

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI  
ANONİM ŞİRKETİ**

**CONSOLIDATED FINANCIAL STATEMENTS  
AND RELATED DISCLOSURES AS OF 30 SEPTEMBER 2021  
WITH AUDITORS' REVIEW REPORT**

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



## AUDITOR'S REVIEW REPORT ON INTERIM FINANCIAL INFORMATION

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

To the General Assembly of Türkiye Cumhuriyeti Ziraat Bankası Anonim Şirketi;

### *Introduction*

We have reviewed the consolidated balance sheet of Türkiye Cumhuriyeti Ziraat Bankası Anonim Şirketi ("the Bank") and its consolidated subsidiaries (collectively referred to as "the Group") at 30 September 2021 and the related consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in shareholders' equity, consolidated statement of cash flows and a summary of significant accounting policies and other explanatory notes to the consolidated financial statements for the nine-month-period then ended. The Bank Management is responsible for the preparation and fair presentation of interim financial information in accordance with the Banking Regulation and Supervision Agency ("BRSA") Accounting and Financial Reporting Legislation which includes "Regulation on Accounting Applications for Banks and Safeguarding of Documents" published in the Official Gazette no.26333 dated 1 November 2006, and other regulations on accounting records of Banks published by Banking Regulation and Supervision Agency and circulars and interpretations published by BRSA and Turkish Accounting Standard 34 "Interim Financial Reporting" for those matters not regulated by the aforementioned regulations. Our responsibility is to express a conclusion on this interim financial information based on our review.

### *Scope of Review*

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



### *Basis for the Qualified Conclusion*

As mentioned in Section Five Part II. 9.3 of Explanations and Notes to the Consolidated Financial Statements; the accompanying consolidated financial statements as at 30 September 2021 include a free provision amounting to TL 3.505.000 thousand which provided in prior periods by the Group management which is not within the requirements of BRSA Accounting and Financial Reporting Legislation.

### *Qualified Conclusion*

Based on our review, except for the effects of the matter on the consolidated financial statements described in the basis for the qualified conclusion paragraph above, nothing has come to our attention that causes us to believe that the accompanying consolidated financial information does not present fairly in all material respects the consolidated financial position of Türkiye Cumhuriyeti Ziraat Bankası Anonim Şirketi and its consolidated subsidiaries at 30 September 2021 and the results of its consolidated financial performance and its consolidated cash flows for the nine-month period then ended in accordance with the BRSA Accounting and Financial Reporting Legislation.

### *Report on other regulatory requirements arising from legislation*

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

### *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, 12 November 2021



**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED CONSOLIDATED  
FINANCIAL STATEMENTS AND AUDITORS' REVIEW REPORT  
ORIGINALLY ISSUED IN TURKISH, SEE IN NOTE I. OF SECTION THREE**

**THE CONSOLIDATED FINANCIAL REPORT OF  
TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş. AS OF 30 SEPTEMBER 2021**

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 nine-month period ended includes the following sections in accordance with the "Communiqué on the Financial Statements and Related Explanation and Notes that will be Publicly Announced" as sanctioned by the Banking Regulation and Supervision Agency.

- 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
- AUDITOR'S REVIEW REPORT
- INTERIM ACTIVITY REPORT

Within the framework of this financial report, our consolidated financial statements of subsidiaries, associates and jointly controlled entities are as follows:

**DOMESTIC SUBSIDIARIES**

Ziraat Yatırım Menkul Değerler A.Ş.  
Ziraat Portföy Yönetimi A.Ş.  
Ziraat Katılım Bankası A.Ş.  
Ziraat Gayrimenkul Yatırım Ortaklığı A.Ş.  
Ziraat Girişim Sermayesi Yatırım Ortaklığı A.Ş.

**FOREIGN SUBSIDIARIES**

Ziraat Bank International AG  
Ziraat Bank BH d.d.  
Ziraat Bank (Moscow) JSC  
Kazakhstan Ziraat International Bank  
Ziraat Bank Azerbaijan ASC  
Ziraat Bank Montenegro AD  
JSC Ziraat Bank Georgia  
Ziraat Bank Uzbekistan JSC

**ASSOCIATES**

Arap Türk Bankası A.Ş.

**ENTITIES UNDER COMMON CONTROL**

Turkmen Turkish Joint Stock Commercial Bank

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

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 and Reporting

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

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**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED  
CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF  
30 SEPTEMBER 2021**

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

**SECTION ONE**

**GENERAL INFORMATION ABOUT THE PARENT BANK**

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

The foundation of Türkiye Cumhuriyeti Ziraat Bankası A.Ş. (“Ziraat Bankası” or “The Parent Bank”) is based on Government Funds established in 1863. In 1883, Government Funds were replaced with Benefit Funds. The Parent Bank was officially established by the re-organization of the Benefit Funds in 1888, to grant loans to farmers, to accept interest-bearing deposits and to act as a moneylender and an intermediary for agricultural operations. All shares of the Parent Bank, which was given the authority to perform all banking activities, belonged to the Republic of 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 PARENT BANK DIRECTLY OR INDIRECTLY, CHANGES IN THESE MATTERS (IF ANY) AND THE GROUP THE PARENT BANK BELONGS TO**

The total share capital of the Parent Bank is TL 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.

**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**

| <b>Name</b>                              | <b>Administrative Function</b>                  |
|--|---|
| <b>Members of the Board of Directors</b> |   |
| Burhaneddin TANYERİ <sup>(1)</sup>       | Chairman  |
| Alpaslan ÇAKAR <sup>(2)</sup>            | CEO and Member                                  |
| Veysi KAYNAK                             | Vice Chairman and Member                        |
| Dr. Ahmet GENÇ                           | Member  |
| Faruk ÇELİK                              | Member  |
| Fazlı KILIC <sup>(3)</sup>               | Member  |
| Feyzi ÇUTUR                              | Member  |
| Mahmut KAÇAR                             | Member  |
| Serruh KALELİ                            | Member  |
| <b>Audit Committee Members</b>           |   |
| Fazlı KILIC <sup>(3)</sup>               | Member  |
| Mahmut KAÇAR                             | Member  |
| <b>Executive Vice Presidents</b>         |   |
| Cüneyt SAĞLIK <sup>(5)</sup>             | Payment Systems and Credit Processes            |
| Emrah GÜNÜZ <sup>(5)</sup>               | Banking Operations and Corporate Communications |
| Ferhat PİŞMAF <sup>(5)</sup>             | Corporate Banking                               |
| Mehmet Şükrü TAŞCI <sup>(5)</sup>        | Credit Allocation and Management                |
| Recep TÜRK <sup>(5)</sup>                | Credit Risk Monitoring and Liquidation          |
| Yüksel CESUR                             | Retail Banking                                  |

- (1) At the Bank’s Ordinary General Assembly meeting held on March 26, 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 March 29, 2021.
- (2) In the Ordinary General Assembly meeting of the Parent Bank held on 26 March 2021, he was appointed as the General Manager to replace Hüseyin Aydın.
- (3) He was appointed to replace Mehmet Nihat Ömeroğlu at the Ordinary General Assembly Meeting of the Parent Bank held on March 26, 2021 and commenced his duty as of March 29, 2021.
- (4) He was appointed on April 25, 2021 and commenced his duty on the same date.
- (5) He was appointed on April 9, 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.

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED  
CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF  
30 SEPTEMBER 2021**

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

**GENERAL INFORMATION ABOUT THE PARENT BANK (Continued)**

**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 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 30 September 2021, the Parent Bank carries its activities with a grand total of 1.751 branches; 1.727 domestic branches including 17 corporate branches, 61 entrepreneurial 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 and Varna branches in Bulgaria, Jeddah branch in Saudi Arabia, Pristina, Prizren, Peja and Ferizaj branches in Kosovo, Bahrain branch in Bahrain, Lefkoşa, Girne, Güzelyurt, Gazimağusa, Gönyeli, Taşkmköy, Karaoğlanoğlu and İskele branches in Turkish Republic of Northern Cyprus. The Parent Bank also has 1 representative office in Tehran, Iran.

The Parent Bank and the consolidated subsidiaries in Note III are referred to ‘Group’ as a whole.

As of 30 September, 2021, the Group has 27.114 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, jointly controlled partnership of the Parent Bank, is accounted by using equity method in the consolidated financial statements of the Parent Bank.

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED  
CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF  
30 SEPTEMBER 2021**

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

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**GENERAL INFORMATION ABOUT THE PARENT BANK (Continued)**

**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 (Continued)**

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 Karlı 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. All other associates and subsidiaries are fully consolidated. 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. Onko İlaç Sanayi ve Ticaret A.Ş., Koçsel İlaç Sanayi ve Ticaret A.Ş. and Rinerji Rize Elektrik Üretim A.Ş., which were 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**

- I. Consolidated Balance Sheet (Statement of Financial Position) - Assets
- II. Consolidated Balance Sheet (Statement of Financial Position) - Liabilities
- III. Consolidated Statement of Off-Balance Sheet Commitments
- IV. Consolidated Statement of Profit or Loss
- V. Consolidated Statement of Profit or Loss and Other Comprehensive Income
- VI. Consolidated Statement of Changes in Shareholders' Equity
- VII. Consolidated Statement of Cash Flows

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED  
CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.  
CONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)  
AS OF 30 SEPTEMBER 2021**

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

| I- CONSOLIDATED BALANCE SHEET<br>(STATEMENT OF FINANCIAL POSITION)   | Note<br>(Section<br>Five I) | Current Period<br>30 September 2021 |                    |                      | Prior Period<br>31 December 2020 |                    |                      |
|--|-----------------------------|-------------------------------------|--------------------|----------------------|----------------------------------|--------------------|----------------------|
|  |                             | TL                                  | FC                 | Total                | TL                               | FC                 | Total                |
| <b>ASSETS</b>  |                             |                                     |                    |                      |                                  |                    |                      |
| <b>I- FINANCIAL ASSETS (NET)</b>   |                             | <b>134.511.161</b>                  | <b>251.244.057</b> | <b>385.755.218</b>   | <b>121.644.985</b>               | <b>190.978.231</b> | <b>312.623.216</b>   |
| <b>1.1 Cash and Cash Equivalents</b>   |                             | <b>17.324.516</b>                   | <b>123.706.406</b> | <b>141.030.922</b>   | <b>9.547.307</b>                 | <b>95.419.691</b>  | <b>104.966.998</b>   |
| 1.1.1. Cash and Balances with Central Bank   | (1)                         | 15.312.599                          | 110.195.632        | 125.508.231          | 8.366.406                        | 86.579.819         | 94.946.225           |
| 1.1.2 Banks  | (4)                         | 1.335.659                           | 13.523.396         | 14.859.055           | 581.355                          | 8.848.805          | 9.430.160            |
| 1.1.3 Money Market Receivables   |                             | 682.203                             | -                  | 682.203              | 603.790                          | -                  | 603.790              |
| 1.1.4 Expected Loss Provision (-)  |                             | 5.945                               | 12.622             | 18.567               | 4.244                            | 8.933              | 13.177               |
| <b>1.2 Financial Assets at Fair Value Through Profit or Loss</b>   | (2)                         | <b>1.353.684</b>                    | <b>17.362.942</b>  | <b>18.716.626</b>    | <b>14.810.177</b>                | <b>543.939</b>     | <b>15.354.116</b>    |
| 1.2.1 Government Debt Securities   |                             | 127.313                             | 15.357.632         | 15.484.945           | 13.782.465                       | 9.300              | 13.791.765           |
| 1.2.2 Equity Instruments   |                             | 27.354                              | 676.430            | 703.784              | 16.486                           | 527.069            | 543.555              |
| 1.2.3 Other Financial Assets   |                             | 1.199.017                           | 1.328.880          | 2.527.897            | 1.011.226                        | 7.570              | 1.018.796            |
| <b>1.3 Financial Assets at Fair Value Through Other Comprehensive Income</b>                                 | (5),(6)                     | <b>114.204.877</b>                  | <b>108.840.958</b> | <b>223.045.835</b>   | <b>94.339.957</b>                | <b>92.900.367</b>  | <b>187.240.324</b>   |
| 1.3.1 Government Debt Securities   |                             | 109.116.850                         | 105.633.021        | 214.749.871          | 89.811.384                       | 91.006.417         | 180.817.801          |
| 1.3.2 Equity Instruments   |                             | 258.234                             | 36.719             | 294.953              | 242.135                          | 31.702             | 273.837              |
| 1.3.3 Other Financial Assets   |                             | 4.829.793                           | 3.171.218          | 8.001.011            | 4.286.438                        | 1.862.248          | 6.148.686            |
| <b>1.4 Derivative Financial Assets</b>   | (3)                         | <b>1.628.084</b>                    | <b>1.333.751</b>   | <b>2.961.835</b>     | <b>2.947.544</b>                 | <b>2.114.234</b>   | <b>5.061.778</b>     |
| 1.4.1 Derivative Financial Assets at Fair Value Through Profit or Loss                                       |                             | 1.628.084                           | 1.333.751          | 2.961.835            | 2.947.544                        | 2.114.234          | 5.061.778            |
| 1.4.2 Derivative Financial Assets at Fair Value Through Other Comprehensive Income                           |                             | -                                   | -                  | -                    | -                                | -                  | -                    |
| <b>II. FINANCIAL ASSETS MEASURED AT AMORTISED COST (Net)</b>   |                             | <b>512.432.560</b>                  | <b>226.034.964</b> | <b>738.467.524</b>   | <b>484.765.513</b>               | <b>187.483.096</b> | <b>672.248.609</b>   |
| <b>2.1 Loans</b>   | (7)                         | <b>521.876.035</b>                  | <b>202.947.003</b> | <b>724.823.038</b>   | <b>489.100.046</b>               | <b>168.409.928</b> | <b>657.509.974</b>   |
| 2.2 Lease Receivables  | (12)                        | 3.565.884                           | 3.527.213          | 7.093.097            | 2.851.377                        | 2.294.800          | 5.146.177            |
| 2.3 Factoring Receivables  |                             | -                                   | -                  | -                    | -                                | -                  | -                    |
| 2.4 Other Financial Assets Measured at Amortized Cost  | (8)                         | 10.702.263                          | 21.320.882         | 32.023.145           | 12.466.614                       | 18.153.867         | 30.620.481           |
| 2.4.1 Government Debt Securities   |                             | 10.615.237                          | 21.169.718         | 31.784.955           | 12.379.588                       | 18.095.133         | 30.474.721           |
| 2.4.2 Other Financial Assets   |                             | 87.026                              | 151.164            | 238.190              | 87.026                           | 58.734             | 145.760              |
| 2.5 Expected Credit Loss (-)   |                             | 23.711.622                          | 1.760.134          | 25.471.756           | 19.652.524                       | 1.375.499          | 21.028.023           |
| <b>III. NON-CURRENT ASSETS OR DISPOSAL GROUPS "HELD FOR SALE" AND "HELD FROM DISCOUNTED OPERATIONS (Net)</b> | (15)                        | <b>5.687.869</b>                    | <b>1.196</b>       | <b>5.689.065</b>     | <b>5.336.119</b>                 | <b>-</b>           | <b>5.336.119</b>     |
| 3.1 Held for Sale Purpose  |                             | 5.687.869                           | 1.196              | 5.689.065            | 5.336.119                        | -                  | 5.336.119            |
| 3.2 Held from Discontinued Operations  |                             | -                                   | -                  | -                    | -                                | -                  | -                    |
| <b>IV. EQUITY INVESTMENTS</b>  |                             | <b>1.166.758</b>                    | <b>258.670</b>     | <b>1.425.428</b>     | <b>1.277.395</b>                 | <b>207.948</b>     | <b>1.485.343</b>     |
| <b>4.1 Investments in Associates (Net)</b>   | (9)                         | <b>571.359</b>                      | <b>9.065</b>       | <b>580.424</b>       | <b>550.810</b>                   | <b>3.445</b>       | <b>554.255</b>       |
| 4.1.1. Associates Valued Based on Equity Method  |                             | 313.799                             | -                  | 313.799              | 293.250                          | -                  | 293.250              |
| 4.1.2 Unconsolidated Associates  |                             | 257.560                             | 9.065              | 266.625              | 257.560                          | 3.445              | 261.005              |
| <b>4.2 Subsidiaries (Net)</b>  | (10)                        | <b>595.399</b>                      | <b>11.287</b>      | <b>606.686</b>       | <b>726.585</b>                   | <b>9.541</b>       | <b>736.126</b>       |
| 4.2.1 Unconsolidated Financial Subsidiaries  |                             | -                                   | -                  | -                    | -                                | -                  | -                    |
| 4.2.2 Unconsolidated Non-Financial Subsidiaries  |                             | 595.399                             | 11.287             | 606.686              | 726.585                          | 9.541              | 736.126              |
| <b>4.3 Entities under Common Control (Joint Ventures) (Net)</b>  | (11)                        | <b>-</b>                            | <b>238.318</b>     | <b>238.318</b>       | <b>-</b>                         | <b>194.962</b>     | <b>194.962</b>       |
| 4.3.1. Joint Ventures Valued Based on Equity Method  |                             | -                                   | 238.318            | 238.318              | -                                | 194.962            | 194.962              |
| 4.3.2 Unconsolidated Joint Ventures  |                             | -                                   | -                  | -                    | -                                | -                  | -                    |
| <b>V. PROPERTY AND EQUIPMENT (Net)</b>   | (16)                        | <b>11.070.987</b>                   | <b>484.425</b>     | <b>11.555.412</b>    | <b>11,099.870</b>                | <b>403.960</b>     | <b>11,503.830</b>    |
| <b>VI. INTANGIBLE ASSETS (Net)</b>   |                             | <b>1.384.569</b>                    | <b>81.668</b>      | <b>1.466.237</b>     | <b>1.147.667</b>                 | <b>66.466</b>      | <b>1.214.133</b>     |
| 6.1 Goodwill   |                             | -                                   | -                  | -                    | -                                | -                  | -                    |
| 6.2 Other  |                             | 1.384.569                           | 81.668             | 1.466.237            | 1.147.667                        | 66.466             | 1.214.133            |
| <b>VII. INVESTMENT PROPERTY (Net)</b>  | (14)                        | <b>1.135.891</b>                    | <b>-</b>           | <b>1.135.891</b>     | <b>477.790</b>                   | <b>-</b>           | <b>477.790</b>       |
| <b>VIII. CURRENT TAX ASSET</b>   |                             | <b>23.847</b>                       | <b>5,693</b>       | <b>29.540</b>        | <b>23,394</b>                    | <b>5,688</b>       | <b>29,082</b>        |
| <b>IX. DEFERRED TAX ASSET</b>  |                             | <b>3,636,710</b>                    | <b>5,378</b>       | <b>3,642,088</b>     | <b>856,992</b>                   | <b>5,120</b>       | <b>862,112</b>       |
| <b>X. OTHER ASSETS (Net)</b>   | (20)                        | <b>9,962,083</b>                    | <b>1,835,288</b>   | <b>11,797,371</b>    | <b>9,414,878</b>                 | <b>3,337,809</b>   | <b>12,752,687</b>    |
| <b>TOTAL ASSETS</b>  |                             | <b>681,012,435</b>                  | <b>479,951,339</b> | <b>1,160,963,774</b> | <b>636,044,603</b>               | <b>382,488,318</b> | <b>1,018,532,921</b> |

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

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED  
CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.  
CONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)  
AS OF 30 SEPTEMBER 2021**

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

| II- CONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)<br>LIABILITIES                                      | Note<br>(Section<br>Five II) | Current Period<br>30 September 2021 |                    |                      | Prior Period<br>31 December 2020 |                    |                      |
|--|------------------------------|-------------------------------------|--------------------|----------------------|----------------------------------|--------------------|----------------------|
|  |                              | TL                                  | FC                 | Total                | TL                               | FC                 | Total                |
| <b>I. DEPOSITS</b>   | (1)                          | 391.262.235                         | 433.243.179        | 824.505.414          | 331.229.660                      | 363.608.580        | 694.838.240          |
| <b>II. FUNDS BORROWED</b>  | (3)                          | 542.790                             | 43.622.329         | 44.165.119           | 1.393.770                        | 35.774.781         | 37.168.551           |
| <b>III. MONEY MARKET BORROWINGS</b>  | (4)                          | 78.191.968                          | 33.446.537         | 111.638.505          | 94.932.803                       | 23.569.739         | 118.502.542          |
| <b>IV. SECURITIES ISSUED (Net)</b>   | (5)                          | 4.529.828                           | 17.838.389         | 22.368.217           | 5.027.603                        | 13.346.012         | 18.373.615           |
| 4.1 Bills  |                              | -                                   | 1.048.215          | 1.048.215            | -                                | -                  | -                    |
| 4.2 Asset Backed Securities  |                              | 3.525.631                           | -                  | 3.525.631            | 4.017.250                        | -                  | 4.017.250            |
| 4.3 Bonds  |                              | 1.004.197                           | 16.790.174         | 17.794.371           | 1.010.353                        | 13.346.012         | 14.356.365           |
| <b>V. FUNDS</b>  |                              | 6.128.206                           | -                  | 6.128.206            | 6.053.060                        | -                  | 6.053.060            |
| 5.1 Borrower Funds   |                              | -                                   | -                  | -                    | -                                | -                  | -                    |
| 5.2 Other  |                              | 6.128.206                           | -                  | 6.128.206            | 6.053.060                        | -                  | 6.053.060            |
| <b>VI. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS</b>  |                              | -                                   | -                  | -                    | -                                | -                  | -                    |
| <b>VII. DERIVATIVE FINANCIAL LIABILITIES</b>   | (2)                          | 695.279                             | 3.124.268          | 3.819.547            | 1.464.562                        | 2.022.399          | 3.486.961            |
| 7.1 Derivative Financial Liabilities at Fair Value Through Profit or Loss  |                              | 695.279                             | 3.124.268          | 3.819.547            | 1.464.562                        | 2.022.399          | 3.486.961            |
| 7.2 Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income                                |                              | -                                   | -                  | -                    | -                                | -                  | -                    |
| <b>VIII. FACTORING LIABILITIES</b>   |                              | -                                   | -                  | -                    | -                                | -                  | -                    |
| <b>IX. LEASE LIABILITIES (Net)</b>   | (7)                          | 885.206                             | 87.202             | 972.408              | 879.435                          | 121.928            | 1.001.363            |
| <b>X. PROVISIONS</b>   | (9)                          | 7.530.458                           | 350.214            | 7.880.672            | 7.265.341                        | 245.485            | 7.510.826            |
| 10.1 Restructuring Provisions  |                              | -                                   | -                  | -                    | -                                | -                  | -                    |
| 10.2 Reserve for Employee Benefits   |                              | 1.689.803                           | 7.806              | 1.697.609            | 1.569.882                        | 7.193              | 1.577.075            |
| 10.3 Insurance Technical Provisions (Net)  |                              | -                                   | -                  | -                    | -                                | -                  | -                    |
| 10.4 Other Provisions  |                              | 5.840.655                           | 342.408            | 6.183.063            | 5.695.459                        | 238.292            | 5.933.751            |
| <b>XI. CURRENT TAX LIABILITY</b>   | (10)                         | 1.788.056                           | 18.289             | 1.806.345            | 1.769.112                        | 6.951              | 1.776.063            |
| <b>XII. DEFERRED TAX LIABILITY</b>   | (10)                         | -                                   | 10.324             | 10.324               | -                                | 7.128              | 7.128                |
| <b>XIII. LIABILITIES RELATED TO NON-CURRENT ASSETS "HELD FOR SALE" AND "HELD FROM DISCONTINUED OPERATIONS" (Net)</b> | (11)                         | -                                   | -                  | -                    | -                                | -                  | -                    |
| 13.1 Held for Sale Purpose   |                              | -                                   | -                  | -                    | -                                | -                  | -                    |
| 13.2 Held from Discontinued Operations   |                              | -                                   | -                  | -                    | -                                | -                  | -                    |
| <b>XIV. SUBORDINATED DEBT INSTRUMENTS</b>  | (12)                         | -                                   | 15.460.848         | 15.460.848           | -                                | 13.816.234         | 13.816.234           |
| 14. Loans  |                              | -                                   | 902.875            | 902.875              | -                                | 768.037            | 768.037              |
| 14.2 Other Debt Instruments  |                              | -                                   | 14.557.973         | 14.557.973           | -                                | 13.048.197         | 13.048.197           |
| <b>XV. OTHER LIABILITIES</b>   | (6)                          | 23.679.453                          | 2.871.812          | 26.551.265           | 15.978.625                       | 4.946.160          | 20.924.785           |
| <b>XVI. SHAREHOLDERS' EQUITY</b>   | (13)                         | 97.716.221                          | (2.059.317)        | 95.656.904           | 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  |                              | (21.146)                            | -                  | (21.146)             | (17.745)                         | -                  | (17.745)             |
| 16.2.1 Share Premium   |                              | -                                   | -                  | -                    | -                                | -                  | -                    |
| 16.2.2 Share Cancellation Profits  |                              | -                                   | -                  | -                    | -                                | -                  | -                    |
| 16.2.3 Other Capital Reserves  |                              | (21.146)                            | -                  | (21.146)             | (17.745)                         | -                  | (17.745)             |
| 16.3. Accumulated Other Comprehensive Income or Expense Not Reclassified Through Profit or Loss                      |                              | 7.301.054                           | 17.187             | 7.318.241            | 5.619.524                        | (32.697)           | 5.586.827            |
| 16.4. Accumulated Other Comprehensive Income or Expense Reclassified Through Profit or Loss                          |                              | 3.157.279                           | (3.478.056)        | (320.777)            | 3.563.047                        | 956.629            | 4.519.676            |
| 16.5 Profit Reserves   |                              | 68.040.375                          | 1.401.552          | 69.441.927           | 57.638.040                       | 1.082.788          | 58.720.828           |
| 16.5.1 Legal Reserves  |                              | 5.611.495                           | 45.052             | 5.656.547            | 5.111.485                        | 33.686             | 5.145.171            |
| 16.5.2 Status Reserves   |                              | -                                   | -                  | -                    | -                                | -                  | -                    |
| 16.5.3 Extraordinary Reserves  |                              | 62.294.065                          | 43.958             | 62.338.023           | 52.389.601                       | 36.080             | 52.425.681           |
| 16.5.4 Other Profit Reserves   |                              | 134.815                             | 1.312.542          | 1.447.357            | 136.954                          | 1.013.022          | 1.149.976            |
| 16.6 Profit or (Loss)  |                              | 4.364.545                           | -                  | 4.364.545            | 13.159.432                       | -                  | 13.159.432           |
| 16.6.1 Prior Periods' Profit or (Loss)   |                              | 354.046                             | -                  | 354.046              | 3.507.980                        | -                  | 3.507.980            |
| 16.6.2 Current Period Profit or (Loss)   |                              | 4.010.499                           | -                  | 4.010.499            | 9.651.452                        | -                  | 9.651.452            |
| 16.7 Minority Interest   |                              | 1.774.114                           | -                  | 1.774.114            | 4.535                            | -                  | 4.535                |
| <b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>  |                              | <b>612.949.700</b>                  | <b>548.014.074</b> | <b>1.160.963.774</b> | <b>559.060.804</b>               | <b>459.472.117</b> | <b>1.018.532.921</b> |

