825.402	652.135
	3	3	4- Greece	1.763.503	488.169
	1	1	5- Saudi Arabia	833.465	195.641
	4	1	6- Kosova	1.565.885	147.930
	8	35	7- T.R. of Northern Cyprus	5.874.817	307.489
	1	3	8- Bahrain	45.873.282	65.214
Off-Shore Banking Region Branches	-	-	-	-	-

[1] Includes the employees of the domestic branches, including the employees of head office and regional management.
[2] Excluding the local employees of the foreign branches.

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 2021, 6 new branches were opened, and 7 branches were closed domestically. A new branch was opened abroad. In 2021, all entrepreneurial branches were converted into commercial branches.

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: December 2020

Outlook	Negative
Long term Foreign Currency Deposit	B2
Short term Foreign Currency Deposit	Not-Prime
Long term Domestic Currency Deposit	B2
Short term Domestic Currency Deposit	Not-Prime
Long term Issuer Rating Foreign Currency	B2
Long term Issuer Rating Domestic Currency	B2
Baseline Credit Assessment	caa1
Adjusted Baseline Credit Assessment	caa1

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2021

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL")
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish)

Fitch Ratings: December 2021

Foreign Currency Long Term IDR	B+
Outlook	Negative
Foreign Currency Short Term IDR	B
Local Currency Long Term IDR	BB-
Outlook	Negative
Local Currency Short Term IDR	B
National Long-Term Rating	AA (tur)
Outlook	Stable
Public Support Rating	b
Viability Rating	b+

JCR Eurasia: January 2022

Long Term International FC	BB
Outlook	Stable
Long Term International LC	BB
Outlook	Stable
Long Term National LC	AAA (Trk)
Outlook	Stable
Short Term International FC	B
Outlook	Stable
Short Term International LC	B
Outlook	Stable
Short Term National LC	A-1+ (Trk)
Sponsor Support	1
Stand Alone	A

II. OTHER EXPLANATIONS ON THE GROUP'S OPERATIONS

None.

SECTION SEVEN

EXPLANATIONS ON THE INDEPENDENT AUDIT REPORT

I. MATTERS TO BE EXPLAINED ON THE INDEPENDENT AUDITOR'S REPORT

The consolidated financial statements prepared as of 31 December 2021 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 15 February 2022 is presented preceding the consolidated financial statements.

II. EXPLANATIONS AND NOTES PREPARED BY THE INDEPENDENT AUDITORS

None.

GRI CONTENT INDEX

GRI DISCLOSURE

For the Materiality Disclosures Service, GRI Services reviewed that the GRI content index is clearly presented and the references for Disclosures 102-40 to 102-49 align with appropriate sections in the body of the report.

The service was performed on the Turkish language version of the report.