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



**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED  
CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.  
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AS OF 30 SEPTEMBER 2021**

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

| IV. - CONSOLIDATED STATEMENT OF PROFIT OR LOSS<br>INCOME AND EXPENSE ITEMS |  | Note<br>(Section<br>Five IV) | Current Period<br>1 January<br>30 September 2021 | Prior Period<br>1 January<br>30 September 2020 | Current Period<br>1 July<br>30 September 2021 | Prior Period<br>1 July<br>30 September 2020 |
|--|--|------------------------------|--|--|---|---|
| <b>I.</b>  | <b>INTEREST INCOME</b>   | <b>(1)</b>                   | <b>73.681.595</b>                                | <b>53.403.120</b>                              | <b>26.829.704</b>                             | <b>18.894.812</b>                           |
| 1.1  | Interest on Loans  |                              | 54.464.832                                       | 41.185.016                                     | 19.672.853                                    | 14.406.355                                  |
| 1.2  | Interest on Reserve Requirements   |                              | 1.053.581  | 131.924  | 465.955                                       | 59.832                                      |
| 1.3  | Interest on Banks  |                              | 138.243  | 103.119  | 46.430  | 47.269                                      |
| 1.4  | Interest on Money Market Transactions  |                              | 4.758  | 8.223  | 1.475   | 3.433                                       |
| 1.5  | Interest on Marketable Securities Portfolio  |                              | 17.352.276                                       | 11.498.278                                     | 6.396.774                                     | 4.233.639                                   |
| 1.5.1  | Fair Value Through Profit or Loss  |                              | 231.079  | 139.477  | 83.661  | 45.176                                      |
| 1.5.2  | Fair Value through Other Comprehensive Income  |                              | 15.153.495                                       | 9.956.071                                      | 5.608.107                                     | 3.560.154                                   |
| 1.5.3  | Measured at Amortized Cost   |                              | 1.967.702  | 1.402.730                                      | 705.006                                       | 628.309                                     |
| 1.6  | Financial Lease Interest Income  |                              | 357.748  | 279.426  | 136.677                                       | 96.911                                      |
| 1.7  | Other Interest Income  |                              | 310.157  | 197.134  | 109.540                                       | 47.373                                      |
| <b>II.</b>   | <b>INTEREST EXPENSE (-)</b>  | <b>(2)</b>                   | <b>49.456.157</b>                                | <b>22.728.444</b>                              | <b>17.279.090</b>                             | <b>8.185.512</b>                            |
| 2.1  | Interest on Deposits   |                              | 32.835.495                                       | 16.065.748                                     | 11.951.080                                    | 5.769.164                                   |
| 2.2  | Interest on Funds Borrowed   |                              | 914.615  | 1.042.234                                      | 336.510                                       | 345.560                                     |
| 2.3  | Interest Expense on Money Market Transactions  |                              | 13.485.971                                       | 3.082.466                                      | 4.291.087                                     | 1.357.087                                   |
| 2.4  | Interest on Securities Issued  |                              | 1.787.184  | 1.418.947                                      | 577.857                                       | 524.691                                     |
| 2.5  | Interest on Leases   |                              | 103.777  | 95.174   | 35.998  | 31.025                                      |
| 2.6  | Other Interest Expenses  |                              | 329.115  | 1.023.875                                      | 86.558  | 157.985                                     |
| <b>III.</b>  | <b>NET INTEREST INCOME (I - II)</b>  |                              | <b>24.225.438</b>                                | <b>30.674.676</b>                              | <b>9.550.614</b>                              | <b>10.709.300</b>                           |
| <b>IV.</b>   | <b>NET FEES AND COMMISSIONS INCOME</b>   |                              | <b>4.179.490</b>                                 | <b>2.453.734</b>                               | <b>1.552.156</b>                              | <b>1.202.425</b>                            |
| 4.1  | Fees and Commissions Received  |                              | 5.822.532  | 3.861.126                                      | 2.211.158                                     | 1.541.309                                   |
| 4.1.1  | Non-cash Loans   |                              | 994.504  | 779.425  | 356.535                                       | 273.562                                     |
| 4.1.2  | Other  |                              | 4.828.028  | 3.081.701                                      | 1.854.623                                     | 1.267.747                                   |
| 4.2  | Fees and Commissions Paid (-)  |                              | 1.643.042  | 1.407.392                                      | 659.002                                       | 338.884                                     |
| 4.2.1  | Non-cash Loans   |                              | 245  | 587  | 73  | 90  |
| 4.2.2  | Other  |                              | 1.642.797  | 1.406.805                                      | 658.929                                       | 338.794                                     |
| <b>V.</b>  | <b>DIVIDEND INCOME</b>   |                              | <b>9.313</b>                                     | <b>1.584</b>                                   | <b>1.065</b>                                  | <b>97</b>                                   |
| <b>VI.</b>   | <b>TRADING PROFIT/(LOSS) (Net)</b>   | <b>(3)</b>                   | <b>(8.077.860)</b>                               | <b>(6.945.761)</b>                             | <b>(3.136.419)</b>                            | <b>(4.202.439)</b>                          |
| 6.1  | Trading Gains / (Losses) on Securities   |                              | 62.003   | 5.057.736                                      | (14.234)                                      | 2.341.472                                   |
| 6.2  | Gains / (Losses) on Derivative Financial Transactions  |                              | (9.058.788)                                      | (3.795.159)                                    | (3.435.084)                                   | (1.068.085)                                 |
| 6.3  | Foreign Exchange Gains/(Losses)  |                              | 918.919  | (8.208.338)                                    | 312.899                                       | (5.475.826)                                 |
| <b>VII.</b>  | <b>OTHER OPERATING INCOME</b>  | <b>(4)</b>                   | <b>4.228.476</b>                                 | <b>2.620.651</b>                               | <b>1.505.903</b>                              | <b>824.137</b>                              |
| <b>VIII.</b>   | <b>GROSS OPERATING PROFIT (III+IV+V+VI+VII)</b>  |                              | <b>24.564.851</b>                                | <b>28.804.884</b>                              | <b>9.473.319</b>                              | <b>8.533.520</b>                            |
| <b>IX.</b>   | <b>EXPECTED CREDIT LOSS (-)</b>  | <b>(5)</b>                   | <b>7.515.478</b>                                 | <b>8.076.103</b>                               | <b>3.280.072</b>                              | <b>2.360.370</b>                            |
| <b>X.</b>  | <b>OTHER PROVISION EXPENSES (-)</b>  | <b>(5)</b>                   | <b>174.163</b>                                   | <b>2.268.823</b>                               | <b>10.798</b>                                 | <b>126.036</b>                              |
| <b>XI.</b>   | <b>PERSONNEL EXPENSE (-)</b>   |                              | <b>4.232.706</b>                                 | <b>3.760.257</b>                               | <b>1.447.880</b>                              | <b>1.069.264</b>                            |
| <b>XII.</b>  | <b>OTHER OPERATING EXPENSES (-)</b>  | <b>(6)</b>                   | <b>7.052.721</b>                                 | <b>6.461.612</b>                               | <b>2.428.463</b>                              | <b>2.222.368</b>                            |
| <b>XIII.</b>   | <b>NET OPERATING PROFIT/(LOSS) (VIII-IX-X-XI-XII)</b>  |                              | <b>5.589.783</b>                                 | <b>8.238.089</b>                               | <b>2.306.106</b>                              | <b>2.755.482</b>                            |
| <b>XIV.</b>  | <b>EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER</b>   |                              | -  | -  | -   | -   |
| <b>XV.</b>   | <b>PROFIT/LOSS FROM INVESTMENTS IN SUBSIDIARIES<br/>CONSOLIDATED BASED ON EQUITY METHOD</b>          |                              | <b>64.939</b>                                    | <b>42.594</b>                                  | <b>23.912</b>                                 | <b>16.405</b>                               |
| <b>XVI.</b>  | <b>PROFIT/(LOSS) ON NET MONETARY POSITION</b>  |                              | -  | -  | -   | -   |
| <b>XVII.</b>   | <b>PROFIT/LOSS BEFORE TAX FROM CONTINUED OPERATIONS<br/>(XII+...+XV)</b>                             | <b>(7)</b>                   | <b>5.654.722</b>                                 | <b>8.280.683</b>                               | <b>2.330.018</b>                              | <b>2.771.887</b>                            |
| <b>XVIII.</b>  | <b>TAX PROVISION FOR CONTINUED OPERATIONS (±)</b>  | <b>(8)</b>                   | <b>(1.616.673)</b>                               | <b>(2.403.285)</b>                             | <b>(661.951)</b>                              | <b>(587.057)</b>                            |
| 18.1   | Current Tax Provision  |                              | (2.946.089)                                      | (1.635.922)                                    | (901.585)                                     | 959.924                                     |
| 18.2   | Deferred Tax Expense Effect (+)  |                              | (511.252)  | (4.250.533)                                    | (141.365)                                     | (2.479.762)                                 |
| 18.3   | Deferred Tax Income Effect (-)   |                              | 1.840.668  | 3.483.170                                      | 380.999                                       | 932.781                                     |
| <b>XIX.</b>  | <b>CURRENT PERIOD PROFIT/LOSS FROM CONTINUED<br/>OPERATIONS (XVI±XVII)</b>                           | <b>(9)</b>                   | <b>4.038.049</b>                                 | <b>5.877.398</b>                               | <b>1.668.067</b>                              | <b>2.184.830</b>                            |
| <b>XX.</b>   | <b>INCOME FROM DISCONTINUED OPERATIONS</b>   |                              | -  | <b>2.473.439</b>                               | -   | -   |
| 20.1   | Income from Non-Current Assets Held for Sale   |                              | -  | 1.107.539                                      | -   | -   |
| 20.2   | Income from Sales of Associates, Subsidiaries and Entities under Common<br>Control (Joint Ventures)  |                              | -  | 1.365.900                                      | -   | -   |
| 20.3   | Income from Other Discontinued Operations  |                              | -  | -  | -   | -   |
| <b>XXI.</b>  | <b>EXPENSES FOR DISCONTINUED OPERATIONS (-)</b>  |                              | -  | <b>535.466</b>                                 | -   | -   |
| 21.1   | Expenses on Non-Current Assets Held for Sale   |                              | -  | 535.466  | -   | -   |
| 21.2   | Expense from Sales of Associates, Subsidiaries and Entities under Common<br>Control (Joint Ventures) |                              | -  | -  | -   | -   |
| 21.3   | Expenses for Other Discontinued Operations   |                              | -  | -  | -   | -   |
| <b>XXII.</b>   | <b>PROFIT/LOSS BEFORE TAX FROM DISCONTINUED<br/>OPERATIONS (XIX-XX)</b>                              |                              | -  | <b>1.937.973</b>                               | -   | -   |
| <b>XXIII.</b>  | <b>TAX PROVISION FOR DISCONTINUED OPERATIONS (±)</b>   |                              | -  | <b>(81.405)</b>                                | -   | -   |
| 23.1   | Current Tax Provision  |                              | -  | (78.057)                                       | -   | -   |
| 23.2   | Deferred Tax Expense Effect (+)  |                              | -  | (3.766)  | -   | -   |
| 23.3   | Deferred Tax Income Effect (-)   |                              | -  | 418  | -   | -   |
| <b>XXIV.</b>   | <b>CURRENT PERIOD PROFIT/LOSS FROM DISCONTINUED<br/>OPERATIONS (XXII±XXIII)</b>                      |                              | -  | <b>1.856.568</b>                               | -   | -   |
| <b>XXV.</b>  | <b>NET PROFIT/(LOSS) (XVIII+XXIII)</b>   | <b>(10)</b>                  | <b>4.038.049</b>                                 | <b>7.733.966</b>                               | <b>1.668.067</b>                              | <b>2.184.830</b>                            |
| 25.1   | Profit/(Loss) from the Group   |                              | 4.010.499  | 7.732.699                                      | 1.655.108                                     | 2.184.234                                   |
| 25.2   | Profit/(Loss) from Minority Interest   |                              | 27.550   | 1.267  | 12.959  | 596   |
|  | Earnings/(Loss) per share (in TL full)   |                              | 0,308  | 0,814  | 0,127   | 0,091                                       |

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

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED  
CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.  
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE  
INCOME FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2021**

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

| V. - CONSOLIDATED STATEMENT OF PROFIT OR LOSS<br>AND OTHER COMPREHENSIVE INCOME   | Current Period<br>1 January-<br>30 September 2021 | Prior Period<br>1 January-<br>30 September 2020 |
|---|---|---|
| <b>I. PROFIT (LOSS)</b>   | <b>4.038.049</b>                                  | <b>7.733.966</b>                                |
| <b>II. OTHER COMPREHENSIVE INCOME</b>   | <b>(5.223.067)</b>                                | <b>(3.019.630)</b>                              |
| 2.1 Other Comprehensive Income That will Not Be Reclassified To Profit or Loss  | (382.614)   | (1.164.773)                                     |
| 2.1.1 Gains (Losses) on Revaluation of Property, Plant and Equipment  | (84.334)  | (799.962)                                       |
| 2.1.2 Gains (losses) on revaluation of Intangible Assets  | -   | -   |
| 2.1.3 Gains (losses) on remeasurements of defined benefit plans   | 235.759   | 192.291   |
| 2.1.4 Other Components of Other Comprehensive Income That Will Not Be Reclassified to Profit Or Loss                          | (594.710)   | (811.655)                                       |
| 2.1.5 Taxes Relating To Components Of Other Comprehensive Income That Will Not Be Reclassified To Profit Or Loss              | 60.671  | 254.553   |
| 2.2 Other Comprehensive Income That Will Be Reclassified to Profit or Loss  | (4.840.453)                                       | (1.854.857)                                     |
| 2.2.1 Exchange Differences on Translation   | 415.024   | 940.861   |
| 2.2.2 Valuation and/or Reclassification Profit or Loss from financial assets at fair value through other comprehensive income | (6.881.000)                                       | (3.585.541)                                     |
| 2.2.3 Income (Loss) Related with Cash Flow Hedges   | -   | -   |
| 2.2.4 Income (Loss) Related with Hedges of Net Investments in Foreign Operations  | 253.426   | -   |
| 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                  | 1.372.097   | 789.823   |
| <b>III. TOTAL COMPREHENSIVE INCOME (I+II)</b>   | <b>(1.185.018)</b>                                | <b>4.714.336</b>                                |

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

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.  
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE NINE MONTH PERIOD ENDED  
30 SEPTEMBER 2021**

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

| VI. CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY                 | Paid-in Capital | Share Premium | Share Cancellation profits | Other capital reserves | Accumulated Other Comprehensive Income or Expense Not Reclassified through Profit or Loss |         |                  | Accumulated Other Comprehensive Income or Expense Reclassified through Profit or Loss |             |         | Profit Reserves | Prior period net profit/(loss) | Current period net profit/(loss) | Shareholders' Equity Before Minority Interest | Minority Interest | Total Equity |
|---|-----------------|---------------|----------------------------|------------------------|---|---------|------------------|---|-------------|---------|-----------------|--------------------------------|----------------------------------|---|-------------------|--------------|
|   |                 |               |                            |                        | 1   | 2       | 3 <sup>(*)</sup> | 4   | 5           | 6       |                 |                                |                                  |   |                   |              |
| <b>I. Current Period 30 September 2021</b>                                    |                 |               |                            |                        |   |         |                  |   |             |         |                 |                                |                                  |   |                   |              |
| <b>II. Prior Period End Balance</b>   | 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   |
| <b>III. Corrections and Accounting Policy Changes Made According to TAS 8</b> | -               | -             | -                          | -                      | -   | -       | -                | -   | -           | -       | -               | -                              | -                                | -   | -                 | -            |
| 2.1 Effect of adjustment  | -               | -             | -                          | -                      | -   | -       | -                | -   | -           | -       | -               | -                              | -                                | -   | -                 | -            |
| 2.2 Effect of changes in accounting policies                                  | -               | -             | -                          | -                      | -   | -       | -                | -   | -           | -       | -               | -                              | -                                | -   | -                 | -            |
| <b>IV. Adjusted Beginning Balance (I+II)</b>                                  | 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   |
| <b>V. Total comprehensive income</b>  | -               | -             | -                          | -                      | (75.629)  | 188.607 | (495.592)        | 415.024   | (5.508.903) | 253.426 | -               | 4.010.499                      | -                                | (1.212.568)                                   | 27.550            | (1.185.018)  |
| <b>VI. Capital increase by cash</b>   | -               | -             | -                          | -                      | -   | -       | -                | -   | -           | -       | -               | -                              | -                                | -   | -                 | -            |
| <b>VII. Capital increase by internal sources</b>                              | -               | -             | -                          | -                      | -   | -       | -                | -   | -           | -       | -               | -                              | -                                | -   | -                 | -            |
| <b>VIII. Paid-in capital inflation adjustment difference</b>                  | -               | -             | -                          | -                      | -   | -       | -                | -   | -           | -       | -               | -                              | -                                | -   | -                 | -            |
| <b>IX. Convertible bonds to Shares Subordinated debt Instruments</b>          | -               | -             | -                          | -                      | -   | -       | -                | -   | -           | -       | -               | -                              | -                                | -   | -                 | -            |
| <b>X. Increase (decrease) by other changes</b>                                | -               | -             | -                          | (3.401)                | -   | -       | (346)            | -   | -           | -       | 94.158          | (64.071)                       | -                                | 26.340  | 1.742.029         | 1.768.369    |
| <b>XI. Profit distribution</b>  | -               | -             | -                          | -                      | -   | -       | 2.114.374        | -   | -           | -       | 10.626.941      | (12.741.315)                   | -                                | -   | -                 | -            |
| 11.1 Dividends paid   | -               | -             | -                          | -                      | -   | -       | -                | -   | -           | -       | -               | -                              | -                                | -   | -                 | -            |
| 11.2 Transfers to Reserves  | -               | -             | -                          | -                      | -   | -       | -                | -   | -           | -       | 9.975.780       | (9.975.780)                    | -                                | -   | -                 | -            |
| 11.3 Other  | -               | -             | -                          | -                      | -   | -       | 2.114.374        | -   | -           | -       | 651.161         | (2.765.535)                    | -                                | -   | -                 | -            |
| <b>Balance at the end of the period (III+IV+...+X+XI)</b>                     | 13.100.000      | -             | -                          | (21.146)               | 6.061.252   | 192.323 | 1.064.666        | 3.451.043   | (4.669.538) | 897.718 | 69.441.927      | 354.046                        | 4.010.499                        | 93.882.790                                    | 1.774.114         | 95.656.904   |

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. Accumulated gains (losses) due to revaluation and/or reclassification of financial assets at fair value through other comprehensive income

5. Other (Accumulated Gains or Losses on Cash Flow Hedges, Other Comprehensive Income of Associate 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 exemption amounts of the gains arising from the sale of immovables and affiliate shares amounting to TL 2.114.374 related to the Corporate Tax Law article 5. 1. e. are monitored.