GRI CONTENT INDEX

GRI 102-55

ZİRAAT BANK - CORE

GRI Standard Number	Disclosures	Page Number/Direct Reference/URL
GRI 101: Foundation 2016		
GRI 102: General Disclosures 2016		
	Organizational Profile	
GRI 102: General Disclosures 2016	102-1	Ziraat Bankası A.Ş.
	102-2	12
	102-3	**Headquarters** Hacıbayram Mahallesi, Atatürk Bulvarı, No: 8, 06050 Altındağ/Ankara, Türkiye
	102-4	Turkey
	102-5	12 https://www.ziraatbank.com.tr/en/Investor-Relations-ZB/Corporate-Governance/Documents/ArticlesofAssociation.pdf
	102-6	12
	102-7	14-17, 34-35
	102-8	71-73
	102-9	107
	102-10	There were no significant changes during the reporting period.
	102-11	116-118
	102-12	App. 1 - 424
	102-13	App. 1 - 424
	Strategy	
	102-14	20-23, 24-29, 32-33
	102-15	112-113
	Governance	
	102-18	96-97, 100-101, 104-105
	102-21	32-33, 39
	102-22	104-105
	102-23	102-23 The Chairman of the Board of Directors has no executive duty.
	102-24	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 Number	Disclosures	Page Number/Direct Reference/URL
	Stakeholder Engagement	
GRI 102: General Disclosures 2016	102-40	39
	102-41	91%
	102-42	39-41
	102-43	39-41
	102-44	39-41
	Reporting Practice	
	102-45	1, 273
	102-46	32-33
	102-47	32-33
	102-48	There is no restated information.
	102-49	There are no significant changes from previous reporting periods in the list of material topics and topic boundaries.
	102-50	1 January 2021-31 December 2021
	102-51	2020
	102-52	Annual
	102-53	**Ms. R. Ebru TAN** International Finance Institutions and Sustainability Manager Department of Financial Institutions and Investor Relations T: 90 212 304 30 80 retan@ziraatbank.com.tr **Mr. Serkan ÖZKAN** Financial Tables and Budget Analysis Manager Department of Financial Coordination and Reporting T: 90 312 584 5932 serkanozkan@ziraatbank.com.tr
	102-54	This report is prepared in accordance with GRI Standards-Core option
	102-55	GRI Content Index Pages 418-424
	102-56	The solo and consolidated financial data included in the report have been externally audited (See 121 and 268 p.). No external audit was performed for non-financial data
GRI 200: Economic Standard Series		
	Economic Performance	
GRI 103: Management Approach 2016	103-1	40-41
	103-2	20-23 24-29
	103-3	20-23 24-29
GRI 201: Economic Performance 2016	201-1	14-15, 55-69, 119
	201-3	157-159, 304-306
	201-4	There is no financial assistance received from government during the reporting period.

GRI CONTENT INDEX

GRI 102-55

GRI Standard Number	Disclosures	Page Number/Direct Reference/URL
	Market Presence	
GRI 103: Management Approach 2016	103-1	40-41
	103-2	20-23 24-29
	103-3	20-23 24-29
GRI 202: Market Presence 2016	202-1	In Ziraat Bank, the standard entry level wage of all employees is above the local minimum wage.
	202-2	All members of Ziraat Bank senior management are Turkish Republic citizens.
	Indirect Economic Impacts	
GRI 103: Management Approach 2016	103-1	40-41
	103-2	20-23 24-29
	103-3	20-23 24-29
GRI 203: Indirect Economic Impacts 2016	203-1	36-41, 55-69
	203-2	36-41, 55-69
	Anti-Competitive Behavior	
GRI 103: Management Approach 2016	103-1	40-41
	103-2	20-23 24-29
	103-3	20-23 24-29
GRI 206: Anti-Competitive Behavior 2016	206-1	https://www.ziraatbank.com.tr/en/Investor-Relations-ZB/Corporate-Governance/Documents/DisclosurePolicy.pdf
GRI 300: Environmental Standard Series		
	Energy	
GRI 103: Management Approach 2016	103-1	40-41
	103-2	20-23 24-29 85-88
	103-3	20-23 24-29 85-88
GRI 302: Energy 2016	302-1	16, 85
	302-3	16, 85

GRI Standard Number	Disclosures	Page Number/Direct Reference/URL
	Water and Effluents	
GRI 103: Management Approach 2018	103-1	40-41
	103-2	20-23 24-29 85-88
	103-3	20-23 24-29 85-88
GRI 303: Water and Effluents 2018	303-3	16 85-88
	Emissions	
GRI 103: Management Approach 2016	103-1	40-41
	103-2	20-23 24-29 85-88
	103-3	20-23 24-29 85-88
GRI 305: Emissions 2016	305-1	16, 85
	305-2	16, 85
	305-3	16, 85
	Effluents and Waste	
GRI 103: Management Approach 2016	103-1	40-41
	103-2	20-23 24-29 85-88
	103-3	20-23 24-29 85-88
GRI 306: Effluents and Waste 2020	306-2	85-88
	Compliance	
GRI 103: Management Approach 2016	103-1	40-41
	103-2	20-23 24-29 85-88
	103-3	20-23 24-29 85-88