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**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.  
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE NINE MONTH PERIOD ENDED  
30 SEPTEMBER 2020**

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

| VI CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY                 | Paid-in Capital   | Share Premium | Share Cancellations on profits | Other capital reserves | Accumulated Other Comprehensive Income or Expense Not Reclassified through Profit or Loss |               |                  | Accumulated Other Comprehensive Income or Expense Reclassified through Profit or Loss |                    |          | Profit Reserves   | Prior period net profit/(loss) | Current period net profit/(loss) | Shareholders' Equity Before Minority Interest | Minority Interest | Total Equity      |
|--|-------------------|---------------|--------------------------------|------------------------|---|---------------|------------------|---|--------------------|----------|-------------------|--------------------------------|----------------------------------|---|-------------------|-------------------|
|  |                   |               |                                |                        | 1   | 2             | 3                | 4   | 5                  | 6        |                   |                                |                                  |   |                   |                   |
| <b>Prior Period 30 September 2020</b>  |                   |               |                                |                        |   |               |                  |   |                    |          |                   |                                |                                  |   |                   |                   |
| <b>I. Prior Period End Balance</b>   | 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        |
| <b>II. Corrections and Accounting Policy Changes Made According to TAS 8</b> | -                 | -             | -                              | -                      | -   | -             | -                | -   | -                  | -        | -                 | -                              | -                                | -   | -                 | -                 |
| 2.1 Effect of adjustment   | -                 | -             | -                              | -                      | -   | -             | -                | -   | -                  | -        | -                 | -                              | -                                | -   | -                 | -                 |
| 2.2 Effect of changes in accounting policies                                 | -                 | -             | -                              | -                      | -   | -             | -                | -   | -                  | -        | -                 | -                              | -                                | -   | -                 | -                 |
| <b>III. Adjusted Beginning Balance (I+II)</b>                                | 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        |
| <b>IV. Total comprehensive income</b>  | -                 | -             | -                              | -                      | (719.966)   | 153.833       | (598.640)        | 940.861   | (2.795.734)        | -        | -                 | 7.732.699                      | -                                | 4.713.053                                     | 1.283             | 4.714.336         |
| <b>V. Capital increase by cash</b>   | 7.000.000         | -             | -                              | -                      | -   | -             | -                | -   | -                  | -        | -                 | -                              | -                                | 7.000.000                                     | -                 | 7.000.000         |
| <b>VI. Capital increase by internal sources</b>                              | -                 | -             | -                              | -                      | -   | -             | -                | -   | -                  | -        | -                 | -                              | -                                | -   | -                 | -                 |
| <b>VII. Paid-in capital inflation adjustment difference</b>                  | -                 | -             | -                              | -                      | -   | -             | -                | -   | -                  | -        | -                 | -                              | -                                | -   | -                 | -                 |
| <b>VIII. Convertible bonds to Shares</b>                                     | -                 | -             | -                              | -                      | -   | -             | -                | -   | -                  | -        | -                 | -                              | -                                | -   | -                 | -                 |
| <b>IX. Subordinated debt Instruments</b>                                     | -                 | -             | -                              | -                      | -   | -             | -                | -   | -                  | -        | -                 | -                              | -                                | -   | -                 | -                 |
| <b>X. Increase (decrease) by other changes</b>                               | -                 | -             | -                              | (2.514)                | 283.600   | -             | (14)             | -   | 1.361              | -        | (707.589)         | 779.596                        | -                                | 354.440                                       | -                 | 354.440           |
| <b>XI. Profit distribution</b>   | -                 | -             | -                              | 2.321                  | -   | -             | -                | -   | -                  | -        | 7.123.635         | (7.198.850)                    | -                                | (72.894)                                      | -                 | (72.894)          |
| 11.1 Dividends paid  | -                 | -             | -                              | -                      | -   | -             | -                | -   | -                  | -        | -                 | (72.894)                       | -                                | (72.894)                                      | -                 | (72.894)          |
| 11.2 Transfers to Reserves   | -                 | -             | -                              | 2.321                  | -   | -             | -                | -   | -                  | -        | 6.973.452         | (6.975.773)                    | -                                | -   | -                 | -                 |
| 11.3 Other   | -                 | -             | -                              | -                      | -   | -             | -                | -   | -                  | -        | 150.183           | (150.183)                      | -                                | -   | -                 | -                 |
| <b>Balance at the end of the period (III+IV+...+X+XI)</b>                    | <b>13.100.000</b> | <b>-</b>      | <b>-</b>                       | <b>(764)</b>           | <b>3.393.936</b>  | <b>93.406</b> | <b>(179.445)</b> | <b>3.689.851</b>  | <b>(3.091.003)</b> | <b>-</b> | <b>58.741.122</b> | <b>2.739.306</b>               | <b>7.732.699</b>                 | <b>86.219.108</b>                             | <b>4.276</b>      | <b>86.223.384</b> |

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



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CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.  
NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS AS OF  
30 SEPTEMBER 2021**

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

| VII. CONSOLIDATED STATEMENT OF CASH FLOWS  | Note<br>(Section Five) | Current Period<br>1 January-30 September 2021 | Prior Period<br>1 January-30 September 2020 |
|--|------------------------|---|---|
| <b>A. CASH FLOWS FROM BANKING OPERATIONS</b>   |                        |   |   |
| 1.1 Operating Profit Before Changes in Operating Assets and Liabilities  |                        | 4.768.424                                     | 11.569.595                                  |
| 1.1.1 Interest Received  |                        | 67.754.510                                    | 49.295.183                                  |
| 1.1.2 Interest Paid  |                        | (47.978.937)                                  | (22.761.463)                                |
| 1.1.3 Dividend Received  |                        | 9.313   | 1.584                                       |
| 1.1.4 Fees and Commissions Received  |                        | 6.035.669                                     | 4.921.961                                   |
| 1.1.5 Other Income   |                        | 1.014.543                                     | 3.351.476                                   |
| 1.1.6 Collections from Previously Written-off Loans and Other Receivables                                      |                        | 2.911.948                                     | 1.705.090                                   |
| 1.1.7 Cash Payments to Personnel and Service Suppliers   |                        | (4.719.614)                                   | (4.079.624)                                 |
| 1.1.8 Taxes Paid   |                        | (3.067.909)                                   | (3.546.269)                                 |
| 1.1.9 Other  |                        | (17.191.099)                                  | (17.318.343)                                |
| 1.2 Changes in Operating Assets and Liabilities  |                        | 29.117.094                                    | 50.427.029                                  |
| 1.2.1 Net Increase/Decrease in Financial Assets at Fair Value Through Profit or Loss                           |                        | (3.964.917)                                   | (9.920.946)                                 |
| 1.2.2 Net (Increase) / Decrease in due from banks and other financial institutions                             |                        | (20.974.749)                                  | (17.918.267)                                |
| 1.2.3 Net (Increase) / Decrease in loans   |                        | (51.640.753)                                  | (137.594.501)                               |
| 1.2.4 Net (Increase) / Decrease in other assets  |                        | (1.449.747)                                   | (6.698.059)                                 |
| 1.2.5 Net Increase / (Decrease) in bank deposits   |                        | 11.261.114                                    | 5.839.217                                   |
| 1.2.6 Net Increase / (Decrease) in other deposits  |                        | 96.580.028                                    | 173.912.203                                 |
| 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  |                        | 875.170                                       | (4.081.791)                                 |
| 1.2.9 Net Increase / (Decrease) in payables  |                        | -   | -   |
| 1.2.10 Net Increase / (Decrease) in other liabilities  |                        | (1.569.052)                                   | 46.889.173                                  |
| <b>I. Net Cash Provided from Banking Operations</b>  |                        | <b>33.885.518</b>                             | <b>61.996.624</b>                           |
| <b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>   |                        |   |   |
| <b>II. Net Cash Provided from Investing Activities</b>   |                        | <b>(24.588.736)</b>                           | <b>(70.486.866)</b>                         |
| 2.1 Cash Paid for Acquisition of Associates, Subsidiaries and Entities under Common Control (Joint Ventures)   |                        | (147.737)                                     | (374.183)                                   |
| 2.2 Cash Obtained from Disposal of Associates, Subsidiaries and Entities Under Common Control (Joint Ventures) |                        | -   | -   |
| 2.3 Purchases of Property and Equipment  |                        | (1.069.909)                                   | (1.054.165)                                 |
| 2.4 Disposals of Property and Equipment  |                        | 805.454                                       | 874.812                                     |
| 2.5 Purchase of Financial Assets at Fair Value Through Other Comprehensive Income                              |                        | (54.219.643)                                  | (108.565.018)                               |
| 2.6 Sale of Financial Assets at Fair Value Through Other Comprehensive Income                                  |                        | 27.622.493                                    | 45.749.151                                  |
| 2.7 Purchase of Financial Assets at Measured at Amortized Cost   |                        | (227.965)                                     | (8.004.300)                                 |
| 2.8 Sale of Financial Assets at Measured at Amortized Cost   |                        | 2.648.571                                     | 886.837                                     |
| 2.9 Other  |                        | -   | -   |
| <b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>   |                        |   |   |
| <b>III. Net Cash Provided from Financing Activities</b>  |                        | <b>404.834</b>                                | <b>7.460.370</b>                            |
| 3.1 Cash Obtained from Funds Borrowed and Securities Issued  |                        | 13.958.990                                    | 13.328.486                                  |
| 3.2 Cash Used for Repayment of Funds Borrowed and Securities Issued  |                        | (13.293.118)                                  | (12.663.142)                                |
| 3.3 Issued Equity Instruments  |                        | -   | 7.000.000                                   |
| 3.4 Dividends Paid   |                        | -   | -   |
| 3.5 Payments for finance leases  |                        | (261.038)                                     | (204.974)                                   |
| 3.6 Other  |                        | -   | -   |
| <b>IV. Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents</b>                              |                        | <b>2.095.711</b>                              | <b>4.150.435</b>                            |
| <b>V. Net Increase in Cash and Cash Equivalents (I+II+III+IV)</b>  |                        | <b>11.797.327</b>                             | <b>3.120.563</b>                            |
| <b>VI. Cash and Cash Equivalents at the Beginning of the Period</b>  |                        | <b>43.002.234</b>                             | <b>32.051.095</b>                           |
| <b>VII. Cash and Cash Equivalents at the End of the Period</b>   |                        | <b>54.799.561</b>                             | <b>35.171.658</b>                           |

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

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**SECTION THREE**

**EXPLANATIONS ON ACCOUNTING POLICIES**

**I BASIS OF PRESENTATION**

**a. Financial statements and related explanations and preparation of footnotes in compliance with Turkish Accounting Standards (“TAS”) and “Regulation on Accounting Applications for Banks and Safeguarding of Documents”**

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 Accounting Standards 34 (“TAS 34”) and Turkish Financial Reporting Standards (“TFRS”) and (referred as “Turkish Accounting and Financial Reporting Regulations” or “Reporting Standards”) put into effect by Public Oversight Accounting and Auditing Standards Authority (“POA”).

The format and content of the publicly announced 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. The assumptions and estimates used and the effect of the changes are explained in the related notes.

Unless otherwise specified, all balances in the financial statements and footnotes are expressed in Thousand Turkish Lira (“TL”).

The COVID-19 pandemic, which has recently 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 interim financial statements dated September 30, 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.

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**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

**I BASIS OF PRESENTATION (Continued)**

As of 30 September 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 30 September 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 30 September 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. In addition, the Parent Bank analyzed the corporate, commercial and retail loan portfolios and the sector distributions in these portfolios, using expert opinion, it made provisions on model outputs for customer groups that it believed to be affected by the COVID-19 outbreak. In the following reporting periods, the impact of the pandemic will be reviewed, taking into account the changes in the credit portfolio and future expectations

Within the scope of the 4th and 5th articles of “Regulation on the Classification of Loans and the Procedures and Principles Regarding the Provisions to be Set Aside”; it is allowed that the 30-day-past-due period envisaged for the classification of loans in the second group would be applied as 90 days until 31 December 2020 for the loans classified under the first group and the 90-day-past-due period envisaged for the classification of loans as non-performing would be applied as 180 days until 31 December 2020 for the loans classified under the first and second groups according to the decisions of BRSA numbered 8948 dated 17 March 2020 and numbered 8970 dated 27 March 2020 due to the effects of the COVID-19 pandemic. Based on the BRSA’s Decision dated 17 June 2021 and numbered 9624, these deadlines have been extended until 30 September 2021. However, the said regulation, which has been valid since 17 March 2020, was terminated as of 30 September with the decision BRSA No. 9795 dated 16 September 2021 it has been decided by the BRSA to apply;

- The 90-day delay period projected for the classification of loans as non-performing loans will be applied as 180 days for loans with a delay period between 91-180 days as of October 1, 2021,
- The 30-day delay period projected for the classification of loans in the second group will be applied as 90 days for loans with a delay between 31-90 days, as of October 1, 2021.

The Parent Bank continues its practices for restructuring the loans in line with the needs of its customers, in line with the Parent Bank’s procedures and principles. In particular, individual customers are directed to make restructuring requests through the digital channels without physically arriving at the branches. Applications received from the digital channels are evaluated quickly and concluded.

**Changes in Accounting Policies**

With the regulations regarding the implementation of the Benchmark Interest Rate Reform, which brings amendments to TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16, effective from January 1, 2021, early implementation of the amendments is permitted. With the amendments made, certain exceptions are provided for the basis used in determining contractual cash flows and hedge accounting provisions. The process for the Benchmark Interest Rate Reform is expected to be completed as of December 31, 2021, and the Parent Bank’s efforts to adapt to the changes and the assessment of its impact on the financial statements still have been proceeding.

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**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

**I BASIS OF PRESENTATION (Continued)**

**b. 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 Parent 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 Parent 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 Parent 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 268.075 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.

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**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

**III. INFORMATION ON CONSOLIDATED SUBSIDIARIES**

**1. Consolidation Principles Applied**

The consolidated financial statements have been prepared in accordance with the procedures listed in the “Communiqués related to the Regulation on the Preparation of the Consolidated Financial Statements of Banks” published in the Official Gazette No. 26340 dated 8 November 2006 and the “Consolidated Financial Statements” (“TFRS 10”).

**1.1. Consolidation Principles for Subsidiaries**

Subsidiaries are all entities in which the Group has the power to control financial and operational policies for the benefit of the Parent Bank (a) directly and indirectly, with the authority to exercise more than 50% of the voting rights pertaining to shares in the owned companies; or (b) not having the power to exercise more than 50% of the rights of use, otherwise having control over financial and business policies.

Control is evident when the Parent Bank owns, either directly or indirectly, the majority of the share capital of the company or owns the privileged shares or owns the right of controlling the operations of the company in accordance with the agreements made with other shareholders or owns the right of appointment or the designation of the majority of the board of directors of the company.

Subsidiaries are consolidated with full consolidation method, considering the size of their assets and equity within the scope of their activities and the materiality principle. Subsidiaries are included in the scope of consolidation since the control of their activities is transferred to the group and are excluded from the scope of consolidation from the date the control disappears. Where necessary, the accounting policies of the subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

According to the full consolidation method, 100% of the balance sheet, profit or loss statement and off-balance sheet items of the subsidiaries are consolidated with the balance sheet, profit or loss statement and off-balance sheet items of the Parent Bank. The carrying amount of the Group's investments in each subsidiary is netted off with the portion of the capital of each subsidiary that belongs to the Group. Unrealized gains and losses and balances arising from transactions between subsidiaries included in consolidation are eliminated. 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 interests in the consolidated balance sheet are presented separately from the liabilities and shares of the Group shareholders. In addition, minority interests are presented separately in the profit or loss statement interest.

In order to transfer of the shares representing 99,97% of Ziraat Sigorta A.Ş. and the shares representing 99,97% of Ziraat Hayat ve Emeklilik A.Ş. capital which belong to the Parent Bank to TVF Finansal Yatırımlar A.Ş., the share transfer agreement was signed on April 22, 2020 and the said share transfers were completed as of the same date between as a buyer, TVF Finansal Yatırımlar A.Ş. and as a seller, the Parent Bank, Ziraat Katılım Bankası A.Ş., Ziraat Teknoloji A.Ş. and Ziraat Yatırım Menkul Değerler A.Ş.. Related subsidiaries were classified in the scope of consolidation in the previous period, the accounts related with held for sale in the assets and liabilities section of balance sheet, and under Income-Expense from Discontinued Operations line of the profit or loss statement. The related subsidiaries were excluded from the scope of consolidation with the sales transaction, and the figures of the income and expense items realized until the sales transaction date of the subsidiaries are shown in the Income-Expense from Discontinued Operations line of the consolidated profit or loss statement.

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**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

**III. INFORMATION ON CONSOLIDATED SUBSIDIARIES (Continued)**

**1. Consolidation Principles Applied (Continued)**

**1.1. Consolidation Principles for Subsidiaries (Continued)**

The subsidiaries included in consolidation, their title, their place of incorporation, their main activities and their effective shareholding rates are as follows:

| <b>Title</b>                              | <b>Address (City/Country)</b>   | <b>Main Activities</b> | <b>Parent Bank's Share Percentage (%)</b> | <b>Parent Bank's Risk Group Share Percentage (%)</b> |
|---|---------------------------------|------------------------|---|--|
| 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 Azerbaijan 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 Joint Ventures**

An associate is a partnership with which the Parent Bank participates in its capital and has significant effect on it although it has no capital or management control, whose main operation is banking, and which operates according to special legislation with permission and license and is established abroad. The related associate is consolidated with equity method in accordance with materiality principle. Significant effect refers to the participation power on the constitution of the financial and management policies of the participated associate. If the Parent Bank has 10% or more voting right on the associate, as long as it is not proved otherwise, it will be accepted that the Parent Bank has significant effect on that associate. Equity method is an accounting method which foresees the increase or decrease of the book value of capital share in an associate from the changed amount in the associate participating shareholder's equity during the period by the portion of the participant and the deduction of the dividend from the associate from the changed value of the associate amount. The associates and joint ventures consolidated with the equity method, their title, place of incorporation, main activities, effective shareholding rates and direct and indirect shareholding rates are as follows:

| <b>Title</b>                                | <b>Address (City/Country)</b> | <b>Main Activities</b> | <b>Parent Bank's Share Percentage (%)</b> | <b>Parent Bank's Risk Group Share Percentage (%)</b> |
|---|-------------------------------|------------------------|---|--|
| 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.

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**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

**III. INFORMATION ON CONSOLIDATED SUBSIDIARIES (Continued)**

**1. Consolidation Principles Applied (Continued)**

**1.4. Transactions with Minority Shareholders**

The Group considers transactions with minority shareholders as transactions within the Parent Bank. For acquisitions from minority shareholders, the difference between the acquisition cost and related portion of net assets’ booked value is deducted from equity. Profit or loss resulting from sales to minority shareholders is booked under equity.

**1.5. Presentation of Unconsolidated Subsidiaries and Associates in Consolidated Financial Statements**

Subsidiaries, which are not included in the scope of consolidation, are accounted for their fair values, while associates are accounted for at their cost values after netting impairment if any and are reflected in the consolidated financial statements.

**IV. EXPLANATIONS ON FORWARD TRANSACTIONS, OPTIONS AND DERIVATIVE INSTRUMENTS**

The Group’s derivative transactions include cross currency swaps, interest rate swaps, currency and precious metal swaps, long-term financing transactions, 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 “IFRS 9 Financial Instruments Standard” (“IFRS 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 measured 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. Fair value differences are recognized in statement of profit or loss in gains / (losses) on derivative financial transactions under trading profit/loss.

The fair value of derivative instruments is calculated by considering 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.

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**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

**V. EXPLANATIONS ON INTEREST INCOME AND EXPENSE (Continued)**

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 are able 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.



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**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

**VII. EXPLANATIONS ON FINANCIAL ASSETS (Continued)**

**Financial Assets at Fair Value Through Profit or Loss**

Financial assets at 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 financial assets at fair value through other comprehensive income where the business models aim to hold financial assets to collect the contractual cash flows and selling assets and the terms of financial asset give rise to cash flows that are solely payments of principal of interest at certain dates.

Financial assets at fair value through other comprehensive income are subsequently measured at their fair value. The interest income of financial assets at fair value through other comprehensive income that are calculated by effective interest rate method and dividend income from equity instruments are reflected in the statement of profit or loss. “Unrealized profits and losses”, the difference between the fair value of debt instruments at fair value through other comprehensive income and their amortized cost, are not reflected in the statement of profit or loss for the period until the corresponding financial asset is collected, sold, disposed of or weakened and is followed in the “Other Comprehensive Income or Expenses to be Reclassified in Profit or Loss” account under equity. Accumulated fair value differences under equity are reflected to the income statement when such securities are collected or disposed.

Securities representing a share in the capital are recognized at fair value if they are traded in organized markets and / or their fair value can be determined reliably, and if they are not traded in organized markets, they are reflected in the financial statements with their values found using other valuation models. The valuation differences of the said securities are followed in the “Other Accumulated Comprehensive Income or Expenses Not to be Reclassified in Profit or Loss” account under equity.

**Financial Assets at Measured at Amortized Cost**

A financial asset is classified as a financial asset measured at amortized cost when the Parent Bank's policy within a business model is to hold the asset to collect contractual cash flows and the terms give rise to cash flows that are solely payments of principal of interest at certain dates.

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**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

**VII. EXPLANATIONS ON FINANCIAL ASSETS (Continued)**

**Financial Assets at Measured at Amortized Cost (Continued)**

Measured at amortized cost are recognized at which represents its fair value at initial recognition by adding the transaction costs and subsequently measured at amortised 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. 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 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. A 1% increase in the CPI estimate will increase pre-tax period profit by TL 351 million as of September 30, 2021, and a decrease of 1% will decrease it by TL 389 million.

**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. Repayments of these loans are collected as calculated TL value by the valid counter foreign exchange selling rate of Bank at installment date.

**VIII. EXPLANATIONS ON IMPAIRMENT OF FINANCIAL ASSETS**

**Explanations on Expected Loss Provisions**

The Parent 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 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:

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**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

**VIII EXPLANATIONS ON IMPAIRMENT OF FINANCIAL ASSETS (Continued)**

**Explanations on Expected Loss Provisions (Continued)**

- 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.

**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 life-time 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.

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**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

**VIII EXPLANATIONS ON IMPAIRMENT OF FINANCIAL ASSETS (Continued)**

**Impairment (Continued)**

***Significant Increase in Credit Risk (Stage 2) (Continued)***

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. As explained in the third part, part 1, section 1, BRSA's decisions no 8948 dated 17 March 2020 and 8970 dated 27 March 2020, mainly due to the effects caused by the COVID-19 outbreak, the aforementioned delay days starting from 27 March 2020 applied as 90 days. Pursuant to the BRSA's decision dated 17 June 2021 and numbered 9624, the 90-day implementation period has been extended until 30 September 2021. However, the said application, which has been valid since 17 March 2020, was terminated as of 30 September 2021 with the BRSA's decision dated 16 September 2021 and numbered 9795, and the 30-day delay period foreseen for the classification of loans in the second group was delayed as of 1 October 2021. It has been decided by the BRSA to apply it as 90 days for loans with a period of 31-90 days.

***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.

Group considers a debt as default on these two conditions

- **Objective Default Definition:** It means debt having past due more than 90 days. This assumption can be disproved in the light of supportable information. As explained in the third part, part 1, the definition of default envisaged to be effective as of 17 March 2020, mainly due to the effects caused by the COVID-19 pandemic, based on the BRSA's decisions dated March 17, 2020 and numbered 8948 and dated March 27, 2020 and numbered 8970. 180 applied per day. Based on the BRSA's Decision dated 17 June 2021 and numbered 9624, the 180-day implementation period has been extended until 30 September 2021. However, the said application, which has been valid since 17 March 2020, was terminated as of 30 September 2021 with the BRSA's decision dated 16 September 2021 and numbered 9795, and the 90-day delay period foreseen for the classification of loans as non-performing loans was reduced as of 1 October 2021. It has been decided by the BRSA to apply 180 days for loans with a delay between 91-180 days.
- **Subjective Default Definition:** It means it is considered that a debt is unlikely to be paid. 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.

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**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

**VIII EXPLANATIONS ON IMPAIRMENT OF FINANCIAL ASSETS (Continued)**

**Impairment (Continued)**

***Credit-Impaired Losses (Stage 3) (Continued)***

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 considers 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 analysing historical data for products with no maturity information. Expected loss provisions are calculated based on these maturities depending on the type of loan.

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**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

**VIII. EXPLANATIONS ON IMPAIRMENT OF FINANCIAL ASSETS (Continued)**

**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 November 27, 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 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 Parent Bank, according to the purposes of holding and are subject to valuation according to the portfolio which are belong. Funds obtained in return for repo agreements are accounted in “Money Market 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 Market 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 DISPOSAL GROUPS ‘HELD FOR SALE’ AND RELATED TO DISCONTINUED OPERATIONS AND EXPLANATIONS ON LIABILITIES RELATED WITH THESE ASSETS**

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

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.

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**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

**XI. INFORMATION ON NON-CURRENTS ASSETS OR DISPOSAL GROUPS ‘HELD FOR SALE’ AND RELATED TO DISCONTINUED OPERATIONS AND EXPLANATIONS ON LIABILITIES RELATED WITH THESE ASSETS (Continued)**

The properties acquired by the Parent Bank due to receivables are shown in the line of held for sale purpose in the financial statements depending on the termination of the terms 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 Parent Bank 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 evaluated over their remaining amounts after deducting the accumulated depreciation and, if any, the accumulated depreciation from the cost value in the period following their recording.

Other intangible assets are amortized using the straight line method based on their useful lives. Useful lives of other intangible assets are determined with assessments such as the expected life of the asset, technical, technological or other types of aging and the maintenance costs required to obtain the economic benefit expected from the asset. There is no change in the depreciation method applied in the current period. Expenditures for other intangible assets are amortized with equal amounts within the lease period, and if the lease period is not certain or is more than five years, the redemption period is accepted as five years (depreciation rate 20%).

The Group recognizes its software costs incurred under the intangible assets-intangible rights account and the expenses that qualify as development are added to software’s initial costs and amortized over 3 years considering the useful lives. The Parent Bank has determined estimated useful lives of the intangible assets between 3 and 15 years and it applies depreciation rates between 33,3% to 6,7%.

**XIII. EXPLANATIONS ON PROPERTY AND EQUIPMENT**

Property and equipment are measured at its cost when initially recognised and any directly attributable costs of setting the asset in working order for its intended use are included in the initial measurement. As of 31 January 2014 the 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.