GRI CONTENT INDEX

GRI 102-55

GRI Standard Number	Disclosures	Page Number/Direct Reference/URL
GRI 307: Compliance 2016	307-1	There are no significant fines or sanctions in the reporting period.
GRI 400: Social Standard Series		
	Employment	
GRI 103: Management Approach 2016	103-1	40-41
	103-2	20-23 24-29 70-76
	103-3	20-23 24-29 70-76
GRI 401: Employment 2016	401-1	17, 65-66
	401-2	All Ziraat Bank employees are working on full-time basis.
	Occupational Health and Safety	
GRI 103: Management Approach 2016	103-1	40-41
	103-2	20-23 24-29 65-71
	103-3	20-23 24-29 70-76
GRI 403: Occupational Health and Safety 2018	403-1	74
	Training and Education	
GRI 103: Management Approach 2016	103-1	40-41
	103-2	20-23 24-29 70-76
	103-3	20-23 24-29 70-76

GRI Standard Number	Disclosures	Page Number/Direct Reference/URL
GRI 404: Training and Education 2016	404-1	17 52 74-76
	404-2	17 52 74-76
	Diversity and Equal Opportunity	
GRI 103: Management Approach 2016	103-1	40-41
	103-2	20-23 24-29 70-76
	103-3	20-23 24-29 70-76
GRI 405: Diversity and Equal Opportunity 2016	405-2	There is no gender-based wage discrimination in Ziraat Bank.
	Non-Discrimination	
GRI 103: Management Approach 2016	103-1	40-41
	103-2	20-23 24-29 70-76
	103-3	20-23 24-29 70-76
GRI 406: Non-Discrimination 2016	406-1	There are no incidents of discrimination during the reporting period.
	Freedom of Association and Collective Bargaining	
GRI 103: Management Approach 2016	103-1	40-41
	103-2	20-23 24-29 70-76
	103-3	20-23 24-29 70-76
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1	During the reporting period, there are no incidents of violation of employees' rights to exercise freedom of association or collective bargaining or it is under significant risk.
	Child Labor	
GRI 103: Management Approach 2016	103-1	40-41
	103-2	20-23 24-29 70-76
	103-3	20-23 24-29 70-76
GRI 408: Child Labor 2016	408-1	Ziraat Bank does not employ child labor in any way.

GRI CONTENT INDEX

GRI 102-12, 102-13, 102-55

GRI Standard Number	Disclosures	Page Number/Direct Reference/URL
	Forced or Compulsory Labor	
GRI 103: Management Approach 2016	103-1	40-41
	103-2	20-23 24-29 70-76
	103-3	20-23 24-29 70-76
GRI 409: Forced or Compulsory Labor 2016	409-1	There are no activities and operations at Ziraat Bank with significant risk for incidents of forced or compulsory labor in 2021.
	Customer Privacy	
GRI 103: Management Approach 2016	103-1	36-37
	103-2	20-23 24-29 https://www.ziraatbank.com.tr/tr/yatirimci-iliskileri-ZB/kurumsal-yonetim/Documents/BilgilendirmePolitikasi.pdf
	103-3	20-23 24-29 https://www.ziraatbank.com.tr/tr/yatirimci-iliskileri-ZB/kurumsal-yonetim/Documents/BilgilendirmePolitikasi.pdf
GRI 418: Customer Privacy 2016	418-1	There are no complaints concerning breaches of customer privacy and losses of customer data during the reporting period.

Appendix 1. SOME INITIATIVES THAT ZİRAAT BANK IS A MEMBER OR SUPPORTS

TÜRKİYE BANKALAR BİRLİĞİ (TBB) www.tbb.org.tr

DIŞ EKONOMİK İLİŞKİLER KURULU (DEİK) www.deik.org.tr

MİLLETLERARASI TİCARET ODASI TÜRKİYE MİLLİ KOMİTESİ (ICC) http://icc.tobb.org.tr/Index.php