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**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

**XIII. EXPLANATIONS ON PROPERTY AND EQUIPMENT (Continued)**

Estimated useful lives and amortization rates of property and equipment are below:

|                                    | <b>Estimated Useful Lives (Year)</b> | <b>Amortization Rate</b> |
|------------------------------------|--------------------------------------|--------------------------|
| Buildings                          | 50                                   | 2%                       |
| Safe-deposit boxes                 | 50                                   | 2%                       |
| Other movable properties           | 3-25                                 | 4-33,33%                 |
| Assets held under financial leases | 4-5                                  | 20-25%                   |

Gains or losses emerging from the disposal of property and equipment are reflected in the profit or loss account as the difference between the net disposal revenue of tangible asset and its net book value.

Ordinary maintenance and repair expenses of 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 fixed 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 Accordance with TFRS 16 Leases**

The Group measures the lease liabilities based on the present value of the lease payments, which were not paid on the date the lease actually started, in accordance with TFRS 16. Lease payments are discounted using the Group's alternative borrowing interest 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 with 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 part of the lease liability, in financial statements as adjustments in right of 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.



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**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

**XV. EXPLANATIONS ON LEASING TRANSACTIONS (Continued)**

**Leases in Accordance with TFRS 16 Leases (Continued)**

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. Group decreases carrying amount of the right-of-use asset to reflect the partial or full termination of the lease for lease modifications that limit 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 except for the relevant standard. The Group reflects the lease payments associated with these leases linearly throughout the lease period and reflects them in the financial statements.

Subject to financial leasing in the consolidated balance sheet of the entity is shown as a receivable equal to net leasing. The interest income is determined to form a fixed revenue return ratio using net investment method related to lease asset of the lessor, and the portion of interest income which does not take part in the related term is followed under the unearned interest income account.

Tangible assets that are acquired under financial leasing are amortized with respect to the rates used for directly acquired assets that have similar nature. Assets held under financial leases are recognized under the tangible fixed 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 financial leasing are charged to liability account “Finance Lease Liabilities”, whereas interests are recognized in “Deferred Financial Leasing Expenses” account. At installment payments, principal and interest amount of installment amount is debited to “Financial Lease Liabilities” account, whereas interest is credited in “Deferred Financial Leasing Expenses” account and recorded to the “Other Interest Expenses”.

**XVI. EXPLANATIONS ON PROVISIONS, CONTINGENT ASSET AND LIABILITIES**

Provisions other than provisions for impairment set for loans and other receivables and provisory liabilities are accounted in accordance with TAS 37 “Turkish Accounting Standard on Provisions, Contingent Liabilities and Contingent Assets Corresponding”.

The Group provides provision in case of an existing liability (legal or implicit) as a result of an incident that took place in the past, there is possibility of disposal of assets that bring economic benefit, and the liability is measurable. When a reliable estimate of the amount of obligation from the Parent Bank cannot be made, it is considered that a “contingent” liability exists, and it is disclosed in the related notes to the financial statements.

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

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

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

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**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

**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 hours 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 30 September, 2021, retirement benefit obligation is TL 1.333.352 (31 December 2020: TL 1.256.959).

|               | <b>Current Period</b> | <b>Prior Period</b> |
|---------------|-----------------------|---------------------|
| Discount Rate | 17,81%                | 12,96%              |
| Inflation     | 12,85%                | 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 192.323 was classified under shareholders’ equity in the financials. (31 December 2020: TL 3.716 profit).

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 20<sup>th</sup> 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.

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**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

**XVII. EXPLANATIONS ON OBLIGATIONS RELATED TO EMPLOYEE RIGHTS (Continued)**

**Liability of T.C. Ziraat Bankası and T. Halk Bankası Members Pension and Relief Fund (TZHEMSAN) (Continued)**

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 20<sup>th</sup> provisional article of law numbered 506, the deadline for transferring banks, insurance and reinsurance companies, chambers of commerce, chambers of industry, exchange markets and the participants of the funds that were founded for the personnel constituting these entities and the ones having salary or income and the right holders of them to Social Security Institution has been extended for two years.

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

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

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

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**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

**XVII. EXPLANATIONS ON OBLIGATIONS RELATED TO EMPLOYEE RIGHTS (Continued)**

**Liability of T.C. Ziraat Bankası and T. Halk Bankası Members Pension and Relief Fund (TZHEMSAN) (Continued)**

The technical balance sheet report as of 31 December 2020 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 April 22, 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 will start with the 2<sup>nd</sup> temporary tax declaration period for the corporations and will be valid for the corporate earnings for the taxation period starting from January 1, 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 to the commercial earnings of the companies, the exemption (such as the participation earnings exemption) and the deduction of the 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. Otherwise, dividends paid are subject to withholding tax at the rate of 15%. An increase in capital via issuing bonus shares is not considered as profit distribution and no withholding tax incurs in such a case.

Corporations are required to pay advance corporate tax quarterly at a rate of 20% on their corporate income. Advance tax is declared by the 17th and paid by the 17th day of the second month following each calendar quarter end. Advance tax paid by corporations for the current period is credited 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 refunded or 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.

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**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

**XVIII EXPLANATIONS ON TAXATION (Continued)**

**Current Tax (Continued)**

Taxes which do not accrue on time because the applying exemption for the transfer of the exempted part of revenue to the other accounts with other ways out of capitalizing in five years or withdrawn from company or transferring from limited taxpayer corporations to the headquarters, are considered as tax loss. This is also applicable in the condition of liquidation of business (Except transfers and divisions that make according to this code).

Moreover, according to 5.1.f. article of Corporation Tax Law; corporations which have been fallen to legal proceedings because of owe to the Bank or Savings Deposit Insurance Funds, and their warranters’ real estates, participation stocks, founding bonds, redeemed shares, options to call of mortgagors’ revenues that used for against debts or transferring to SDIF, and 50% others are exempted from corporation tax (Changed with 89th article of code 7061 that entries into force in 5 December 2017).

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.

Tax rates used in tax calculation considering the related countries’ tax legislation as of 30 September 2021 are presented below:

|                    |     |
|--------------------|-----|
| Russia             | 20% |
| Kazakhstan         | 20% |
| Germany            | 15% |
| Bosnia Herzegovina | 10% |
| Azerbaijan         | 20% |
| Montenegro         | 9%  |
| Georgia            | 15% |
| Uzbekistan         | 20% |

**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 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%.

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**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

**XVIII. EXPLANATIONS ON TAXATION (Continued)**

**Deferred Tax (Continued)**

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), the Parent Bank has calculated the deferred tax rates varying between 20% and 25% over its assets and liabilities as of September 30, 2021. While deferred tax liabilities are calculated for all taxable temporary differences, deferred tax assets consisting of deductible temporary differences are calculated that it is highly probable to benefit from these differences by obtaining taxable profit in the future. Deferred tax liability or assets related to temporary timing differences that arise from the initial recognition of assets or liabilities other than goodwill or business combinations and that do not affect both commercial and financial profit or loss are not calculated.

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 consolidated financial statements.

According to December 8, 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 January 1, 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.

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**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

**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 a 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 Parent Bank.

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

**XXIV. EXPLANATIONS ON SEGMENT REPORTING**

Information about operating segments which are determined in line with TFRS 8 “Turkish Accounting Standard Operating Segments” together with organizational and internal reporting structure of the Parent Bank, are disclosed in Note IX of Section Four.

**XXV. EXPLANATIONS ON OTHER MATTERS**

**Profit Distribution of the Parent Bank**

According to the Parent Bank's Ordinary General Assembly Meeting dated 26 March 2021; in accordance with Article 33 of the Parent 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 Parent 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 Parent 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.

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**SECTION FOUR**

**EXPLANATIONS RELATED TO THE FINANCIAL POSITION AND RISK MANAGEMENT**

**I. EXPLANATIONS ON THE COMPONENTS OF CONSOLIDATED SHAREHOLDERS' EQUITY**

Shareholders' equity and capital adequacy ratio were calculated within the framework of "Regulation on Banks' Equity" and "Regulation on Measurement and Evaluation of Capital Adequacy of Banks" and in addition to the regulations of BRSA numbered 9624 dated 17 June 2021. Based on recent regulations that will be valid until 30 September 2021;

- In calculating the amount subject to credit risk; Simple arithmetic average of the Central Bank foreign exchange buying rates for the last 252 business days before the calculation date can be used to calculate the valued amounts in foreign currency.
- The practice, regarding that if the net valuation differences of the securities held by the banks in the portfolio of "Securities at Fair Value Through Other Comprehensive Income" are negative these differences may not be considered in the equity amount, which is valid for the previous period, has been terminated.

As of 30 September, 2021, the Parent Bank's total regulatory capital has been calculated as TL 115,881,810 (31 December 2020: TL 114,356,330), capital adequacy ratio is 15,15% (31 December 2020: 17,25%). This ratio is well above the minimum ratio required by the legislation.

**1. Information Related to The Components of Shareholders' Equity**

|   | Current Period<br>30 September 2021 | Amount as per the<br>regulation before<br>01/01/2014* |
|---|-------------------------------------|---|
| <b>COMMON EQUITY TIER I CAPITAL</b>   |                                     |   |
| Paid-in capital following all debts in terms of claim in liquidation of the Bank  | 13.100.000                          | -   |
| Share issue premiums  | -                                   | -   |
| Reserves  | 69.441.927                          | -   |
| Gains recognized in equity as per TAS   | 11.584.977                          | -   |
| Profit  | 4.364.545                           | -   |
| Current Period Profit   | 4.010.499                           | -   |
| Prior Period Profit   | 354.046                             | -   |
| Shares acquired free of charge from subsidiaries, affiliates and jointly controlled partnerships and cannot be recognized within profit for the period  | 82.025                              | -   |
| Minority Interest   | 805                                 | -   |
| <b>Common Equity Tier I Capital Before Deductions</b>   | <b>98.574.279</b>                   | -   |
| <b>Deductions from Common Equity Tier I Capital</b>   |                                     |   |
| 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   | 4.690.684                           | -   |
| Improvement costs for operating leasing   | 58.673                              | -   |
| Goodwill (net of related tax liability)   | -                                   | -   |
| Other intangibles other than mortgage-servicing rights (net of related tax liability)   | 1.466.237                           | 1.466.237   |
| 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 36th Article of the Law   | -                                   | -   |
| Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank | -                                   | -   |
| Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank | -                                   | -   |
| Portion of mortgage servicing rights exceeding 10% of the Common Equity   | -                                   | -   |
| Portion of deferred tax assets based on temporary differences exceeding 10% of the Common Equity  | -                                   | -   |
| Amount exceeding 15% of the common equity as per the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks   | -                                   | -   |



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

I EXPLANATIONS ON THE COMPONENTS OF CONSOLIDATED SHAREHOLDERS' EQUITY (Continued)

1. Information Related to the Components of Shareholders' Equity (Continued)

|   | Current Period<br>30 September 2021 | Amount as per the<br>regulation before<br>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   | -                                   | -   |
| <b>Total Deductions from Common Equity Tier I Capital</b>   | <b>6.215.594</b>                    | -   |
| <b>Total Common Equity Tier I Capital</b>   | <b>92.358.685</b>                   | -   |
| <b>ADDITIONAL TIER I CAPITAL</b>  |                                     |   |
| Preferred Stock not included in Common Equity Tier I Capital and the Related Share Premiums   | -                                   | -   |
| Debt instruments and premiums approved by BRSA  | 15.047.572                          | -   |
| 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)  | -                                   | -   |
| <b>Additional Tier I Capital before Deductions</b>  | <b>15.047.572</b>                   | -   |
| <b>Deductions from Additional Tier I Capital</b>  |                                     |   |
| 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 (-)   | -                                   | -   |
| <b>Transition from the Core Capital to Continue to deduce Components</b>  |                                     |   |
| 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 (-)  | -                                   | -   |
| <b>Total Deductions from Additional Tier I Capital</b>  | -                                   | -   |
| <b>Total Additional Tier I Capital</b>  | <b>15.047.572</b>                   | -   |
| <b>Total Tier I Capital (Tier I Capital= Common Equity Tier I Capital + Additional Tier I Capital)</b>  | <b>107.406.257</b>                  | -   |
| <b>TIER II CAPITAL</b>  |                                     |   |
| 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)   | 8.496.005                           | -   |
| <b>Tier II Capital Before Deductions</b>  | <b>8.496.005</b>                    | -   |
| <b>Deductions from Tier II Capital</b>  |                                     |   |
| 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 (-)   | -                                   | -   |
| <b>Total Deductions from Tier II Capital</b>  | -                                   | -   |
| <b>Total Tier II Capital</b>  | <b>8.496.005</b>                    | -   |
| <b>Total Capital (The sum of Tier I Capital and Tier II Capital)</b>  | <b>115.902.262</b>                  | -   |

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**I. EXPLANATIONS ON THE COMPONENTS OF CONSOLIDATED SHAREHOLDERS' EQUITY (Continued)**

**1. Information Related to the Components of Shareholders' Equity (Continued)**

|  | Current Period<br>30 September 2021 | Amount as per the<br>regulation before<br>01/01/2014* |
|--|-------------------------------------|---|
| <b>Total Tier I Capital and Tier II Capital (Total Equity)</b>   | <b>115.902.262</b>                  | -   |
| Deductions from Capital Loans granted contrary to the 50th and 51th Article of the Law   | -                                   | -   |
| Net Book Values of Movables and Immovables Exceeding the Limit Defined in the Article 57, Clause 1 of the Banking Law and the Assets Acquired against Overdue Receivables and Held for Sale but Retained more than Five Years  | -                                   | -   |
| Other items to be defined by the BRSA  | 20.452                              | -   |
| <b>In transition from Total Core Capital and Supplementary Capital (the capital) to Continue to Download Components</b>  |                                     |   |
| 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 (-)               | -                                   | -   |
| <b>CAPITAL</b>   |                                     |   |
| Total Capital (Total of Tier I Capital and Tier II Capital)  | 115.881.810                         | -   |
| Total Risk Weighted Assets   | 764.896.349                         | -   |
| <b>CAPITAL ADEQUACY RATIOS</b>   |                                     |   |
| Consolidated CET 1 Capital Ratio (%)   | 12,08                               | -   |
| Consolidated Tier I Capital Ratio (%)  | 14,04                               | -   |
| Consolidated Capital Adequacy Ratio (%)  | 15,15                               | -   |
| <b>BUFFERS</b>   |                                     |   |
| Total additional core capital requirement ratio (a+b+c)  | 4,56                                | -   |
| a) Capital conservation buffer requirement (%)   | 2,50                                | -   |
| b) Bank specific countercyclical buffer requirement (%)  | 0,06                                | -   |
| 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   | 7,58                                | -   |
| 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  | 209.386                             | -   |
| 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  | 64.880                              | -   |
| Remaining Mortgage Servicing Rights  | -                                   | -   |
| Net Deferred Tax Assets arising from Temporary Differences   | 3.642.088                           | -   |
| <b>Limits for Provisions Used in Tier II Capital Calculation</b>   |                                     |   |
| General Loan Provisions for Exposures in Standard Approach (before limit of one hundred and twenty-five per the thousand)  | 13.224.924                          | -   |
| General Loan Provisions for Exposures in Standard Approach Limited by 1.25% of Risk Weighted Assets  | 8.496.005                           | -   |
| Total Loan Provision that Exceeds Total Expected Loss Calculated According to Communiqué on Calculation of Credit Risk by Internal Ratings Based Approach  | -                                   | -   |
| Total Loan Provision that Exceeds Total Expected Loss Calculated According to Communiqué on Calculation of Credit Risk by Internal Ratings Based Approach, Limited by 0.6% Risk Weighted Assets  | -                                   | -   |
| <b>Debt Instruments Covered by Temporary Article 4 (effective between 1.1.2018-1.1.2022)</b>   |                                     |   |
| Upper Limit for Additional Tier I Capital Items subject to Temporary Article 4   | -                                   | -   |
| Amount of Additional Tier I Capital Items Subject to Temporary Article 4 that Exceeds Upper Limit  | -                                   | -   |
| Upper Limit for Additional Tier II Capital Items subject to Temporary Article 4  | -                                   | -   |
| Amount of Additional Tier II Capital Items Subject to Temporary Article 4 that Exceeds Upper Limit   | -                                   | -   |

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

**I. EXPLANATIONS ON THE COMPONENTS OF CONSOLIDATED SHAREHOLDERS' EQUITY (Continued)**

**1. Information Related to the Components of Shareholders' Equity (Continued)**

|   | Prior Period<br>31 December 2020 | Amount as per the<br>regulation before<br>01/01/2014* |
|---|----------------------------------|---|
| <b>COMMON EQUITY TIER 1 CAPITAL</b>   |                                  |   |
| 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 subsidiaries, affiliates and jointly controlled partnerships and cannot be recognized within profit for the period  | 17.388                           | -   |
| Minority Interest   | 555                              | -   |
| <b>Common Equity Tier 1 Capital Before Deductions</b>   | <b>95.120.015</b>                | <b>-</b>  |
| <b>Deductions from Common Equity Tier 1 Capital</b>   |                                  |   |
| 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   | -                                | -   |
| 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  | -                                | -   |

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

**I. EXPLANATIONS ON THE COMPONENTS OF CONSOLIDATED SHAREHOLDERS' EQUITY (Continued)**

**1. Information Related to the Components of Shareholders' Equity (Continued)**

|   | Prior Period<br>31 December 2020 | Amount as per<br>the regulation<br>before<br>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   | -                                | -  |
| <b>Total Deductions from Common Equity Tier I Capital</b>   | <b>1.309.432</b>                 | -  |
| <b>Total Common Equity Tier I Capital</b>   | <b>93.810.583</b>                | -  |
| <b>ADDITIONAL TIER I CAPITAL</b>  |                                  |  |
| 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)  | -                                | -  |
| <b>Additional Tier I Capital before Deductions</b>  | <b>13.317.710</b>                | -  |
| <b>Deductions from Additional Tier I Capital</b>  | -                                | -  |
| 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 (-)   | -                                | -  |
| <b>Transition from the Core Capital to Continue to deduce Components</b>  |                                  |  |
| 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 (-)  | -                                | -  |
| <b>Total Deductions from Additional Tier I Capital</b>  | -                                | -  |
| <b>Total Additional Tier I Capital</b>  | <b>13.317.710</b>                | -  |
| <b>Total Tier I Capital (Tier I Capital= Common Equity Tier I Capital + Additional Tier I Capital)</b>  | <b>107.128.293</b>               | -  |
| <b>TIER II CAPITAL</b>  |                                  |  |
| 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)   | 7.251.206                        | -  |
| <b>Tier II Capital Before Deductions</b>  | <b>7.251.206</b>                 | -  |
| <b>Deductions from Tier II Capital</b>  | -                                | -  |
| 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 (-)   | -                                | -  |
| <b>Total Deductions from Tier II Capital</b>  | -                                | -  |
| <b>Total Tier II Capital</b>  | <b>7.251.206</b>                 | -  |
| <b>Total Capital (The sum of Tier I Capital and Tier II Capital)</b>  | <b>114.379.499</b>               | -  |

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

**I EXPLANATIONS ON THE COMPONENTS OF CONSOLIDATED SHAREHOLDERS' EQUITY (Continued)**

**1. Information Related to the Components of Shareholders' Equity (Continued)**

|   | Prior Period<br>31 December 2020 | Amount as per the<br>regulation before<br>01/01/2014* |
|---|----------------------------------|---|
| <b>Total Capital (The sum of Tier I Capital and Tier II Capital)</b>  | 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 but Retained more than Five Years   |                                  | -   |
| Other items to be defined by the BRSA (-)   | 23,169                           | -   |
| <b>In transition from Total Core Capital and Supplementary Capital (the capital) to Continue to Download Components</b>   |                                  |   |
| 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 be 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 be 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 be 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 (-)               |                                  | -   |
| <b>CAPITAL</b>  |                                  |   |
| <b>Total Capital (Total of Tier I Capital and Tier II Capital)</b>  | 114,356,330                      | -   |
| <b>Total Risk Weighted Assets</b>   | 663,051,749                      | -   |
| <b>CAPITAL ADEQUACY RATIOS</b>  |                                  |   |
| Consolidated CET 1 Capital Ratio (%)  | 14,13                            | -   |
| Consolidated Tier I Capital Ratio (%)   | 16,16                            | -   |
| Consolidated Capital Adequacy Ratio (%)   | 17,25                            | -   |
| <b>BUFFERS</b>  |                                  |   |
| <b>Total additional core capital requirement ratio (a+b+c)</b>  | 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                             | -   |
| <b>Amounts Lower than Excesses as per Deduction Rules</b>   |                                  |   |
| 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                          | -   |
| <b>Limits for Provisions Used in Tier II Capital Calculation</b>  |                                  |   |
| General Loan Provisions for Exposures in Standard Approach (before limit of one hundred and twenty-five per ten thousand)   | 10,396,404                       | -   |
| General Loan Provisions for Exposures in Standard Approach Limited by 125% of Risk Weighted Assets  | 7,251,206                        | -   |
| Total Loan Provision that Exceeds Total Expected Loss Calculated According to Communiqué on Calculation of Credit Risk by Internal Ratings Based Approach   |                                  | -   |
| Total Loan Provision that Exceeds Total Expected Loss Calculated According to Communiqué on Calculation of Credit Risk by Internal Ratings Based Approach, Limited by 0.6% Risk Weighted Assets   |                                  | -   |
| <b>Debt Instruments Covered by Temporary Article 4 (effective between 01 January 2018-01 January 2022)</b>  |                                  |   |
| Upper Limit for Additional Tier I Capital Items subject to Temporary Article 4  |                                  | -   |
| Amount of Additional Tier I Capital Items Subject to Temporary Article 4 that Exceeds Upper Limit   |                                  | -   |
| Upper Limit for Additional Tier II Capital Items subject to Temporary Article 4   |                                  | -   |
| Amount of Additional Tier II Capital Items Subject to Temporary Article 4 that Exceeds Upper Limit  |                                  | -   |

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

**I. EXPLANATIONS ON THE COMPONENTS OF CONSOLIDATED SHAREHOLDERS’ EQUITY (Continued)**

**2. Items Included in Capital Calculation**

| <b>Information about instruments included in total capital calculation-<br/>Current Period</b>     |  |   |
|--|--|---|
|  | <b>T.C. Ziraat Bankası A.Ş.</b>  | <b>Ziraat Katılım Bankası A.Ş.</b>  |
| Issuer   | T.C Ziraat Bankası A.Ş.  | Ziraat Katılım 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 and Communiqué on Principles Regarding Debt Securities to be Included in the Calculation of Banks' Equity of the BRSA. | The Regulation on Bank Capital and Communiqué on Principles Regarding Debt Securities to be Included in the Calculation of Banks' Equity of the BRSA. |
| <b>Regulatory treatment</b>  |  |   |
| 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) | 14.247   | 800   |
| Nominal value of instrument (TL million)   | 14.247   | 800   |
| Accounting classification of the instrument  | 347001-Subordinated Debts  | 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   | -   |
| <b>Interest/dividend payment</b>   |  |   |
| 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  |

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

**I. EXPLANATIONS ON THE COMPONENTS OF CONSOLIDATED SHAREHOLDERS’ EQUITY (Continued)**

**2. Items Included in Capital Calculation (Continued)**

| <i>Convertible into equity shares</i>   |  |  |
|---|--|--|
| 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   |
| <i>Write-down feature</i>   |  |  |
| If bonds can be written-down, write-down trigger(s)   | Yes. Article 7 of the Regulation on Bank Capital   | 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   | 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,<br>ii. Equal (pari passu) among themselves and with all other Co-Liabilities without order of preference, and<br>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.   |