KREDİ KAYIT BÜROSU (KKB) www.kkb.com.tr

TBB RİSK MERKEZİ www.riskmerkezl.org

İKTİSADİ ARAŞTIRMALAR VAKFI www.iav.org.tr

BANKALARARASI KART MERKEZİ (BKM) www.bkm.com.tr

YATIRIMCI TAZMİN MERKEZİ http://www.ytm.gov.tr/

TÜRKİYE SERMAYE PİYASALARI BİRLİĞİ www.tspb.org.tr

ÇAĞRI MERKEZLERİ DERNEĞİ www.cagrimerkezleridernegi.org

BORSA İSTANBULTÜRKİYE https://borsaistanbul.com/tr/

DIRECTORY

DIRECTORY

ZIRAAT BANK HEADQUARTERS
Hacıbayram Mahallesi Atatürk Bulvarı
No: 8 06050
Altındağ/Ankara, TURKEY
Tel: (90 312) 584 20 00
Fax: (90 312) 584 49 63
www.ziraatbank.com.tr

London Branch
Ziraat Bank London Branch,
45-47 Cornhill, London, EC3V 3PF,
ENGLAND
Tel: (44 20) 7600 4985
Fax: (44 20) 7600 4987
E-mail: info@ziraatbank.co.uk
www.ziraatbank.co.uk

Bulgaria Directorate
Todor Alexandrov Blvd. Tzar Samuil
Str. No: 87 1000 Sofia-BULGARIA
Tel: (359 2) 980 00 87 - 980 66 61
Fax: (359 2) 980 21 13
E-mail: bulgaristanyoneticiligi@
ziraatbank.bg
www.ziraatbank.bg

Sofia Branch
Todor Alexandrov Blvd. Tzar Samuil
Str. No: 87 1000 Sofia-BULGARIA
Tel: (359 2) 980 00 87 - 980 66 61
Fax: (359 2) 980 21 13
E-mail: info@ziraatbank.bg

Plovdiv Branch
4 Tsabribrod 4000
Plovdiv-BULGARIA
Tel: (359 32) 511 921-24
Fax: (359 32) 511 925
E-mail: plovdiv@ziraatbank.bg

Kardzhali Branch
2A Bulair Str. 6600
Kardzhali-BULGARIA
Tel: (359 361) 546 50-58
Fax: (359 361) 546 59
E-mail: kircaali@ziraatbank.bg

Varna Branch
24 Slivnitza Str. Varna-BULGARIA
Tel: (359 52) 912 500-502-503-504
E-mail: info@ziraatbank.bg

Burgas Branch
15, Graf Ignatiev Str. 8000
Burgas-BULGARIA
Tel: (359 56) 700 279
E-mail: info@ziraatbank.bg

Baghdat Branch
301st District, 1st Street, No 24,
Weziriya Baghdad-IRAQ
Tel: (964 790) 418 13 90
E-mail: baghdad@ziraatbank.com
www.ziraatbank.com.iq

Erbil Branch
Royal Mall, 60 Meter Street, Shoresh,
Erbil-IRAQ
Tel: (964) 6626 499 68
750 754 0 888
E-mail: erbil@ziraatbank.com
www.ziraatbank.com.iq

Jeddah Branch
Al Rawdah Dist. 1 Al Rawdah Str. P.O.
Box. 54759 Jeddah 21524
SAUDI ARABIA
Tel: (966 2) 665 54 33
Fax: (966 2) 664 35 16
E-mail: jeddah@ziraatbank.com
www.ziraatbank.sa

Athens Branch
Ermou 2,5th Floor, Syntagma 10563
Athens-GREECE
Tel: (30 210) 322 30 38
Fax: (30 210) 322 17 96
E-mail: athens@ziraatbank.com
www.ziraatbank.com.gr

Komotini Branch
Platia Irinis 17& Papaflesa 1 T.K. 69100
Komotini-GREECE
Tel: (30 253) 108 59 30
Fax: (30 253) 108 59 27
E-mail: komotini@ziraatbank.com

Xanthi Branch
M. Karaoli 68 67100
Xanthi-GREECE
Tel: (30 254) 106 94 20
Fax: (30 254) 106 66 41
E-mail: xanthi@ziraatbank.com

Kosovo Country Directorate
Pashko Vasa 18, 10000
Pristina/KOSOVO
Tel: (381) 38 222 000
E-mail: pristine@ziraatbank.com
www.ziraatbank-kosova.com

Pristina Branch
Pashko Vasa 18, 10000
Pristina-KOSOVO
Tel: (381) 38 222 000
E-mail: pristine@ziraatbank.com