**3. Necessary Explanations in order to Reach an Agreement Between the Statement of Shareholder’s Equity and Balance-Sheet Amounts**

|  | <b>Current Period</b> | <b>Prior Period</b> |
|--|-----------------------|---------------------|
| <b>Balance Sheet - Equity</b>  | <b>95.656.904</b>     | <b>95.073.553</b>   |
| Operational Leasing Development Costs  | (58.673)              | (44.857)            |
| Goodwill and Other Intangible Assets and Related Deferred Taxes Liabilities                        | (1.466.237)           | (1.214.133)         |
| TIER 2 Capital (Provisions)  | 8.496.005             | 7.251.206           |
| Debt Instruments and the Related Issuance Premiums Defined by the BRSA TIER 2 Capital (Provisions) | 15.047.572            | 13.317.710          |
| Other deductions from common equity  | (20.452)              | (23.169)            |
| Minority interest  | (1.773.309)           | (3.980)             |
| <b>Amount recognized in regulatory capital</b>   | <b>115.881.810</b>    | <b>114.356.330</b>  |

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

**II. 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. Therefore, The Parent Bank is not exposed to significant currency risks. Risks are monitored by the currency risk tables prepared based on the standard method. Besides, Value at Risk (VAR) is calculated for daily foreign exchange position and reported to the related departments. VAR based currency risk limit 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. Foreign currency net general position / equity standard ratio calculated on a consolidated basis is within the limits. 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 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 |
|------------|--------|---------|--------|--------|--------|--------|--------|--------|---------|--------|---------|
| 23.09.2021 | 8,6598 | 10,1727 | 6,3294 | 1,3683 | 1,0046 | 9,3944 | 6,8527 | 1,0117 | 11,9037 | 2,309  | 7,8654  |
| 24.09.2021 | 8,7689 | 10,2702 | 6,354  | 1,3816 | 1,013  | 9,483  | 6,909  | 1,0195 | 11,9933 | 2,338  | 7,9221  |
| 27.09.2021 | 8,7343 | 10,2174 | 6,3594 | 1,3745 | 1,0044 | 9,4333 | 6,9128 | 1,0164 | 11,9695 | 2,3286 | 7,8716  |
| 28.09.2021 | 8,7813 | 10,2487 | 6,3542 | 1,3786 | 1,0042 | 9,4565 | 6,9139 | 1,0143 | 11,8837 | 2,3411 | 7,8798  |
| 29.09.2021 | 8,7796 | 10,1975 | 6,3116 | 1,3718 | 1,0009 | 9,409  | 6,8886 | 1,0048 | 11,7848 | 2,3407 | 7,8452  |
| 30.09.2021 | 8,7813 | 10,1767 | 6,3454 | 1,3688 | 1,0038 | 9,4149 | 6,9352 | 1,005  | 11,8381 | 2,3414 | 7,8657  |

**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 |
|--------|--------|--------|--------|--------|--------|--------|--------|---------|--------|---------|
| 8,4753 | 9,9770 | 6,2029 | 1,3421 | 0,9813 | 9,1912 | 6,6924 | 0,9794 | 11,6468 | 2,2599 | 7,6965  |



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

**II. EXPLANATIONS ON THE CONSOLIDATED CURRENCY RISK (Continued)**

**6. Information on the Foreign Currency Risk of the Group**

|  | EUR                 | USD                 | Other FC            | Total               |
|--|---------------------|---------------------|---------------------|---------------------|
| <b>Current Period</b>  |                     |                     |                     |                     |
| <b>Assets</b>  |                     |                     |                     |                     |
| Cash (Cash in vault, effectives, money in transit, cheques purchased) and Balances with Central Bank of the Republic of Turkey | 45.480.951          | 42.964.132          | 21.747.667          | 110.192.750         |
| Banks <sup>(5)</sup>   | 3.818.313           | 7.486.283           | 2.209.060           | 13.513.656          |
| Financial Assets at Fair Value Through Profit and Loss <sup>(1)</sup>  |                     | 695.023             | 16.686.277          | 17.381.300          |
| Money Markets Receivables  | -                   | -                   | -                   | -                   |
| Financial Assets at Fair Value Through Other Comprehensive Income  | 10.541.338          | 98.007.702          | 291.918             | 108.840.958         |
| Loans <sup>(2)(7)</sup>  | 93.407.210          | 106.686.797         | 4.846.174           | 204.940.181         |
| Subsidiaries, Associates, Entities Under Common Control (Joint Ventures)   | -                   | 238.319             | 20.351              | 258.670             |
| Financial Assets Measured at Amortised Cost  | 16.946.194          | 4.325.443           | 47.331              | 21.318.968          |
| Derivative Financial Assets for Hedging Purposes   | -                   | -                   | -                   | -                   |
| Tangible Assets  | 41.069              | 3.300               | 440.056             | 484.425             |
| Intangible Assets  | 30.084              | 4.484               | 47.100              | 81.668              |
| Other Assets <sup>(4)</sup>  | 871.577             | 1.971.063           | 290.132             | 3.132.772           |
| <b>Total Assets <sup>(5)</sup></b>   | <b>171.136.736</b>  | <b>262.382.546</b>  | <b>46.626.066</b>   | <b>480.145.348</b>  |
| <b>Liabilities</b>   |                     |                     |                     |                     |
| Interbank Deposits   | 16.648.487          | 3.281.724           | 1.181.725           | 21.111.936          |
| Foreign Currency Deposits  | 189.411.823         | 161.044.256         | 61.675.164          | 412.131.243         |
| Money Market Borrowings  | -                   | 33.446.537          | -                   | 33.446.537          |
| Funds Provided from Other Financial Institutions   | 14.218.230          | 28.572.164          | 831.935             | 43.622.329          |
| Issued Marketable Securities <sup>(6)</sup>  | 14.557.973          | 17.083.234          | 755.155             | 32.396.362          |
| Miscellaneous Payables   | 757.948             | 565.697             | 115.702             | 1.439.347           |
| Derivative Financial Liabilities for Hedging Purposes  | -                   | -                   | -                   | -                   |
| Other Liabilities <sup>(8)</sup>   | 2.106.368           | 3.586.688           | 232.581             | 5.925.637           |
| <b>Total Liabilities</b>   | <b>237.700.829</b>  | <b>247.580.300</b>  | <b>64.792.262</b>   | <b>550.073.391</b>  |
| <b>Net Balance Sheet Position</b>  | <b>(66.564.093)</b> | <b>14.802.246</b>   | <b>(18.166.196)</b> | <b>(69.928.043)</b> |
| <b>Net Off-Balance Sheet Position <sup>(5)</sup></b>   | <b>68.688.643</b>   | <b>(21.739.656)</b> | <b>21.896.943</b>   | <b>68.845.930</b>   |
| Financial Derivative Assets  | 82.159.307          | 100.855.315         | 25.402.786          | 208.417.408         |
| Financial Derivative Liabilities   | 13.470.664          | 122.594.971         | 3.505.843           | 139.571.478         |
| <b>Non-Cash Loans</b>  | <b>55.391.822</b>   | <b>75.592.062</b>   | <b>10.978.220</b>   | <b>141.962.104</b>  |
| <b>Prior Period</b>  |                     |                     |                     |                     |
| 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         |
| <b>Net Balance Sheet Position</b>  | <b>(57.135.573)</b> | <b>14.639.947</b>   | <b>(18.418.243)</b> | <b>(60.913.869)</b> |
| <b>Net Off-Balance Sheet Position <sup>(3)</sup></b>   | <b>57.329.355</b>   | <b>(24.817.036)</b> | <b>25.674.893</b>   | <b>58.187.212</b>   |
| 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         |
| <b>Non-Cash Loans</b>  | <b>47.061.577</b>   | <b>53.914.659</b>   | <b>8.759.577</b>    | <b>109.735.813</b>  |

- (1) TL 18.358 equivalent to Financial Assets at Fair Value through Profit and Loss Other FC balance arises from gold indexed bonds. (31 December 2020: TL 13.734.743 equivalent to Other FC balance arises from gold indexed bonds).
- (2) TL 101.958 equivalent of USD and TL 122.227 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).
- (3) Indicates the net balance of receivables and payables on derivative financial instruments.
- (4) Prepaid expenses in other assets amounting to TL 48.534 are not included.
- (5) Expected loss provisions for financial assets and other assets are reflected in related items.
- (6) Includes subordinated debt instruments.
- (7) Includes receivables from leasing transactions.
- (8) Includes the guarantees given for derivative and repo transactions with foreign banks.

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

**II EXPLANATIONS ON THE CONSOLIDATED CURRENCY RISK (Continued)**

**6. Information on the Foreign Currency Risk of the Group (Continued)**

*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 nine-month period ended 30 September 2021 and 30 September 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 - 30 September 2021 |                  | Prior Period - 30 September 2020 |                    |
|-------------------------|------------------------------------|------------------|----------------------------------|--------------------|
|                         | Profit/Loss Statement              | Equity (*)       | Profit/Loss Statement            | Equity (*)         |
| USD                     | (372.283)                          | (502.591)        | (1.930.828)                      | (2.057.311)        |
| EUR                     | 5.041                              | (235.130)        | (153.695)                        | (364.484)          |
| Other currencies        | (4.939)                            | (4.939)          | 129.353                          | 129.353            |
| <b>Total (Net) (**)</b> | <b>(372.181)</b>                   | <b>(742.660)</b> | <b>(1.955.170)</b>               | <b>(2.292.442)</b> |

(\*) 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.

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 nine-month period ended 30 September 2021 and 30 September 2020 is shown in the table below:

|                         | Current Period - 30 September 2021 |                | Prior Period - 30 September 2020 |                  |
|-------------------------|------------------------------------|----------------|----------------------------------|------------------|
|                         | Profit/Loss Statement              | Equity (*)     | Profit/Loss Statement            | Equity (*)       |
| USD                     | 372.283                            | 502.591        | 1.930.828                        | 2.057.311        |
| EUR                     | (5.041)                            | 235.130        | 153.695                          | 364.484          |
| Other currencies        | 4.939                              | 4.939          | (129.353)                        | (129.353)        |
| <b>Total (Net) (**)</b> | <b>372.181</b>                     | <b>742.660</b> | <b>1.955.170</b>                 | <b>2.292.442</b> |

(\*) 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.

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

**III. 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                |
|--|----------------------|---------------------|--------------------|--------------------|--------------------|----------------------|----------------------|
| <b>Assets</b>  |                      |                     |                    |                    |                    |                      |                      |
| Cash (Cash in Vault, Effectives, Money in Transit, Cheques Purchased) and Balances with Central Bank of the Republic of Turkey | 17.494.760           | -                   | -                  | -                  | -                  | 108.005.605          | 125.500.365          |
| Banks <sup>(8)</sup>   | 3.063.631            | 427.874             | 353.500            | 510                | -                  | 11.002.893           | 14.848.408           |
| Financial Assets at Fair Value Through Profit and Loss   | 817.520              | 10.585              | 6.290.523          | 9.713.114          | 18.477             | 1.866.407            | 18.716.626           |
| Money Markets Receivables  | 682.149              | -                   | -                  | -                  | -                  | -                    | 682.149              |
| Financial Assets at Fair Value Through Other   | -                    | -                   | -                  | -                  | -                  | -                    | -                    |
| Comprehensive Income   | 11.774.807           | 31.688.684          | 60.437.672         | 70.915.897         | 47.204.947         | 1.023.828            | 223.045.835          |
| Loans Given <sup>(3)(7)</sup>  | 201.051.800          | 67.048.182          | 142.235.022        | 224.111.790        | 67.327.415         | 4.676.256            | 706.450.465          |
| Financial Assets Measured at Amortised Cost  | 125.583              | 47.124              | 8.703.428          | 18.732.875         | 4.408.049          | -                    | 32.017.059           |
| Other Assets <sup>(2)</sup>  | 562.361              | 1.880.949           | 236.300            | 240.361            | 516.933            | 36.265.963           | 39.702.867           |
| <b>Total Assets <sup>(1)(5)</sup></b>  | <b>235.572.611</b>   | <b>101.103.398</b>  | <b>218.256.445</b> | <b>323.714.547</b> | <b>119.475.821</b> | <b>162.840.952</b>   | <b>1.160.963.774</b> |
| <b>Liabilities</b>   |                      |                     |                    |                    |                    |                      |                      |
| Interbank Deposits   | 32.459.701           | 7.142.723           | 5.816.738          | 14                 | -                  | 6.140.788            | 51.559.964           |
| Other Deposits   | 323.010.477          | 126.452.711         | 60.710.993         | 4.282.959          | 591.677            | 257.896.633          | 772.945.450          |
| Money Markets Borrowings   | 92.074.986           | 11.473.427          | 6.059.679          | 2.030.413          | -                  | -                    | 111.638.505          |
| Miscellaneous Payables   | 6.360                | -                   | -                  | -                  | -                  | 15.366.729           | 15.373.089           |
| Issued Marketable Securities <sup>(8)</sup>  | 1.147.336            | 2.490.260           | 6.650.900          | 26.637.694         | -                  | -                    | 36.926.190           |
| Funds Provided from Other  | -                    | -                   | -                  | -                  | -                  | -                    | -                    |
| Financial Institutions   | 18.995.520           | 9.974.640           | 7.141.672          | 7.612.314          | 440.973            | -                    | 44.165.119           |
| Other Liabilities <sup>(4)(9)</sup>  | 1.816.689            | 1.468.033           | 531.006            | 2.304.422          | 5.422.860          | 116.812.447          | 128.355.457          |
| <b>Total Liabilities <sup>(1)</sup></b>  | <b>469.511.069</b>   | <b>159.001.794</b>  | <b>86.910.988</b>  | <b>42.867.816</b>  | <b>6.455.510</b>   | <b>396.216.597</b>   | <b>1.160.963.774</b> |
| <b>Balance Sheet Long Position</b>   | -                    | -                   | <b>131.345.457</b> | <b>280.846.731</b> | <b>113.020.311</b> | -                    | <b>525.212.499</b>   |
| <b>Balance Sheet Short Position</b>  | <b>(233.938.458)</b> | <b>(57.898.396)</b> | -                  | -                  | -                  | <b>(233.375.645)</b> | <b>(525.212.499)</b> |
| Off-Balance Sheet Long Position  | 2.804.913            | 2.051.725           | 3.403              | 3                  | -                  | -                    | 4.860.044            |
| Off-Balance Sheet Short Position   | 1.572.070            | 9.414               | (700.214)          | 14.611             | (1.015.345)        | -                    | (119.464)            |
| <b>Total Position</b>  | <b>(229.561.475)</b> | <b>(55.837.257)</b> | <b>130.648.646</b> | <b>280.861.345</b> | <b>112.004.966</b> | <b>(233.375.645)</b> | <b>4.740.580</b>     |

- (1) Balances without fixed maturity are shown in the “Non-Interest Bearing” columns.  
(2) Deferred tax asset and liability are 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 receivables from leasing transactions.  
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**III. EXPLANATIONS ON THE CONSOLIDATED INTEREST RATE RISK (Continued)**

**1. Information Related to Interest Rate Sensitivity of Assets, Liabilities and Off-Balance Sheet Items (Continued)**

(Based on days to repricing dates)

| Prior Period   | Up to 1 Month        | 1-3 Months          | 3-12 Months        | 1-5 Years          | 5 Years and Over   | Non-Interest Bearing | Total                |
|--|----------------------|---------------------|--------------------|--------------------|--------------------|----------------------|----------------------|
| <b>Assets</b>  |                      |                     |                    |                    |                    |                      |                      |
| 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 <sup>(3)(7)</sup>  | 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 Amortised Cost  | 2.778.964            | 61.323              | 7.787.481          | 16.078.725         | 3.908.653          | -                    | 30.615.146           |
| Other Assets <sup>(2)</sup>  | 826.462              | 2.162.783           | 964.216            | 138.986            | 1.135.581          | 33.494.846           | 38.722.874           |
| <b>Total Assets <sup>(1)(5)</sup></b>  | <b>168.760.982</b>   | <b>99.259.939</b>   | <b>187.282.665</b> | <b>321.241.699</b> | <b>112.120.603</b> | <b>129.867.033</b>   | <b>1.018.532.921</b> |
| <b>Liabilities</b>   |                      |                     |                    |                    |                    |                      |                      |
| 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 <sup>(6)</sup>  | 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 <sup>(4)(6)</sup>  | 1.838.258            | 683.454             | 924.477            | 1.905.131          | 5.779.625          | 111.888.559          | 123.019.504          |
| <b>Total Liabilities <sup>(1)</sup></b>  | <b>422.747.068</b>   | <b>127.218.258</b>  | <b>82.246.324</b>  | <b>39.889.741</b>  | <b>6.883.127</b>   | <b>339.548.403</b>   | <b>1.018.532.921</b> |
| <b>Balance Sheet Long Position</b>   | <b>-</b>             | <b>-</b>            | <b>105.036.341</b> | <b>281.351.958</b> | <b>105.237.476</b> | <b>-</b>             | <b>491.625.775</b>   |
| <b>Balance Sheet Short Position</b>  | <b>(253.986.086)</b> | <b>(27.958.319)</b> | <b>-</b>           | <b>-</b>           | <b>-</b>           | <b>(209.681.370)</b> | <b>(491.625.775)</b> |
| 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            |
| <b>Total Position</b>  | <b>(247.879.222)</b> | <b>(23.303.301)</b> | <b>105.934.709</b> | <b>281.351.958</b> | <b>104.222.131</b> | <b>(209.426.071)</b> | <b>10.900.204</b>    |

- (1) Balances without fixed maturity are shown in the “Non-Interest Bearing” columns.  
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(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 receivables from leasing transactions.

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

**III. EXPLANATIONS ON THE CONSOLIDATED INTEREST RATE RISK (Continued)**

**2. Average Interest Rate Applied to the Monetary Financial Instruments (%) (Represents Values Belonging to the Parent Bank) (%)**

|   | EUR  | USD  | JPY  | TL    |
|---|------|------|------|-------|
| <b>Current Period <sup>(4)</sup></b>  |      |      |      |       |
| <b>Assets</b>   |      |      |      |       |
| Cash (Cash in Vault, Effectives, Money in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey <sup>(1)</sup> |      |      |      | 12,50 |
| Banks   | 4,30 |      |      | 18,58 |
| Financial Assets at Fair Value Through Profit or Loss   |      | 5,36 |      |       |
| Money Markets Receivables   |      |      |      | 17,36 |
| Financial Assets at Fair Value Through Other Comprehensive Income   | 3,28 | 4,83 |      | 13,17 |
| Loans Given <sup>(2)</sup>  | 4,77 | 5,70 | 6,00 | 13,01 |
| Financial Assets Measured at Amortised Cost   | 4,79 | 7,47 |      | 12,06 |
| <b>Liabilities</b>  |      |      |      |       |
| Interbank Deposits  | 0,23 | 0,23 |      | 18,26 |
| Other Deposits  | 0,32 | 1,02 |      | 16,50 |
| Money Market Borrowings   |      | 1,73 |      | 18,22 |
| Miscellaneous Payables  |      |      |      |       |
| Issued Marketable Securities <sup>(3)</sup>   | 5,08 | 5,01 |      | 16,99 |
| Funds Provided from Other Financial Institutions  | 1,69 | 2,37 |      | 15,14 |

<sup>(1)</sup> The rate on TL column denotes the interest rates applied for required reserve at CBRT.

<sup>(2)</sup> Credit card loan balances are not included.

<sup>(3)</sup> Subordinated debt instruments are included

<sup>(4)</sup> Foreign branches are excluded.

|   | EUR  | USD  | JPY  | TL    |
|---|------|------|------|-------|
| <b>Prior Period <sup>(4)</sup></b>  |      |      |      |       |
| <b>Assets</b>   |      |      |      |       |
| Cash (Cash in Vault, Effectives, Money in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey <sup>(1)</sup> |      |      |      | 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 <sup>(2)</sup>  | 4,70 | 5,93 | 5,95 | 11,03 |
| Financial Assets Measured at Amortised Cost   | 4,87 | 7,47 |      | 15,86 |
| <b>Liabilities</b>  |      |      |      |       |
| 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  | 5,08 | 4,87 |      | 16,99 |
| Funds Provided from Other Financial Institutions  | 1,61 | 2,57 |      | 14,90 |

<sup>(1)</sup> The rate on TL column denotes the interest rates applied for required reserve at CBRT.

<sup>(2)</sup> Credit card loan balances are not included.

<sup>(3)</sup> Subordinated debt instruments are included

<sup>(4)</sup> Foreign branches are excluded.

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

**IV. 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*

| Investments in Equity Instruments- Current Period                       | Comparison          |            |              |
|---|---------------------|------------|--------------|
|   | Balance Sheet Value | Fair Value | Market Value |
| 1. Investment in Equity Instruments Group A<br>Traded on Stock Exchange | -                   | -          | -            |
| 2. Investment in Equity Instruments Group B<br>Traded on Stock Exchange | -                   | -          | -            |
| 3. Investment in Equity Instruments Group C<br>Traded on Stock Exchange | -                   | -          | -            |
| 4. Investment in Equity Instruments Group Other<br>Other (*)            | 321.465             | 321.465    | -            |

(\*) The market values are considered as fair values because the equity investments are not traded in the stock exchange.

| Investments in Equity Instruments- Prior Period                         | Comparison          |            |              |
|---|---------------------|------------|--------------|
|   | Balance Sheet Value | Fair Value | Market Value |
| 1. Investment in Equity Instruments Group A<br>Traded on Stock Exchange | -                   | -          | -            |
| 2. Investment in Equity Instruments Group B<br>Traded on Stock Exchange | -                   | -          | -            |
| 3. Investment in Equity Instruments Group C<br>Traded on Stock Exchange | -                   | -          | -            |
| 4. Investment in Equity Instruments Group Other<br>Other (*)            | 289.106             | 289.106    | -            |

(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 321.465 and 100% of them are risk weighted (31 December 2020 are amounted TL 289.106 and 100% of them are risk weighted).

*Total unrealized gains or losses, total revaluation value increases, and their amounts included in principal and contribution capital*

| Portfolio                      | Realized Gain/Loss in Current Period | Revaluation Surplus |                                   | Unrealized Gain and Loss |                                   |                                  |
|--------------------------------|--------------------------------------|---------------------|-----------------------------------|--------------------------|-----------------------------------|----------------------------------|
|                                |                                      | Total               | Included in Supplementary Capital | Total                    | Included in Supplementary Capital | Included in Contribution Capital |
| 1. Private Capital Investments | -                                    | -                   | -                                 | -                        | -                                 | -                                |
| 2. Publicly Traded Stocks      | -                                    | -                   | -                                 | -                        | -                                 | -                                |
| 3. Other Stocks                | -                                    | 54.186              | 54.186                            | -                        | -                                 | -                                |
| <b>4. Total</b>                | -                                    | <b>54.186</b>       | <b>54.186</b>                     | -                        | -                                 | -                                |

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

**V. EXPLANATIONS ON CONSOLIDATED LIQUIDITY RISK MANAGEMENT AND LIQUIDITY COVERAGE RATIO**

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

The Parent Bank performs remaining maturity analysis for the observation of the maturity structure of the balance sheet, liquidity gap and structural liquidity gap analyses for the monitoring of the liquidity and between periods and Liquidity Stress Test for the evaluation of the Parent Bank’s liquidity and in the worst case. The renewal of deposits which constitutes the Parent Bank’s most crucial funding resource is monitored on daily basis. Besides, in order to compare the Parent Bank’s level of liquidity risk with the sector, average remaining maturity balances of Bank-sector maturity structure and legal liquidity rates are monitored.

**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 share issues of points related liquidity risk management with 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 compulsory directions and treats are moderated Treasury Management and International Banking Group Presidency in order to manage liquidity need and surplus in effective way.

*Information on the Parent 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.

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

**V. EXPLANATIONS ON CONSOLIDATED LIQUIDITY RISK MANAGEMENT AND  
LIQUIDITY COVERAGE RATIO (Continued)**

**1. Liquidity Risk (Continued)**

*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.

As for the asset side of the Parent Bank, within the scope of reformatting short-term cash cycle, dissonance reducing the maturity of asset and liability, the policy for shortening the average maturity on loans is being pursued.

*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".

**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: July FC 433,74, TL + FC 152,81; August FC 410,57, TL + FC 155,79; September was realized as FC 587,97, TL + FC 168,23 (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).



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

**V. EXPLANATIONS ON CONSOLIDATED LIQUIDITY RISK MANAGEMENT AND LIQUIDITY COVERAGE RATIO (Continued)**

**2. Liquidity Coverage Ratio (Continued)**

|   | Total Unweighted Value<br>(Average) <sup>(*)</sup> |                   | Total Weighted Value<br>(Average) <sup>(*)</sup> |                    |
|---|--|-------------------|--|--------------------|
|   | TL+FC  | FC                | TL+FC  | FC                 |
| <b>Current Period</b>   |  |                   |  |                    |
| <b>High Quality Liquid Assets</b>   |  |                   |  |                    |
| High Quality Liquid Assets  |  |                   | 225.980.619                                      | 138.150.895        |
| <b>Cash Outflows</b>  |  |                   |  |                    |
| Retail and Small Business Customers, of which:  | 523.249.326  | 280.644.945       | 45.632.902                                       | 28.062.324         |
| Stable deposits   | 133.840.609  | 43.414            | 6.692.030  | 2.171              |
| Less stable deposits  | 389.408.717  | 280.601.531       | 38.940.872                                       | 28.060.153         |
| Unsecured wholesale funding, of which:  | 231.277.408  | 101.607.969       | 106.346.837                                      | 47.946.109         |
| Operational deposit   | 19.416.439   | 2.531.832         | 4.839.438  | 618.286            |
| Non-operational deposits  | 181.555.137  | 89.051.906        | 80.493.484                                       | 37.615.298         |
| Other unsecured funding   | 30.305.832   | 10.024.231        | 21.013.915                                       | 9.712.525          |
| Secured funding   |  |                   |  |                    |
| Other cash outflows, of which:  | 207.390.786  | 83.898.195        | 20.337.801                                       | 16.036.699         |
| Derivatives cash outflow and liquidity needs related to market valuation changes on derivatives or other transactions | 6.105.465  | 9.382.344         | 6.105.465  | 9.382.344          |
| Obligations related to structured financial products  |  | -                 | -  | -                  |
| Commitments related to debts to financial markets and other off-balance sheet obligations                             | 113.758.515  | 12.392.749        | 9.354.780  | 3.547.992          |
| Other revocable off-balance sheet commitments and contractual obligations   | 10.856.449   | 10.856.444        | 542.822  | 542.822            |
| Other irrevocable or conditionally revocable off-balance sheet obligations  | 76.670.357   | 51.266.658        | 4.334.734  | 2.563.541          |
| <b>Total Cash Outflows</b>  |  |                   | 172.317.540                                      | 92.045.132         |
| <b>Cash Inflows</b>   |  |                   |  |                    |
| Secured lending   |  |                   | -  | -                  |
| Unsecured lending   | 46.999.262   | 19.834.936        | 27.927.152                                       | 13.582.493         |
| Other cash inflows  | 1.924.816  | 48.253.485        | 1.907.547  | 48.236.217         |
| <b>Total Cash Inflows</b>   | <b>48.924.078</b>                                  | <b>68.088.421</b> | <b>29.834.699</b>                                | <b>61.818.710</b>  |
|   |  |                   | <b>Upper Limit Applied Amounts</b>               |                    |
| <b>TOTAL HQLA STOCK</b>   |  |                   | <b>225.980.619</b>                               | <b>138.150.895</b> |
| <b>TOTAL NET CASH OUTFLOWS</b>  |  |                   | <b>142.482.841</b>                               | <b>30.226.422</b>  |
| <b>LIQUIDITY COVERAGE RATIO (%)</b>   |  |                   | <b>158,60</b>                                    | <b>457,05</b>      |

<sup>(\*)</sup> The average of last three months' liquidity coverage ratio calculated by monthly simple averages.

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

**V. EXPLANATIONS ON CONSOLIDATED LIQUIDITY RISK MANAGEMENT AND LIQUIDITY COVERAGE RATIO (Continued)**

**2. Liquidity Coverage Ratio (Continued)**

| Prior Period  | Total Unweighted Value<br>(Average) <sup>(*)</sup> |                   | Total Weighted Value<br>(Average) <sup>(*)</sup> |                    |
|---|--|-------------------|--|--------------------|
|   | TL+FC  | FC                | TL+FC  | FC                 |
| <b>High Quality Liquid Assets</b>   |  |                   |  |                    |
| High Quality Liquid Assets  |  |                   | 188.259.913                                      | 102.705.164        |
| <b>Cash Outflows</b>  |  |                   |  |                    |
| 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        | 3.781.763  | 2.170.314          |
| <b>Total Cash Outflows</b>  |  |                   | <b>171.317.520</b>                               | <b>78.725.182</b>  |
| <b>Cash Inflows</b>   |  |                   |  |                    |
| 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         |
| <b>Total Cash Inflows</b>   | <b>48.145.058</b>                                  | <b>60.402.408</b> | <b>32.242.024</b>                                | <b>55.855.249</b>  |
|   |  |                   | <b>Upper Limit Applied Amounts</b>               |                    |
| <b>Total HQLA Stock</b>   |  |                   | <b>188.259.913</b>                               | <b>102.705.164</b> |
| <b>Total Net Cash Outflows</b>  |  |                   | <b>139.075.496</b>                               | <b>22.869.933</b>  |
| <b>Liquidity Coverage Ratio (%)</b>   |  |                   | <b>135,37</b>                                    | <b>449,08</b>      |

(\*) 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 during time to calculate this ratio***

While the parent bank deposit, which constitutes an important part of its funding and liquidity coverage ratio, does not have a fluctuant structure, public deposits can cause periodic changes within total deposits. While considering the previous periods, the percentage of the total deposit in financial statement does not change and 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 tend.

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.

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

**V. EXPLANATIONS ON CONSOLIDATED LIQUIDITY RISK MANAGEMENT AND LIQUIDITY COVERAGE RATIO (Continued)**

**3. Explanations on Liquidity Coverage Ratio (Continued)**

*The content of high-quality liquid assets*

All 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 Ministry of Treasury and Finance and other bonds).

*The content of funds and their share in the total liabilities and funding*

A major part of the resources of funds in Group is comprised of deposits, the remaining is divided according to their share in the balance sheet as repo, funds borrowed, and issued securities.

*Information about cash out-flows arising from derivative operations and margin operations likely to processing*

Derivative operations in 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 in flow 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 specific 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 based on the Parent 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 Parent Bank and to be placed on the calculation of liquidity coverage ratio but not on the second paragraph of the disclosure template*

All items on the calculation of liquidity coverage ratio are included in calculation in aggregated form on the table. In this context, there is no point included in the calculation of liquidity coverage ratio and not included in the disclosure template.

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

**V. EXPLANATIONS ON CONSOLIDATED LIQUIDITY RISK MANAGEMENT AND LIQUIDITY COVERAGE RATIO (Continued)**

**4. Presentation of Assets and Liabilities According to Their Remaining Maturities**

|  | Demand               | Up to 1Month         | 1-3 Months          | 3-12 Months        | 1-5 Years          | 5 Years and Over   | Undistributed <sup>(1)</sup> | Total                |
|--|----------------------|----------------------|---------------------|--------------------|--------------------|--------------------|------------------------------|----------------------|
| <b>Current Period</b>  |                      |                      |                     |                    |                    |                    |                              |                      |
| <b>Assets</b>  |                      |                      |                     |                    |                    |                    |                              |                      |
| Cash (Cash in Vault, Effectives, Money in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey | 43.236.289           | 82.264.076           | -                   | -                  | -                  | -                  | -                            | 125.500.365          |
| Banks <sup>(2)</sup>   | 11.002.893           | 3.063.631            | 427.874             | 353.500            | 510                | -                  | -                            | 14.848.408           |
| Financial Assets at Fair Value Through Profit and Loss   | 27.848               | 817.520              | 27.634              | 6.307.153          | 9.679.435          | 18.477             | 1.838.559                    | 18.716.626           |
| Money Markets Placements   | -                    | 682.149              | -                   | -                  | -                  | -                  | -                            | 682.149              |
| Financial Assets at Fair Value Through Other Comprehensive Income  | 314.786              | 2.314.188            | 4.744.054           | 28.335.207         | 115.213.122        | 71.829.525         | 294.953                      | 223.045.835          |
| Loans Given <sup>(3)</sup>   | -                    | 28.307.713           | 61.993.702          | 264.278.388        | 266.263.907        | 80.930.504         | 4.676.256                    | 706.450.465          |
| Investments Held-to-Maturity   | -                    | 125.583              | 47.124              | 104.593            | 18.732.875         | 13.006.884         | -                            | 32.017.059           |
| Other Assets   | 12.524.863           | 431.968              | 1.601.338           | 236.412            | 422.309            | 614.555            | 23.871.422                   | 39.702.867           |
| <b>Total Assets<sup>(2)</sup></b>  | <b>67.106.679</b>    | <b>118.006.828</b>   | <b>68.841.726</b>   | <b>299.615.253</b> | <b>410.312.153</b> | <b>166.399.945</b> | <b>30.681.190</b>            | <b>1.160.963.774</b> |
| <b>Liabilities</b>   |                      |                      |                     |                    |                    |                    |                              |                      |
| Interbank Deposits   | 6.140.788            | 32.459.701           | 7.142.723           | 5.816.738          | 14                 | -                  | -                            | 51.559.964           |
| Other Deposits   | 257.896.633          | 322.078.549          | 128.391.461         | 59.388.220         | 3.172.525          | 2.018.062          | -                            | 772.945.450          |
| Funds Provided from Other Financial Institutions   | -                    | 1.133.037            | 2.724.901           | 16.979.203         | 19.184.409         | 4.143.569          | -                            | 44.165.119           |
| Money Market Borrowings  | -                    | 92.074.986           | 11.473.427          | 6.059.679          | 2.030.413          | -                  | -                            | 111.638.505          |
| Issued Marketable Securities <sup>(3)</sup>  | -                    | 1.147.336            | 2.490.260           | 6.650.900          | 26.637.694         | -                  | -                            | 36.926.190           |
| Miscellaneous Payables   | 1.841.556            | 12.576.900           | -                   | -                  | -                  | -                  | 954.633                      | 15.373.089           |
| Other Liabilities <sup>(5)</sup>   | 19.112.156           | 2.700.260            | 2.162.215           | 365.799            | 2.489.482          | 7.170.637          | 94.354.908                   | 128.355.457          |
| <b>Total Liabilities</b>   | <b>284.991.133</b>   | <b>464.170.769</b>   | <b>154.384.987</b>  | <b>95.260.539</b>  | <b>53.514.537</b>  | <b>13.332.268</b>  | <b>95.309.541</b>            | <b>1.160.963.774</b> |
| <b>Liquidity Gap</b>   | <b>(217.884.454)</b> | <b>(346.163.941)</b> | <b>(85.543.261)</b> | <b>204.354.714</b> | <b>356.797.616</b> | <b>153.067.677</b> | <b>(64.628.351)</b>          | <b>-</b>             |
| <b>Net Off-Balance Sheet Position</b>  | <b>-</b>             | <b>(1.419.455)</b>   | <b>(825.293)</b>    | <b>(137.917)</b>   | <b>3</b>           | <b>521.377</b>     | <b>-</b>                     | <b>(1.861.285)</b>   |
| Financial Derivative Assets  | -                    | 119.292.084          | 57.486.141          | 12.752.590         | 1.523.682          | 1.536.726          | -                            | 192.591.223          |
| Financial Derivative Liabilities   | -                    | 120.711.539          | 58.311.434          | 12.890.507         | 1.523.679          | 1.015.349          | -                            | 194.452.508          |
| <b>Non-cash Loans</b>  | <b>59.777.242</b>    | <b>6.998.986</b>     | <b>20.965.496</b>   | <b>73.353.013</b>  | <b>32.891.358</b>  | <b>5.079.964</b>   | <b>-</b>                     | <b>199.066.059</b>   |
| <b>Prior Period</b>  |                      |                      |                     |                    |                    |                    |                              |                      |
| 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        |
| <b>Liquidity Gap</b>   | <b>(179.369.980)</b> | <b>(336.331.859)</b> | <b>(49.675.123)</b> | <b>126.496.192</b> | <b>346.704.449</b> | <b>161.032.613</b> | <b>(68.856.292)</b>          | <b>-</b>             |
| <b>Net Off-Balance Sheet Position</b>  | <b>-</b>             | <b>(928.056)</b>     | <b>1.392.453</b>    | <b>104.102</b>     | <b>-</b>           | <b>269.733</b>     | <b>-</b>                     | <b>838.232</b>       |
| 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          |
| <b>Non-cash Loans</b>  | <b>48.553.453</b>    | <b>5.871.734</b>     | <b>14.137.642</b>   | <b>47.245.602</b>  | <b>37.445.134</b>  | <b>6.267.013</b>   | <b>533.425</b>               | <b>160.054.003</b>   |

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

(2) Expected loss provision for financial assets and other assets are recognized in the related account.

(3) Includes subordinated debt instruments.

(4) Includes receivables from leasing transactions.

(5) Includes the guarantees given for derivative and repo transactions with foreign banks.

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

**VI. 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 7,37% (31 December 2020: 8,00%). The decrease on leverage results occurs from the increase in the risk amount. The regulation sentenced the minimum leverage as 3%.

| <b>Balance sheet assets</b>   | <b>Current Period <sup>(*)</sup></b> | <b>Prior Period <sup>(*)</sup></b> |
|---|--------------------------------------|------------------------------------|
| On-balance sheet items (excluding derivative financial instruments and credit derivatives but including collateral) | 1.136.235.337                        | 1.019.008.924                      |
| (Assets deducted in determining Tier 1 capital)   | (4.911.170)                          | (3.484.580)                        |
| <b>Total on-balance sheet risks (sum of lines 1 and 2)</b>  | <b>1.131.324.167</b>                 | <b>1.015.524.344</b>               |
| <b>Derivative financial instruments and credit derivatives</b>  |                                      |                                    |
| Replacement cost associated with all derivative financial instruments and credit Derivatives                        | 2.848.516                            | 6.447.370                          |
| Add-on amounts for PFE associated with all derivative financial instruments and credit derivatives                  | 2.334.243                            | 1.973.199                          |
| <b>Total risks of derivative financial instruments and credit derivatives</b>                                       | <b>5.182.759</b>                     | <b>8.420.569</b>                   |
| <b>Securities or commodity financing transactions (SCFT)</b>  |                                      |                                    |
| Risks from SCFT assets  | 15.257.212                           | 15.489.064                         |
| Risks from brokerage activities related exposures   | -                                    | -                                  |
| <b>Total risks related with securities or commodity financing transactions</b>                                      | <b>15.257.212</b>                    | <b>15.489.064</b>                  |
| <b>Other off-balance sheet transactions</b>   |                                      |                                    |
| Gross notional amounts of off-balance sheet transactions  | 321.888.341                          | 257.863.235                        |
| (Adjustments for conversion to credit equivalent amounts)   | (9.729.910)                          | (7.445.068)                        |
| <b>Total risks of off-balance sheet items</b>   | <b>312.158.431</b>                   | <b>250.418.167</b>                 |
| <b>Capital and total risks</b>  |                                      |                                    |
| Tier 1 capital  | 107.912.174                          | 103.142.384                        |
| <b>Total risks</b>  | <b>1.463.922.569</b>                 | <b>1.289.852.144</b>               |
| <b>Leverage ratio</b>   |                                      |                                    |
| Leverage ratio (%)  | 7,37                                 | 8,00                               |

(\*) Three-month average of the amounts in the table are considered.

**2. An Extract Comparison Table of Total Risks Placed in Consolidated Financial Statements Coordinated in Accordance With TAS**

|   | <b>Current Period <sup>(*)</sup></b> | <b>Prior Period <sup>(*)</sup></b> |
|---|--------------------------------------|------------------------------------|
| Total assets in consolidated financial statements prepared in accordance with Turkish Accounting Standards <sup>(**)</sup>  | 1.160.985.603                        | 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”                      | 21.829                               | 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 | 426.124.230                          | 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                              | 98.785.493                           | 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   | 9.729.910                            | 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 amount of such items  | (111.194.189)                        | (55.563.620)                       |
| <b>Total Risk Amount</b>  | <b>1.463.922.568</b>                 | <b>1.289.852.144</b>               |

(\*) 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 30 September 2021 of the nonfinancial subsidiaries.

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

**VII. EXPLANATIONS ON CONSOLIDATED RISK MANAGEMENT**

Notes and explanations prepared in accordance with "the Communiqué on Disclosures about Risk Management to Be Announced to Public by Banks" published in Official Gazette no. 29511 on 23 October 2015 and became effective as of 31 March 2016 are presented in this section.

**1. Explanations on Risk Management and Risk Weighted Amount**

*Overview of Risk Weighted Amounts*

|    |   | Risk Weighted Amount |                    | Minimum capital               |
|----|---|----------------------|--------------------|-------------------------------|
|    |   | Current Period       | Prior Period       | Requirement<br>Current Period |
| 1  | Credit Risk (excluding counterparty credit risk)                                      | 669.796.636          | 567.727.732        | 53.583.731                    |
| 2  | Standardised approach   | 669.796.636          | 567.727.732        | 53.583.731                    |
| 3  | Internal rating-based approach  |                      | -                  | -                             |
| 4  | Counterparty credit risk  | 8.867.523            | 10.299.316         | 709.402                       |
| 5  | Standardised approach for counterparty credit risk                                    | 8.867.523            | 10.299.316         | 709.402                       |
| 6  | Internal model method   |                      | -                  | -                             |
| 7  | Basic risk weight approach to internal model's equity position in the Banking account |                      | -                  | -                             |
| 8  | Investments made in collective investment companies-look through approach             |                      | -                  | -                             |
| 9  | Investments made in collective investment companies-mandate-based approach            | 1.016.251            | 2.069.435          | 81.300                        |
| 10 | Investments made in collective investment companies-1250% weighted risk approach      |                      | -                  | -                             |
| 11 | Settlement risk   |                      | -                  | -                             |
| 12 | Securitization positions in banking accounts  |                      | -                  | -                             |
| 13 | IRB ratings-based approach  |                      | -                  | -                             |
| 14 | IRB Supervisory Formula approach  |                      | -                  | -                             |
| 15 | SA/simplified supervisory formula approach  |                      | -                  | -                             |
| 16 | Market risk   | 33.931.356           | 39.814.620         | 2.714.508                     |
| 17 | Standardised approach   | 33.931.356           | 39.814.620         | 2.714.508                     |
| 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 | <b>Total (1+4+7+8+9+10+11+12+16+19+23+24)</b>   | <b>764.896.349</b>   | <b>663.051.749</b> | <b>61.191.708</b>             |

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

**VIII. EXPLANATIONS ON CONSOLIDATED HEDGE 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 “Amount balancing method” (“Dollar off-set method”) to compare the changes in fair value of the hedging instrument and the item subject to financial risk hedging. Efficiency tests are carried out 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 change in the value of 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 Parent 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 | (897.718)                                   | 897.718                               | -                   |

**IX. 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 SME 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 “Finart” 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 entrepreneurial banking, the Group allocates working capital loans, mid-term and long-term investment loans, foreign trade financing loans, letter of credits and guarantees in Turkish Lira and foreign currencies; renders project financing, other corporate finance related services, foreign exchange transactions and banking services to large-scale corporate clients and middle-small scale enterprises.

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

**IX. EXPLANATIONS ON CONSOLIDATED OPERATING SEGMENTS (Continued)**

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 Treasury Management and International Banking Group and, spot and forward TL, foreign currency, precious metal, securities, derivative transactions are executed in local and international organized and over the counter money and capital markets. Also, the Parent Bank's liquidity and securities portfolio management, deposit and non-deposit funding management activities are being executed. Additionally, the distribution of treasury products to branches and other channels for marketing purposes and the intermediation to the customers' trade finance are other responsibilities. The Parent Bank acts as an intermediary for sale and purchase of securities, for public offerings as an agency of Ziraat Yatırım Menkul Değerler A.Ş. and for transaction of mutual funds founded by Ziraat Portföy Yönetimi A.Ş. and 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 and relations with international investors 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 30 September 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”.



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

**IX. EXPLANATIONS ON CONSOLIDATED OPERATING SEGMENTS (Continued)**

**1. Table for Segment Reporting**

| Current Period  | Retail<br>Banking | Corporate/<br>Entrepreneur<br>banking | Specialized<br>Banking | Treasury/<br>Investment<br>Banking | Consolidation<br>Corrections | Other/<br>Undistributed | Total         |
|---|-------------------|---------------------------------------|------------------------|------------------------------------|------------------------------|-------------------------|---------------|
| <b>OPERATING INCOME/EXPENSE</b>   |                   |                                       |                        |                                    |                              |                         |               |
| Interest Income   | 15.047.438        | 25.526.290                            | 9.078.626              | 23.361.336                         | -                            | 667.905                 | 73.681.595    |
| Interest Income from Loans  | 15.047.438        | 25.526.290                            | 9.078.626              | 4.812.478                          | -                            | -                       | 54.464.832    |
| Interest Income from Banks  | -                 | -                                     | -                      | 138.243                            | -                            | -                       | 138.243       |
| Interest Income from Securities   | -                 | -                                     | -                      | 17.352.276                         | -                            | -                       | 17.352.276    |
| Other Interest Income   | -                 | -                                     | -                      | 1.058.339                          | -                            | 667.905                 | 1.726.244     |
| Interest Expense  | 19.464.292        | 10.251.662                            | -                      | 19.307.210                         | -                            | 432.993                 | 49.456.157    |
| Interest Expense on Deposits  | 19.464.292        | 10.251.662                            | -                      | 3.119.440                          | -                            | 101                     | 32.835.495    |
| Interest Expense on Funds Borrowed                                      | -                 | -                                     | -                      | 914.615                            | -                            | -                       | 914.615       |
| Interest Expense on Money Market Transactions                           | -                 | -                                     | -                      | 13.485.971                         | -                            | -                       | 13.485.971    |
| Interest Expense on Securities Issued                                   | -                 | -                                     | -                      | 1.787.184                          | -                            | -                       | 1.787.184     |
| Other Interest Expense  | -                 | -                                     | -                      | -                                  | -                            | 432.892                 | 432.892       |
| Net Interest Income/Expense   | (4.416.854)       | 15.274.628                            | 9.078.626              | 4.054.126                          | -                            | 234.912                 | 24.225.438    |
| Net Fees and Commission Income/Expense                                  | 2.502.580         | 2.349.403                             | 127.903                | (1.380.121)                        | -                            | 579.725                 | 4.179.490     |
| Fees and Commissions Received   | 2.505.697         | 2.374.498                             | 127.903                | 1.209                              | -                            | 813.225                 | 5.822.532     |
| Fees and Commissions Paid   | 3.117             | 25.095                                | -                      | 1.381.330                          | -                            | 233.500                 | 1.643.042     |
| Dividend Income   | -                 | -                                     | -                      | 118.893                            | (109.580)                    | -                       | 9.313         |
| Trading Profit/Loss (Net)   | -                 | -                                     | -                      | (8.110.317)                        | -                            | 32.451                  | (8.077.866)   |
| Other Operating Income  | 23.711            | 493.114                               | 33.303                 | 4.764                              | -                            | 3.673.584               | 4.228.476     |
| Provision for Expected Loss (-)   | 1.758.658         | 4.531.696                             | 1.093.615              | -                                  | -                            | 131.509                 | 7.515.478     |
| Other Provision Expenses (-)  | 36                | 63.032                                | -                      | 84.892                             | -                            | 26.203                  | 174.163       |
| Personnel Expenses (-)  | -                 | -                                     | -                      | -                                  | -                            | 4.232.706               | 4.232.706     |
| Other Operating Expense   | 2.903.545         | 253.025                               | 78.040                 | -                                  | -                            | 3.818.111               | 7.052.721     |
| Net Operating Profit/Loss   | (6.552.802)       | 13.269.392                            | 8.068.177              | (5.397.547)                        | (109.580)                    | (3.687.857)             | 5.589.783     |
| Profit/Loss on Equity Method Applied Subsidiaries                       | -                 | -                                     | -                      | -                                  | 50.814                       | 14.125                  | 64.939        |
| Tax Provision   | -                 | -                                     | -                      | -                                  | -                            | (1.616.673)             | (1.616.673)   |
| Discontinued Operations Profit / Loss Before Taxes                      | -                 | -                                     | -                      | -                                  | -                            | -                       | -             |
| Discontinued Operations Tax Provision                                   | -                 | -                                     | -                      | -                                  | -                            | -                       | -             |
| Net Profit/Loss   | (6.552.802)       | 13.269.392                            | 8.068.177              | (5.397.547)                        | (58.766)                     | (5.290.405)             | 4.038.049     |
| <b>SEGMENT ASSETS</b>   |                   |                                       |                        |                                    |                              |                         |               |
| Financial Assets at FV Through P/L Banks and Money Markets              | -                 | -                                     | -                      | 18.716.626                         | -                            | -                       | 18.716.626    |
| Financial Assets at Fair Value Through Other Comprehensive Income (Net) | -                 | -                                     | -                      | 15.530.557                         | -                            | -                       | 15.530.557    |
| Loans (*)   | 173.509.720       | 410.613.475                           | 107.798.576            | 223.044.318                        | 1.517                        | -                       | 706.450.465   |
| Financial Assets Measured at Amortised Cost (Net)                       | -                 | -                                     | -                      | 14.527.259                         | -                            | 1.435                   | 14.528.694    |
| Derivative Financial Assets   | -                 | -                                     | -                      | 32.017.059                         | -                            | -                       | 32.017.059    |
| Associates, Subsidiaries and Joint Ventures                             | -                 | -                                     | -                      | 2.961.835                          | -                            | -                       | 2.961.835     |
| Other Assets  | 8.156             | 6.047.465                             | 126.307                | 16.427.493                         | (15.002.065)                 | -                       | 14.600.301    |
| Total Segment Assets  | 173.517.876       | 416.660.940                           | 107.924.883            | 109.524.120                        | 694.080                      | 44.415.841              | 160.815.969   |
| <b>SEGMENT LIABILITIES</b>  |                   |                                       |                        |                                    |                              |                         |               |
| Deposits  | 577.937.114       | 150.413.149                           | -                      | 49.862.952                         | -                            | 46.292.199              | 824.505.414   |
| Derivative Financial Liabilities Held for Trading                       | -                 | -                                     | -                      | 3.819.547                          | -                            | -                       | 3.819.547     |
| Funds Borrowed  | -                 | -                                     | -                      | 44.165.119                         | -                            | -                       | 44.165.119    |
| Money Market Borrowing  | 5.589             | 62.857.021                            | -                      | 48.775.895                         | -                            | -                       | 111.638.505   |
| Securities Issued (Net)   | -                 | -                                     | -                      | 22.368.217                         | -                            | -                       | 22.368.217    |
| Provisions  | 2.415             | 1.963.408                             | -                      | -                                  | -                            | 5.914.849               | 7.880.672     |
| Other Liabilities   | -                 | -                                     | -                      | -                                  | (2.810)                      | 50.932.206              | 50.929.396    |
| Shareholders' Equity  | -                 | -                                     | -                      | -                                  | (14.313.376)                 | 109.970.280             | 95.656.904    |
| Total Segment Liabilities   | 577.945.118       | 215.233.578                           | -                      | 168.991.730                        | (14.316.186)                 | 213.109.534             | 1.160.963.774 |

(\*) It also includes receivables from leasing transactions.