Prizren Branch
RR Remzi Ademi, Nr 62, 20000
Prizren-KOSOVO
Tel: (381) 38 222 000
E-mail: prizren@ziraatbank.com

Peja Branch
Rr Mbreteresha Teute, Nr 117/A,
30000, Peja-KOSOVO
Tel: (381) 38 222 000
E-mail: peja@ziraatbank.com

Ferizaj Branch
Rruga Vellezerit Gervalla,
Ferizaj-KOSOVO
Tel: (381) 38 222 000
E-mail: ferizaj@ziraatbank.com

Bahrain Branch
Bahrain Financial Harbour, Harbour
Towers - East, Financial Centre, Unit
No: 509, 5th floor, King Faisal Highway,
Municipality No: 504, Building 1398,
Road 4626, Block 346,
P.O. Box: 60677 Manama-BAHRAIN
Tel: (973) 176 507 18
E-mail: bahreyn@ziraatbank.com
www.ziraatbankbahrain.com

TRNC BRANCHES

TRNC Directorate
Şehit Mustafa Ahmet Ruso Caddesi
No: 11 Küçükkaymaklı Lefkoşa-TRNC
Tel: (90 392) 228 21 87 - 227 97 84
Fax: (90 392) 228 86 09
E-mail: 1844kktcyoneticiligi@
ziraatbank.com.tr
www.ziraatbank-kktc.com

Lefkoşa/TRNC Branch
Şehit Mustafa Ahmet Ruso Caddesi
No: 11 Küçükkaymaklı Lefkoşa-TRNC
Tel: (90 392) 227 56 83 - 227 28 25 -
227 97 84 Fax: (90 392) 227 92 02
E-mail: lefkosa@ziraatbank.com.tr

Gönyeli/TRNC Branch
Günaydın Sokak No: 1 Gönyeli
Lefkoşa-TRNC
Tel: (90 392) 224 05 16 - 224 05 22 -
224 05 22
Fax: (90 392) 224 07 24
E-mail: gonyeli2102@ziraatbank.com.tr

Girne/TRNC Branch
Atatürk Cad. Phelecia Court Sitesi
Kordonboyu No: 37 Girne-TRNC
Tel: (90 392) 815 33 58 - 815 22 10
Fax: (90 392) 815 25 84
E-mail: girne@ziraatbank.com.tr

Gazimağusa/TRNC Branch
Karakol Mah. İsmet İnönü Bulvarı
No: 41 99450 Gazimağusa-TRNC
Tel: (90 392) 365 56 91 - 365 56 92
Fax: (90 392) 365 56 99
E-mail: gazimagusa@ziraatbank.com.tr

Güzelyurt/TRNC Branch
Piyalepaşa Ecevit Caddesi No: 78
99700 Güzelyurt-TRNC
Tel: (90 392) 714 21 48 - 714 26 29
Fax: (90 392) 714 27 63
E-mail: guzelyurt@ziraatbank.com.tr

Karaoğlanoğlu/TRNC Branch
Zeytinlik Karaoğlanoğlu Cd. Paşaoğlu
İş Merkezi No: 79 C 99320 Girne-TRNC
Tel: (90 392) 822 36 32 - 822 36 34
Fax: (90 392) 822 36 33
E-mail: girne@ziraatbank.com.tr

İskele/TRNC Branch
Makenzi Caddesi İpar İş Merkezi
No: 5- 6 Bahçeli İskele-TRNC
Tel: (90 392) 330 02 78 - 330 02 79
Fax: (90 392) 330 02 76
E-mail: iskele2182@ziraatbank.com.tr

Taşkınköy/TRNC Branch
Şehit Yüzbaşı Tekin Yurdabak Caddesi
No: 1/8 Taşkınköy/Lefkoşa-TRNC
Tel: (90 392) 225 73 44 - 45
Fax: (90 392) 377 76 13
E-mail: taskinkoy1670@ziraatbank.
com.tr