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

**IX. EXPLANATIONS ON CONSOLIDATED OPERATING SEGMENTS (Continued)**

**1. Table for Segment Reporting (Continued)**

| Prior Period-30 September 2020   | Retail<br>Banking  | Corporate/<br>Entrepreneur<br>banking | Specialized<br>Banking | Treasury/<br>Investment<br>Banking | Consolidation<br>Corrections | Other/<br>Undistributed | Total                |
|--|--------------------|---------------------------------------|------------------------|------------------------------------|------------------------------|-------------------------|----------------------|
| <b>OPERATING INCOME/EXPENSE</b>  |                    |                                       |                        |                                    |                              |                         |                      |
| <b>Interest Income</b>   | <b>11.477.713</b>  | <b>18.683.830</b>                     | <b>6.288.910</b>       | <b>16.476.107</b>                  | -                            | <b>476.560</b>          | <b>53.403.120</b>    |
| Interest Income from Loans   | 11.477.713         | 18.683.830                            | 6.288.910              | 4.734.563                          | -                            | -                       | 41.185.016           |
| Interest Income from Banks   | -                  | -                                     | -                      | 103.119                            | -                            | -                       | 103.119              |
| Interest Income from Securities  | -                  | -                                     | -                      | 11.498.278                         | -                            | -                       | 11.498.278           |
| Other Interest Income  | -                  | -                                     | -                      | 140.147                            | -                            | 476.560                 | 616.707              |
| <b>Interest Expense</b>  | <b>9.760.202</b>   | <b>5.196.596</b>                      | -                      | <b>6.652.597</b>                   | -                            | <b>1.119.049</b>        | <b>22.728.444</b>    |
| Interest Expense on Deposits   | 9.760.202          | 5.196.596                             | -                      | 1.108.950                          | -                            | -                       | 16.065.748           |
| Interest Expense on Funds Borrowed   | -                  | -                                     | -                      | 1.042.234                          | -                            | -                       | 1.042.234            |
| Interest Expense on Money Market Transactions                              | -                  | -                                     | -                      | 3.082.466                          | -                            | -                       | 3.082.466            |
| Interest Expense on Securities Issued                                      | -                  | -                                     | -                      | 1.418.947                          | -                            | -                       | 1.418.947            |
| Other Interest Expense   | -                  | -                                     | -                      | -                                  | -                            | 1.119.049               | 1.119.049            |
| <b>Net Interest Income/Expense</b>   | <b>1.717.511</b>   | <b>13.487.234</b>                     | <b>6.288.910</b>       | <b>9.823.510</b>                   | -                            | <b>(642.489)</b>        | <b>30.674.676</b>    |
| <b>Net Fees and Commission<br/>Income/Expense</b>                          | <b>1.824.023</b>   | <b>1.251.407</b>                      | <b>92.855</b>          | <b>(828.486)</b>                   | -                            | <b>113.935</b>          | <b>2.453.734</b>     |
| Fees and Commissions Received  | 1.825.319          | 1.265.233                             | 92.855                 | 3.873                              | -                            | 673.846                 | 3.861.126            |
| Fees and Commissions Paid  | 1.296              | 13.826                                | -                      | 832.359                            | -                            | 559.911                 | 1.407.392            |
| <b>Dividend Income</b>   | -                  | -                                     | -                      | <b>1.113.943</b>                   | <b>(1.112.359)</b>           | -                       | <b>1.584</b>         |
| <b>Trading Profit/Loss (Net)</b>   | -                  | -                                     | -                      | <b>(6.959.818)</b>                 | -                            | <b>14.057</b>           | <b>(6,945,761)</b>   |
| <b>Other Operating Income</b>  | <b>38.827</b>      | <b>227.517</b>                        | <b>18.548</b>          | <b>3.984</b>                       | -                            | <b>2,331,775</b>        | <b>2,620,651</b>     |
| <b>Provision for Expected Loss (-)</b>                                     | <b>2,168,770</b>   | <b>4,707,638</b>                      | <b>984,363</b>         | -                                  | -                            | <b>215,332</b>          | <b>8,076,103</b>     |
| <b>Other Provision Expenses (-)</b>  | <b>34</b>          | <b>188</b>                            | -                      | <b>20,670</b>                      | -                            | <b>2,247,931</b>        | <b>2,268,823</b>     |
| <b>Personnel Expenses (-)</b>  | -                  | -                                     | -                      | -                                  | -                            | <b>3,760,257</b>        | <b>3,760,257</b>     |
| <b>Other Operating Expense</b>   | <b>2,482,237</b>   | <b>119,005</b>                        | <b>52,808</b>          | -                                  | -                            | <b>3,807,562</b>        | <b>6,461,612</b>     |
| <b>Net Operating Profit/Loss</b>   | <b>(1,070,680)</b> | <b>10,139,327</b>                     | <b>5,363,142</b>       | <b>3,132,463</b>                   | <b>(1,112,359)</b>           | <b>(8,213,804)</b>      | <b>8,238,089</b>     |
| <b>Profit/Loss on Equity Method Applied<br/>Subsidiaries</b>               | -                  | -                                     | -                      | -                                  | <b>30,620</b>                | <b>11,974</b>           | <b>42,594</b>        |
| <b>Tax Provision</b>   | -                  | -                                     | -                      | -                                  | -                            | <b>(2,403,285)</b>      | <b>(2,403,285)</b>   |
| <b>Discontinued Operations Profit /<br/>Loss Before Taxes</b>              | -                  | -                                     | -                      | -                                  | -                            | <b>1,937,973</b>        | <b>1,937,973</b>     |
| <b>Discontinued Operations Tax<br/>Provision</b>                           | -                  | -                                     | -                      | -                                  | -                            | <b>(81,405)</b>         | <b>(81,405)</b>      |
| <b>Net Profit/Loss</b>   | <b>(1,070,680)</b> | <b>10,139,327</b>                     | <b>5,363,142</b>       | <b>3,132,463</b>                   | <b>(1,081,739)</b>           | <b>(8,748,547)</b>      | <b>7,733,966</b>     |
| <b>SEGMENT ASSETS</b>  |                    |                                       |                        |                                    |                              |                         |                      |
| <b>31 December 2020</b>  |                    |                                       |                        |                                    |                              |                         |                      |
| Financial Assets at FV Through P/L   | -                  | -                                     | -                      | 15,354,116                         | -                            | -                       | 15,354,116           |
| Banks and Money Markets  | -                  | -                                     | -                      | 10,027,095                         | -                            | -                       | 10,027,095           |
| Financial Assets at Fair Value Through<br>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 Amortised<br>Cost (Net)                       | -                  | -                                     | -                      | 30,615,146                         | -                            | -                       | 30,615,146           |
| Derivative Financial Assets  | -                  | -                                     | -                      | 5,061,778                          | -                            | -                       | 5,061,778            |
| Associates, Subsidiaries and Entities<br>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          |
| <b>Total Segment Assets</b>  | <b>179,309,775</b> | <b>373,712,313</b>                    | <b>85,766,491</b>      | <b>361,409,648</b>                 | <b>(13,234,458)</b>          | <b>31,569,152</b>       | <b>1,018,532,921</b> |
| <b>SEGMENT LIABILITIES</b>   |                    |                                       |                        |                                    |                              |                         |                      |
| <b>31 December 2020</b>  |                    |                                       |                        |                                    |                              |                         |                      |
| Deposits   | 465,068,519        | 151,576,278                           | -                      | 34,215,803                         | -                            | 43,977,640              | 694,838,240          |
| Derivative Financial Liabilities Held for<br>Trading                       | -                  | -                                     | -                      | 3,486,961                          | -                            | -                       | 3,486,961            |
| Funds Borrowed   | -                  | -                                     | -                      | 37,168,551                         | -                            | -                       | 37,168,551           |
| Money Markets 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           |
| <b>Total Segment Liabilities</b>   | <b>465,078,856</b> | <b>176,140,136</b>                    | -                      | <b>189,037,195</b>                 | <b>(13,234,459)</b>          | <b>201,511,193</b>      | <b>1,018,532,921</b> |

(\*) It also includes receivables from leasing transactions.

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**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            | 2.059.504         | 4.524.927          | 2.239.346        | 3.983.617         |
| Central Bank of the Republic of Turkey | 13.252.820        | 105.006.846        | 6.127.060        | 82.146.802        |
| Other                                  | 275               | 663.859            | -                | 449.400           |
| <b>Total</b>                           | <b>15.312.599</b> | <b>110.195.632</b> | <b>8.366.406</b> | <b>86.579.819</b> |

***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 mentioned Communiqué. Required reserves are calculated every two weeks as of Fridays and established for 14-day intervals.

With 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%-24% for FX deposits and for other FC liabilities.

***Information on the account of the Central Bank of the Republic of Turkey***

|                             | Current Period    |                    | Prior Period     |                   |
|-----------------------------|-------------------|--------------------|------------------|-------------------|
|                             | TL                | FC                 | TL               | FC                |
| Unrestricted Demand Deposit | 12.656.904        | 23.315.463         | 5.905.660        | 21.462.861        |
| Unrestricted Time Deposit   | -                 | -                  | -                | -                 |
| Restricted Time Deposit     | -                 | 917                | -                | 370               |
| Other <sup>(1)</sup>        | 595.916           | 81.690.466         | 221.400          | 60.683.571        |
| <b>Total</b>                | <b>13.252.820</b> | <b>105.006.846</b> | <b>6.127.060</b> | <b>82.146.802</b> |

<sup>(1)</sup> Includes required reserves and CBRT restricted electronic money funds amounting to TL 21.076. Required reserve of branches abroad amounting to TL 281.622 is presented in this line. TL 8.180.862 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).

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

**I. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED ASSETS (Continued)**

**2. Information on Financial Assets at Fair Value Through Profit and Loss Given or Blocked as Collateral or Subject to Repurchase Agreements**

|   | <b>Current Period</b> | <b>Prior Period</b> |
|---|-----------------------|---------------------|
| Assets Subject to Repurchase Agreements | 634.342               | 987.872             |
| Assets Blocked/Given as Collateral      | 15.422.590            | 13.708.749          |
| <b>Total</b>                            | <b>16.056.932</b>     | <b>14.696.621</b>   |

**3. Positive Differences Statement Regarding Trading Derivative Financial Asset**

|                      | <b>Current Period</b> |                  | <b>Prior Period</b> |                  |
|----------------------|-----------------------|------------------|---------------------|------------------|
|                      | <b>TL</b>             | <b>FC</b>        | <b>TL</b>           | <b>FC</b>        |
| Forward Transactions | 140.791               | 5.435            | 69.015              | 1.618            |
| Swap Transactions    | 1.486.566             | 1.262.852        | 2.872.371           | 2.112.607        |
| Futures Transactions | -                     | -                | 6.018               | -                |
| Options              | -                     | 65.128           | -                   | -                |
| Other                | 727                   | 336              | 140                 | 9                |
| <b>Total</b>         | <b>1.628.084</b>      | <b>1.333.751</b> | <b>2.947.544</b>    | <b>2.114.234</b> |

**4. Information on Bank Account and Foreign Banks**

**4.1. Information on Bank Balances**

|                                  | <b>Current Period</b> |                   | <b>Prior Period</b> |                  |
|----------------------------------|-----------------------|-------------------|---------------------|------------------|
|                                  | <b>TL</b>             | <b>FC</b>         | <b>TL</b>           | <b>FC</b>        |
| Banks                            |                       |                   |                     |                  |
| Domestic Banks                   | 1.009.122             | 3.208.570         | 3.213               | 2.625.254        |
| Foreign Banks (*)                | 326.537               | 10.314.826        | 578.142             | 6.223.551        |
| Foreign Head Office and Branches | -                     | -                 | -                   | -                |
| <b>Total</b>                     | <b>1.335.659</b>      | <b>13.523.396</b> | <b>581.355</b>      | <b>8.848.805</b> |

(\*) In accordance with the Uniform Chart of Accounts that entered into force as of January 1, 2021, foreign bank derivative and repo transactions collaterals amounting to TL 3.560.232 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

**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**

|   | <b>Current Period</b> | <b>Prior Period</b> |
|---|-----------------------|---------------------|
| Assets Subject to Repurchase Agreements | 106.065.342           | 54.282.961          |
| Assets Blocked/Given as Collateral      | 53.346.028            | 84.326.980          |
| <b>Total</b>                            | <b>159.411.370</b>    | <b>138.609.941</b>  |

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

**I EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED ASSETS (Continued)**

**6. Information on Financial Assets Fair Value Through Other Comprehensive Income**

|                              | <b>Current Period</b> | <b>Prior Period</b> |
|------------------------------|-----------------------|---------------------|
| Debt Securities              | 229.972.937           | 189.012.067         |
| Quoted at Stock Exchange     | 229.541.321           | 187.266.123         |
| Not Quoted at Stock Exchange | 431.616               | 1.745.944           |
| Share Certificates           | 329.387               | 302.479             |
| Quoted at Stock Exchange     | 2.647                 | 2.733               |
| Not Quoted at Stock Exchange | 326.740               | 299.746             |
| Provision for Impairment (-) | 7.256.489             | 2.074.222           |
| <b>Total</b>                 | <b>223.045.835</b>    | <b>187.240.324</b>  |

**7. Information Related to Loans**

**7.1 Information on All Types of Loans and Advances Given to Shareholders and Employees of the Parent Bank**

|   | <b>Current Period</b> |                 | <b>Prior Period</b> |                 |
|---|-----------------------|-----------------|---------------------|-----------------|
|   | <b>Cash</b>           | <b>Non-Cash</b> | <b>Cash</b>         | <b>Non-Cash</b> |
| 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 <sup>(1) (2)</sup> | 722.269               | -               | 642.578             | -               |
| <b>Total</b>                                  | <b>722.269</b>        | <b>-</b>        | <b>642.578</b>      | <b>-</b>        |

- (1) Interest rediscount and interest accrual amounting TL 6.174, 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 27.912, 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.)

**7.2 Information on the First and Second Group Loans and Other Receivables Including loans that have been restructured or rescheduled**

| <b>Current Period</b>                  | <b>Loans Under Close Monitoring <sup>(3)</sup></b> |   |  |                    |
|--|--|---|--|--------------------|
|  | <b>Standard Loans</b>                              | <b>Not Under the Scope of Restructuring</b> | <b>Loans Under Restructured</b>          |                    |
| <b>Cash Loans</b>                      |  |   | <b>Loans with revised contract terms</b> | <b>Refinancing</b> |
| Non-Specialized Loans                  | 543.228.001  | 21.550.813                                  | 415.538                                  | 23.209.944         |
| Commercial Loans                       | 331.241.082  | 17.799.907                                  | 411.910                                  | 22.935.063         |
| Export Loans                           | 9.413.900  | 1.096.572                                   | 3.529                                    | -                  |
| Import Loans                           | 788.788  | 454   | -  | -                  |
| Loans Given to Financial Sector        | 6.565.161  | -   | -  | -                  |
| Consumer Loans                         | 152.028.681  | 2.253.841                                   | 99                                       | 273.151            |
| Credit Cards                           | 29.267.043   | 387.928                                     | -  | 1.730              |
| Other                                  | 13.923.346   | 12.111                                      | -  | -                  |
| Specialized Lending <sup>(1) (2)</sup> | 98.526.966   | 1.003.946                                   | 1.047                                    | 1.163.888          |
| Other Receivables                      | -  | -   | -  | -                  |
| Interest Income Accruals               | 13.741.523   | 2.655.690                                   | 62.708                                   | 1.117.975          |
| <b>Total</b>                           | <b>655.496.490</b>                                 | <b>25.210.449</b>                           | <b>479.293</b>                           | <b>25.491.807</b>  |

(1) Funds are originated agricultural loans are shown in specialized lendings.

(2) Agricultural loans to support farmers are shown in specialized lendings.

(3) It includes a loan amounting to TL 2.351.720 with a delay of more than 90 days.

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**I EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED ASSETS (Continued)**

**7. Information Related to Loans (Continued)**

**7.2 Information on the First and Second Group Loans and Other Receivables Including loans that have been restructured or rescheduled (Continued)**

| Prior Period                          | Standard Loans     | Loans Under Close Monitoring <sup>(3)</sup><br>Not Under the Scope of Restructuring | Loans Under Restructured          |                   |
|---------------------------------------|--------------------|---|-----------------------------------|-------------------|
|                                       |                    |   | Loans with revised contract terms | Refinancing       |
| <b>Cash Loans</b>                     |                    |   |                                   |                   |
| 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 Lending <sup>(1)(2)</sup> | 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           |
| <b>Total</b>                          | <b>600.849.323</b> | <b>23.018.018</b>   | <b>1.082.179</b>                  | <b>15.879.240</b> |

<sup>(1)</sup> Funds are originated agricultural loans are shown in specialized lendings.

<sup>(2)</sup> Agricultural loans to support farmers are shown in specialized lendings.

<sup>(3)</sup> It includes a loan amounting to TL 2.721.661 with a delay of more than 90 days.

| Expected Credit Loss of Stage 1 and Stage 2 | Current Period |                              | Prior Period   |                              |
|---|----------------|------------------------------|----------------|------------------------------|
|   | Standard Loans | Loans Under Close Monitoring | Standard Loans | Loans Under Close Monitoring |
| 12 Month Expected Credit Losses             | 2.455.058      | -                            | 2.888.030      | -                            |
| Significant Increase in Credit Risk         | -              | 9.541.869                    | -              | 6.223.597                    |

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**I EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED ASSETS (Continued)**

**7. Information Related to Loans (Continued)**

**7.3. Information on Consumer Loans, Personal Credit Cards and Personnel Loans and Personnel Credit Cards**

| Current Period                      | Short-Term        | Medium and Long-Term | Total              |
|-------------------------------------|-------------------|----------------------|--------------------|
| Consumer Loans-TL                   | 911.326           | 149.591.190          | 150.502.516        |
| Mortgage Loans <sup>(2)</sup>       | 14.159            | 90.778.506           | 90.792.665         |
| Automotive Loans                    | 9.480             | 934.202              | 943.682            |
| Consumer Loans <sup>(2)</sup>       | 887.687           | 57.878.482           | 58.766.169         |
| Other                               | -                 | -                    | -                  |
| Consumer Loans- Indexed to FC       | 362               | 315.170              | 315.532            |
| Mortgage Loans                      | -                 | 50.472               | 50.472             |
| Automotive Loans                    | -                 | 4.464                | 4.464              |
| Consumer Loans                      | -                 | 15.306               | 15.306             |
| Other                               | 362               | 244.928              | 245.290            |
| Consumer Loans-FC                   | 8.765             | 1.133.784            | 1.142.549          |
| Mortgage Loans                      | 335               | 251.366              | 251.701            |
| Automotive Loans                    | -                 | 10.665               | 10.665             |
| Consumer Loans                      | 3.245             | 151.535              | 154.780            |
| Other                               | 5.185             | 720.218              | 725.403            |
| Consumer Credit Cards-TL            | 15.850.109        | 198.263              | 16.048.372         |
| With Installment                    | 4.493.869         | 177.165              | 4.671.034          |
| Without Installment                 | 11.356.240        | 21.098               | 11.377.338         |
| Consumer Credit Cards-FC            | 63.500            | 923                  | 64.423             |
| With Installment                    | 62.248            | -                    | 62.248             |
| Without Installment                 | 1.252             | 923                  | 2.175              |
| Personnel Loans-TL                  | 16.237            | 432.878              | 449.115            |
| Mortgage Loans                      | -                 | 2.698                | 2.698              |
| Automotive Loans                    | -                 | 186                  | 186                |
| Consumer Loans                      | 16.237            | 429.994              | 446.231            |
| Other                               | -                 | -                    | -                  |
| Personnel Loans-Indexed to FC       | -                 | 10.501               | 10.501             |
| Mortgage Loans                      | -                 | 2.523                | 2.523              |
| Automotive Loans                    | -                 | -                    | -                  |
| Consumer Loans                      | -                 | -                    | -                  |
| Other                               | -                 | 7.978                | 7.978              |
| Personnel Loans-FC                  | 1.104             | 34.215               | 35.319             |
| Mortgage Loans                      | -                 | 11.746               | 11.746             |
| Automotive Loans                    | -                 | 278                  | 278                |
| Consumer Loans                      | 889               | 1.850                | 2.739              |
| Other                               | 215               | 20.341               | 20.556             |
| Personnel Credit Cards-TL           | 218.530           | 7.127                | 225.657            |
| With Installment                    | 65.680            | 6.521                | 72.201             |
| Without Installment                 | 152.850           | 606                  | 153.456            |
| Personnel Credit Cards-FC           | 1.677             | -                    | 1.677              |
| With Installment                    | 1.595             | -                    | 1.595              |
| Without Installment                 | 82                | -                    | 82                 |
| Overdraft Accounts-TL (Real Person) | 2.100.189         | -                    | 2.100.189          |
| Overdraft Accounts-FC (Real Person) | 51                | -                    | 51                 |
| <b>Total <sup>(1)</sup></b>         | <b>19.171.850</b> | <b>151.724.051</b>   | <b>170.895.901</b> |

<sup>(1)</sup> TL 1.228.647 of interest income rediscount and accrual is not included.

<sup>(2)</sup> Funds originated consumer loans amounting to TL 4.033.257 are included.