REPRESENTATIVE OFFICES

Tehran Representative Office
Unit: 72, 9th Floor, Aytek Building,
No: 13 Golshehr Boulevard, Africa
Boulevard Tehran, 1915677433, IRAN
Tel: (98 21) 22 05 18 11 - 22 05 19 91
Fax: (98 21) 22 65 64 28
E-mail: info@ziraatbanktehran.com

INTERNATIONAL SUBSIDIARIES

ZIRAAT BANK INTERNATIONAL A.G.
Myliusstr. 14, 60323 Frankfurt am
Main-GERMANY
Tel: (49 69) 29 80 50
Fax: (49 69) 28 01 22
E-mail: merkez@ziraatbank.de
www.ziraatbank.de

ZIRAATBANK BH DD
Ul. Zmaja od Bosne 47C, 71000
Sarajevo
BOSNIA AND HERZEGOVINA
Tel: (387 33) 955 075
Fax: (387 33) 525 707
E-mail: informacije@ziraatbank.ba
www.ziraatbank.ba

ZIRAAT BANK MONTENEGRO AD
Ulica Slobode 84, 81000 Podgorica-
MONTENEGRO
Tel: (382) 20 442 200
E-mail: info@ziraatbank.me
www.ziraatbank.me

JSC ZIRAAT BANK GEORGIA
Sanapiro Street No: 6 P.O. Box: 0105
Tbilisi-GEORGIA
Tel: (995 32) 294 37 04 - 294 37 14
E-mail: ziraatbank@ziraatbank.ge
www.ziraatbank.ge

DIRECTORY

ZIRAAT BANK UZBEKISTAN JSC
Bunyodkor Kochasi 15/B 100043
Toshkent-UZBEKISTAN
Tel: (998 78) 147 55 00
E-mail: info@ziraatbank.uz
www.ziraatbank.uz

ZIRAAT BANK (MOSCOW) JSC
Mosalarko Plaza One Marksistkaya
Str.16, 109147 Moscow-RUSSIA
Tel: (7 495) 232 67 37
Fax: (7 495) 232 67 36
E-mail: moscow.info@ziraatbank.ru
www.ziraatbank.ru

KAZAKHSTAN ZIRAAT INT. BANK
Klochkov Street Nr: 132 480057
Almaty-KAZAKHSTAN
Tel: (7 727) 2 444 000
Fax: (7 727) 250 60 81
E-mail: kzibank@kzibank.kz
www.kzibank.kz

ZIRAAT BANK AZERBAYCAN ASC
Yasamal İlçesi, Hasan Bey Zerdabi 191
AZ1122 Baku-AZERBAIJAN
Tel: (994 12) 505 56 16
E-mail: info@ziraatbank.az
www.ziraatbank.az

TURKMEN TURKISH JOINT STOCK COMMERCIAL BANK
Mahdumguly Avenue 111/2 74400
Ashkabat-TURKMENISTAN
Tel: (993 12) 93 83 59 - 93 82 42
Fax: (993 12) 93 83 47 - 93 53 55
E-mail: info@turkmenturkbank.com
www.turkmenturkbank.gov.tm

DOMESTIC SUBSIDIARIES

ZİRAAT YATIRIM MENKUL DEĞERLER A.Ş.
Levent Mah. Gonca Sokağı No: 22
(Emlak Pasajı) Kat: 1 34330
Levent/İstanbul, TURKEY
Tel: (90 212) 339 80 80
Fax: (90 212) 269 09 60
E-mail: info@ziraatyatirim.com.tr
www.ziraatyatirim.com.tr

ZİRAAT PORTFÖY YÖNETİMİ A.Ş.
Mecidiyeköy Mahallesi Büyükdere
Caddesi No: 83 Kat: 2-6 34381
Şişli/İstanbul, TURKEY
Tel: (90 212) 924 72 00
Fax: (90 212) 290 34 90
E-mail: bilgi@ziraatportfoy.com.tr
www.ziraatportfoy.com.tr

ZİRAAT TEKNOLOJİ A.Ş.
Yıldız Teknik Üniversitesi Davutpaşa
Kampüsü Teknoloji Geliştirme Bölgesi
C2 Blok 34220
Esenler/İstanbul, TURKEY
Tel: (90 212) 484 60 00
E-mail: haberlesme@ziraatteknoloji.com
www.ziraatteknoloji.com

ZİRAAT KATILIM BANKASI A.Ş.
Hobyar Mahallesi, Şeyhülislam Hayri
Efendi Cad. No: 12 34112
Bahçekapı-Fatih/İstanbul, TURKEY
Tel: (90 212) 404 10 00
Fax: (90 212) 404 10 80
E-mail: bilgi@ziraatkatilim.com.tr
www.ziraatkatilim.com.tr

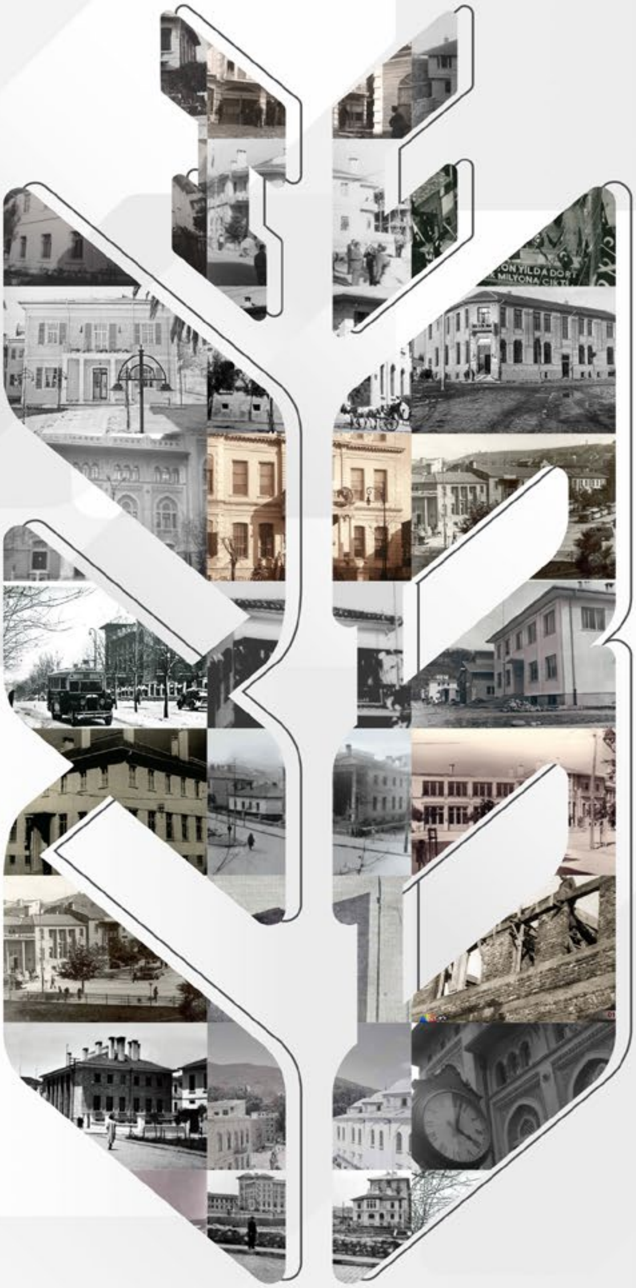
ZİRAAT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.
Sahrayı Cedit Mahallesi, Atatürk
Caddesi No: 48, Kat: 8-9 34734
Kozyatağı-Kadıköy/İstanbul, TURKEY
Tel: (90 216) 369 77 72-73
Fax: (90 216) 369 77 74
E-mail: info@ziraatgyo.com.tr
www.ziraatgyo.com.tr

ZİRAAT GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş.
Mecidiyeköy Mahallesi Büyükdere
Caddesi No: 8 11 34387
Şişli/İstanbul, TURKEY
Tel: (90 212) 622 91 00
E-mail: ziraatgsyo@ziraatgsyo.com.tr
www.ziraatgsyo.com.tr

Integrated reporting consultancy, content development,
Turkish and English editing, design services

TAYBURN®

T: +90 212 227 0436
www.tayburnkurumsal.com
Brands & Reputations.



www.ziraatbank.com.tr | /ziraatbankasi