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**I EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED ASSETS (Continued)**

**7. Information Related to Loans (Continued)**

**7.3. Information on Consumer Loans, Personal Credit Cards and Personnel Loans and Personnel Credit Cards (Continued)**

| Prior Period                        | Short-Term        | Medium and Long-Term | Total              |
|-------------------------------------|-------------------|----------------------|--------------------|
| Consumer Loans-TL                   | 695.314           | 163.835.316          | 164.530.630        |
| Mortgage Loans <sup>(2)</sup>       | 9.748             | 95.348.941           | 95.358.689         |
| Automotive Loans                    | 7.567             | 1.063.501            | 1.071.068          |
| Consumer Loans <sup>(2)</sup>       | 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                 |
| Overdraft Accounts-TL (Real Person) | 1.739.573         | -                    | 1.739.573          |
| Overdraft Accounts-FC (Real Person) | -                 | -                    | -                  |
| <b>Total <sup>(1)</sup></b>         | <b>12.597.109</b> | <b>165.735.935</b>   | <b>178.333.044</b> |

<sup>(1)</sup> TL 1.089.551 of interest income rediscount and accrual is not included.

<sup>(2)</sup> Funds originated consumer loans amounting to TL 3.914.794 of are included.



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**I EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED ASSETS (Continued)**

**7. Information Related to Loans (Continued)**

**7.4. Information on Commercial Installment Loans and Corporate Credit Cards**

| <b>Current Period</b>                                | <b>Short-Term</b> | <b>Medium and Long-Term</b> | <b>Total</b>       |
|--|-------------------|-----------------------------|--------------------|
| Installment Based Commercial Loans-TL                | 2.243.549         | 89.978.761                  | 92.222.310         |
| Mortgage Loans                                       | 928               | 1.505.492                   | 1.506.420          |
| Automotive Loans                                     | 141.163           | 3.076.596                   | 3.217.759          |
| Consumer Loans                                       | 2.101.458         | 85.396.673                  | 87.498.131         |
| Other  | -                 | -                           | -                  |
| Installment Based Commercial Loans-<br>Indexed to FC | 596.618           | 491.584                     | 1.088.202          |
| Mortgage Loans                                       | -                 | -                           | -                  |
| Automotive Loans                                     | -                 | 96                          | 96                 |
| Consumer Loans                                       | 51.138            | -                           | 51.138             |
| Other  | 545.480           | 491.488                     | 1.036.968          |
| Installment Based Commercial Loans - FC              | 966.455           | 50.447.221                  | 51.413.676         |
| Mortgage Loans                                       | 49.482            | 177.035                     | 226.517            |
| Automotive Loans                                     | -                 | 39.014                      | 39.014             |
| Consumer Loans                                       | 698.637           | 49.155.460                  | 49.854.097         |
| Other  | 218.336           | 1.075.712                   | 1.294.048          |
| Corporate Credit Cards-TL                            | 13.112.523        | 172.836                     | 13.285.359         |
| With Installment                                     | 5.531.401         | 172.713                     | 5.704.114          |
| Without Installment                                  | 7.581.122         | 123                         | 7.581.245          |
| Corporate Credit Cards-FC                            | 31.213            | -                           | 31.213             |
| With Installment                                     | 30.025            | -                           | 30.025             |
| Without Installment                                  | 1.188             | -                           | 1.188              |
| Overdraft Account-TL (Legal Entity)                  | 1.404.381         | -                           | 1.404.381          |
| Overdraft Account-FC (Legal Entity)                  | -                 | -                           | -                  |
| <b>Total <sup>(1)</sup></b>                          | <b>18.354.739</b> | <b>141.090.402</b>          | <b>159.445.141</b> |

<sup>(1)</sup> Accruals and rediscount amounts related to loans are not included in the table above.

| <b>Prior Period</b>                                  | <b>Short-Term</b> | <b>Medium and Long-Term</b> | <b>Total</b>       |
|--|-------------------|-----------------------------|--------------------|
| Installment Based Commercial 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  | -                 | -                           | -                  |
| Installment Based Commercial Loans-<br>Indexed to FC | 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  | -                 | -                           | -                  |
| Installment Based Commercial 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             |
| <b>Total <sup>(1)</sup></b>                          | <b>12.091.896</b> | <b>154.058.796</b>          | <b>166.150.692</b> |

<sup>(1)</sup> Accruals and rediscount amounts related to loans are not included in the table above.

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**I EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED ASSETS (Continued)**

**7. Information Related to Loans (Continued)**

**7.5. Distribution of Domestic and Foreign Loans**

|                                   | <b>Current Period</b> | <b>Prior Period</b> |
|-----------------------------------|-----------------------|---------------------|
| Domestic Loans                    | 672.582.062           | 613.508.290         |
| Foreign Loans                     | 16.518.081            | 14.818.424          |
| Interest Income Accruals of Loans | 17.577.896            | 12.502.046          |
| <b>Total</b>                      | <b>706.678.039</b>    | <b>640.828.760</b>  |

**7.6. Loans Granted to Investments in Associates and Subsidiaries**

|   | <b>Current Period</b> | <b>Prior Period</b> |
|---|-----------------------|---------------------|
| Direct loans granted to subsidiaries and associates   | 1.432.099             | 1.138.436           |
| Indirect loans granted to subsidiaries and associates | -                     | -                   |
| <b>Total</b>  | <b>1.432.099</b>      | <b>1.138.436</b>    |

**7.7. Credit-Impaired Losses (Stage III / Specific Provision)**

|  | <b>Current Period</b> | <b>Prior Period</b> |
|--|-----------------------|---------------------|
| Loans and other receivables with limited collectability  | 1.099.008             | 1.234.735           |
| Loans and other receivables with doubtful collectability | 893.336               | 655.989             |
| Uncollectible loans and other receivables                | 11.476.399            | 10.020.337          |
| <b>Total</b>   | <b>13.468.743</b>     | <b>11.911.061</b>   |

**7.8. Information on Non-Performing Loans (Net)**

**7.8.1. Information on Non-Performing Loans Restructured or Rescheduled and Other Receivables**

|                                     | <b>Group III<br/>Loans and<br/>receivables with<br/>limited collectability</b> | <b>Group IV<br/>Loans and<br/>receivables with<br/>doubtful collectability</b> | <b>Group V<br/>Uncollectible loans<br/>and receivables</b> |
|-------------------------------------|--|--|--|
| <b>Current Period</b>               |  |  |  |
| Gross amounts before the provisions | 75.050   | 240.827  | 1.643.029  |
| Rescheduled Loans                   | 75.050   | 240.827  | 1.643.029  |
| <b>Prior Period</b>                 |  |  |  |
| Gross amounts before the provisions | 245.295  | 124.385  | 1.015.246  |
| Rescheduled Loans                   | 245.295  | 124.385  | 1.015.246  |

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**7. Information Related to Loans (Continued)**

**7.8. Information on Non-Performing Loans (Net) (Continued)**

**7.8.2. Information on the Movement of Total Non-Performing Loans**

|   | <b>Group III<br/>Loans and<br/>receivables with<br/>limited collectability</b> | <b>Group IV<br/>Loans and<br/>receivables with<br/>doubtful collectability</b> | <b>Group V<br/>Uncollectible loans<br/>and receivables</b> |
|---|--|--|--|
| <b>Prior Period Ending Balance</b>                              | <b>2.608.435</b>   | <b>1.341.890</b>   | <b>12.730.889</b>  |
| Additions (+)   | 1.739.441  | 1.752.699  | 1.588.515  |
| Transfers from Other Categories<br>of Loans under Follow-Up (+) | -  | 1.861.786  | 2.286.450  |
| Transfers to Other Categories of<br>Loans under Follow-Up (-)   | 1.861.786  | 2.286.450  | -  |
| Collections (-) <sup>(1)</sup>                                  | 355.069  | 589.464  | 2.672.337  |
| Write-offs (-)  | -  | -  | -  |
| Sold (-)  | -  | -  | -  |
| Corporate and Commercial<br>Loans                               | -  | -  | -  |
| Consumer Loans  | -  | -  | -  |
| Credit Cards  | -  | -  | -  |
| Other   | -  | -  | -  |
| <b>Balance at the End of the Period</b>                         | <b>2.131.021</b>   | <b>2.080.461</b>   | <b>13.933.517</b>  |
| Provision (-)   | 1.099.008  | 893.336  | 11.476.399   |
| <b>Net Balance at Balance Sheet</b>                             | <b>1.032.013</b>   | <b>1.187.125</b>   | <b>2.457.118</b>   |

<sup>(1)</sup> Includes transfers to the first and second group loans amounting to TL 704.922.

**7.8.3. Information on Non-Performing Loans Granted as Foreign Currency Loans**

|   | <b>Group III<br/>Loans and other<br/>receivables with<br/>limited collectability</b> | <b>Group IV<br/>Loans and other<br/>receivables with<br/>doubtful collectability</b> | <b>Group V<br/>Uncollectible<br/>loans and other<br/>receivables</b> |
|---|--|--|--|
| <b>Current Period:</b>                  |  |  |  |
| <b>Balance at the End of the Period</b> | <b>1.746.702</b>   | <b>110.482</b>   | <b>525.965</b>   |
| Provision (-)                           | 938.112  | 94.065   | 459.605  |
| <b>Net Balance on Balance Sheet</b>     | <b>808.590</b>   | <b>16.417</b>  | <b>66.360</b>  |
| <b>Prior Period:</b>                    |  |  |  |
| <b>Balance at the End of the Period</b> | <b>1.421.370</b>   | <b>134.815</b>   | <b>384.361</b>   |
| Provision (-)                           | 684.262  | 93.696   | 321.922  |
| <b>Net Balance on Balance Sheet</b>     | <b>737.108</b>   | <b>41.119</b>  | <b>62.439</b>  |

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**7. Information Related to Loans (Continued)**

**7.8. Information on Non-Performing Loans (Net) (Continued)**

**7.8.4. Breakdown of Non-Performing Loans According to Their Gross and Net Values**

|  | <b>Group III</b>   | <b>Group IV</b>   | <b>Group V</b>   |
|--|--|---|--|
|  | <b>Loans and other<br/>receivables with<br/>limited collectability</b> | <b>Loans and other<br/>receivables with<br/>doubtful collectability</b> | <b>Uncollectible<br/>loans and other<br/>receivables</b> |
| <b>Current Period (Net)</b>                      | <b>1.032.013</b>   | <b>1.187.125</b>  | <b>2.457.118</b>   |
| Loans to Real Persons and Legal Entities (Gross) | 2.131.021  | 2.080.461   | 13.776.547   |
| Provisions (-)                                   | 1.099.008  | 893.336   | 11.319.429   |
| Loans to Real Persons and Legal Entities (Net)   | 1.032.013  | 1.187.125   | 2.457.118  |
| Banks (Gross)                                    | -  | -   | -  |
| Provisions (-)                                   | -  | -   | -  |
| Banks (Net)                                      | -  | -   | -  |
| Other Loans and Receivables (Gross)              | -  | -   | 156.970  |
| Provisions (-)                                   | -  | -   | 156.970  |
| Other Loans and Receivables (Net)                | -  | -   | -  |
| <b>Prior Period (Net)</b>                        | <b>1.373.700</b>   | <b>685.901</b>  | <b>2.710.552</b>   |
| 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)                | -  | -   | -  |

**7.8.5. Information on Interest Accruals, Rediscount and Valuation Effect and Their Provisions Calculated for Under Follow-up Loans Banks which Provide Expected Credit Loss According to TFRS 9**

|   | <b>Group III</b>   | <b>Group IV</b>   | <b>Group V</b>   |
|---|--|---|--|
|   | <b>Loans and other<br/>receivables with<br/>limited collectability</b> | <b>Loans and other<br/>receivables with<br/>doubtful collectability</b> | <b>Uncollectible<br/>loans and other<br/>receivables</b> |
| <b>Current Period (Net)</b>                 | <b>58.233</b>  | <b>58.877</b>   | <b>203.048</b>   |
| Interest Accruals and Valuation Differences | 100.876  | 191.399   | 814.678  |
| Provisions (-)                              | 42.643   | 132.522   | 611.630  |
| <b>Prior Period (Net)</b>                   | <b>168.569</b>   | <b>40.312</b>   | <b>157.220</b>   |
| Interest Accruals and Valuation Differences | 257.319  | 128.081   | 570.510  |
| Provisions (-)                              | 88.750   | 87.769  | 413.290  |

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**I EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED ASSETS (Continued)**

**8. Financial Assets Measured at Amortised Cost**

**8.1. Information on Financial Assets Subject to Repurchase Agreements and those Given as Collateral/Blocked**

*Financial Assets Measured at Amortised Cost subject to repo transactions*

|                                      | Current Period |                  | Prior Period     |                  |
|--------------------------------------|----------------|------------------|------------------|------------------|
|                                      | TL             | FC               | TL               | FC               |
| Government Bonds                     | 358.258        | 2.640.474        | 3.315.575        | 1.802.748        |
| Treasury Bills                       | -              | -                | -                | -                |
| Other Government Debt                | -              | -                | -                | -                |
| Bank Bonds and Bank Guaranteed Bonds | -              | -                | -                | -                |
| Asset Backed Securities              | -              | -                | -                | -                |
| Other                                | -              | -                | -                | -                |
| <b>Total</b>                         | <b>358.258</b> | <b>2.640.474</b> | <b>3.315.575</b> | <b>1.802.748</b> |

*Financial Assets Measured at Amortised Cost given as collateral or blocked*

|   | Current Period   |                   | Prior Period     |                   |
|---|------------------|-------------------|------------------|-------------------|
|   | TL               | FC                | TL               | FC                |
| Bills                                   | -                | -                 | -                | -                 |
| Bonds and Similar Investment Securities | 8.651.038        | 17.386.912        | 8.723.020        | 14.875.540        |
| Other                                   | -                | -                 | -                | -                 |
| <b>Total</b>                            | <b>8.651.038</b> | <b>17.386.912</b> | <b>8.723.020</b> | <b>14.875.540</b> |

**8.2. Information on Government Debt Securities**

|                                     | Current Period    | Prior Period      |
|-------------------------------------|-------------------|-------------------|
| Government Bonds                    | 31.536.700        | 29.577.973        |
| Treasury Bills                      | 60.601            | 22.087            |
| Other Public Sector Debt Securities | 187.654           | 874.661           |
| <b>Total</b>                        | <b>31.784.955</b> | <b>30.474.721</b> |

**8.3 Information on Financial Assets Measured at Amortised Cost**

|                              | Current Period    | Prior Period      |
|------------------------------|-------------------|-------------------|
| Debt securities              | 32.023.796        | 30.620.661        |
| Quoted at stock exchange     | 30.698.885        | 29.571.518        |
| Unquoted at stock exchange   | 1.324.911         | 1.049.143         |
| Provision for Impairment (-) | 651               | 180               |
| <b>Total</b>                 | <b>32.023.145</b> | <b>30.620.481</b> |

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**I EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED ASSETS (Continued)**

**8. Financial Assets Measured at Amortised Cost (Continued)**

**8.4 The Movements of Financial Assets at Amortised Costs**

|   | <b>Current Period</b> | <b>Prior Period</b> |
|---|-----------------------|---------------------|
| <b>Balance at the Beginning of the Period</b>   | <b>30.620.481</b>     | <b>18.171.615</b>   |
| Foreign Currency Differences on Monetary Assets | 2.469.211             | 4.245.424           |
| Purchases During the Year <sup>(1)</sup>        | 1.582.675             | 9.056.733           |
| Disposals through Sales and Redemptions         | (2.648.571)           | (853.111)           |
| Provision for Impairment (-)                    | 651                   | 180                 |
| <b>Balance at the End of the Period</b>         | <b>32.023.145</b>     | <b>30.620.481</b>   |

(1) Accruals are shown in “Purchases During the Year”.

**9. Information on Associates Accounts (Net)**

**9.1. Information on Unconsolidated Associates**

|   | <b>Description</b>  | <b>Address<br/>(City/ Country)</b> | <b>The Bank’s Share<br/>Percentage, if<br/>Different, Voting<br/>Percentage (%)</b> | <b>The Bank’s Risk<br/>Group Share<br/>Percentage (%)</b> |
|---|---|------------------------------------|---|---|
| 1 | Platform Ortak Karlı Sistemler A.Ş.                       | Istanbul/Turkey                    | 20,00   | 20,00   |
| 2 | Bileşim Finansal Teknolojiler ve<br>Ödeme Sistemleri A.Ş. | Istanbul/Turkey                    | 33,34   | 33,34   |

<sup>(\*)</sup> Keskinöğlü Tavukçuluk ve Damızlık İşl. San. Tic. A.Ş., which was previously an associates, has been classified under non-current assets held for sale in the current period within the scope of the BRSA's Uniform Chart of Accounts amendments.

|   | <b>Total<br/>Assets <sup>(2)</sup></b> | <b>Shareholders'<br/>Equity <sup>(2)</sup></b> | <b>Total Non-<br/>Current<br/>Assets <sup>(2)(3)</sup></b> | <b>Interest<br/>Income <sup>(2)</sup></b> | <b>Income from<br/>Marketable<br/>Securities <sup>(2)</sup></b> | <b>Current Period<br/>Profit / Loss <sup>(2)</sup></b> | <b>Prior Period<br/>Profit / Loss <sup>(2)</sup></b> | <b>Fair<br/>Value <sup>(1)</sup></b> |
|---|--|--|--|---|---|--|--|--------------------------------------|
| 1 | 5.545                                  | 5.250  | 41   | -   | -   | 754  | -  | -                                    |
| 2 | 201.419                                | 158.291  | 99.255   | 13.103                                    | -   | 154  | 1.852  | -                                    |

(1) There is no fair value since associates are not traded in the stock exchange

(2) The current period financial statement information of the subsidiary is taken from the unaudited financial statements date 30 September 2021, and the profit/loss figure for the previous period is taken from the audited financial statements dated 30 September 2020.

(3) Total fixed assets include tangible and intangible assets.

**9.2. Consolidated Subsidiaries**

|   | <b>Title</b>           | <b>Address<br/>(City/ Country)</b> | <b>The Parent Bank’s<br/>Share Percentage-<br/>if different Voting<br/>Percentage (%)</b> | <b>The Parent Bank’s<br/>Group Share<br/>Percentage (%)</b> |
|---|------------------------|------------------------------------|---|---|
| 1 | Arap Türk Bankası A.Ş. | Istanbul / Turkey                  | 15,43   | 15,43   |

|   | <b>Total Assets<br/><sup>(2)</sup></b> | <b>Shareholders'<br/>Equity <sup>(2)</sup></b> | <b>Total Non-<br/>Current<br/>Assets <sup>(2)</sup></b> | <b>Interest<br/>Income <sup>(2)</sup></b> | <b>Income from<br/>Marketable<br/>Securities <sup>(2)</sup></b> | <b>Current Period<br/>Profit / Loss <sup>(2)</sup></b> | <b>Prior Period<br/>Profit / Loss <sup>(2)</sup></b> | <b>Fair<br/>Value <sup>(1)</sup></b> |
|---|--|--|---|---|---|--|--|--------------------------------------|
| 1 | 7.043.106                              | 1.275.730                                      | 149.043   | 181.032                                   | 84.805  | 129.374  | 73.109   | -                                    |

(1) There is no fair value of Arap Türk Bankası A.Ş. since 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 30 September 2021. Prior period profit/loss information of associates has been provided from audited financial statements as of 30 September 2020.

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**I EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED ASSETS (Continued)**

**9. Information on Investments in Associates (Net) (Continued)**

**9.3. Information on Financial Associates**

|   | <b>Current Period</b> | <b>Prior Period</b> |
|---|-----------------------|---------------------|
| <b>Balance at the Beginning of the Period</b> | <b>177.879</b>        | <b>162.465</b>      |
| <b>Movement During the Period</b>             | <b>18.966</b>         | <b>15.414</b>       |
| Additions                                     | -                     | -                   |
| Bonus Share Certificates                      | -                     | -                   |
| Shares of Current Year Profits                | 19.993                | 14.902              |
| Transfer                                      | -                     | -                   |
| Sales/Liquidation                             | -                     | -                   |
| Revaluation Increase                          | -                     | 512                 |
| Revaluation/Impairment (-)                    | 1.027                 | -                   |
| <b>Balance at the End of the Period</b>       | <b>196.845</b>        | <b>177.879</b>      |
| Capital Commitments                           | -                     | -                   |
| Share Percentage at the End of the Period (%) | -                     | -                   |

**9.4. Sectoral Information on Financial Associates and the Related Carrying Amounts**

| <b>Subsidiaries</b>          | <b>Current Period</b> | <b>Prior Period</b> |
|------------------------------|-----------------------|---------------------|
| Banks                        | 196.845               | 177.879             |
| Insurance Companies          | -                     | -                   |
| Factoring Companies          | -                     | -                   |
| Leasing Companies            | -                     | -                   |
| Finance Companies            | -                     | -                   |
| Other Financial Subsidiaries | -                     | -                   |

**9.5. Subsidiaries Quoted to a Stock Exchange**

None (31 December 2020: None)

**10. Information on Subsidiaries (Net)**

**10.1. Information on Unconsolidated Subsidiaries**

|   | <b>Description</b>    | <b>Address<br/>(City/Country)</b> | <b>The Parent Bank's<br/>Share Percentage-if<br/>different Voting<br/>Percentage (%)</b> | <b>The Parent Bank's<br/>Group Share<br/>Percentage (%)</b> |
|---|-----------------------|-----------------------------------|--|---|
| 1 | Ziraat Teknoloji A.Ş. | İstanbul / Turkey                 | 100,00   | 100,00  |

(\*) Onko İlaç Sanayi ve Ticaret A.Ş., Koçsel İlaç Sanayi ve Ticaret A.Ş. and Rinerji Rize Elektrik Üretim A.Ş., which were previously included in subsidiaries, 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.

|   | <b>Total<br/>Assets</b> | <b>Shareholders'<br/>Equity</b> | <b>Total Non-<br/>Current Assets</b> | <b>Interest<br/>Income</b> | <b>Income from<br/>Marketable<br/>Securities</b> | <b>Current<br/>Period Profit/<br/>Loss</b> | <b>Prior Period<br/>Profit/ Loss</b> | <b>Fair Value</b> |
|---|-------------------------|---------------------------------|--------------------------------------|----------------------------|--|--|--------------------------------------|-------------------|
| 1 | 104.918                 | 14.410                          | 6.836                                | 1.075                      | 37   | (3.448)                                    | (372)                                | 56.467            |

(1) There is no fair value since subsidiaries are not traded in the stock exchange.

(2) The current period financial statement information of the subsidiary is taken from the unaudited financial statements dated 30 September 2021, and the profit/loss figure for the previous period is taken from the audited financial statements dated 30 September 2020.

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**I EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED ASSETS (Continued)**

**10. Information on Subsidiaries (Net) (Continued)**

**10.2. Information on Consolidated Subsidiaries**

Financial subsidiaries of the Parent Bank 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 to IFRS 9 Financial Instruments. The valuation differences determined for these partnerships are accounted for under equity.

|    | Description  | Address<br>(City/ Country)       | The Bank's Share<br>Percentage-if different<br>Voting Percentage (%) | The Bank's Risk<br>Group Share<br>Percentage (%) |
|----|--|----------------------------------|--|--|
| 1  | Ziraat Yatırım Menkul Değerler A.Ş.                | Istanbul / Turkey                | 99,60  | 99,60  |
| 2  | Ziraat Portföy Yönetimi A.Ş.                       | Istanbul / Turkey                | 74,90  | 99,80  |
| 3  | Ziraat Katılım Bankası A.Ş. <sup>(1)</sup>         | Istanbul / Turkey                | 100,00   | 100,00   |
| 4  | Ziraat Gayrimenkul Yatırım Ortaklığı A.Ş.          | Istanbul / Turkey                | 81,06  | 81,06  |
| 5  | Ziraat Girişim Sermayesi Yatırım<br>Ortaklığı A.Ş. | Istanbul / 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<br>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<br>Assets | Shareholder<br>s' Equity | Total Non-<br>Current Assets | Interest<br>Income | Income from<br>Marketable<br>Securities | Current<br>Period<br>Profit/<br>Loss | Prior<br>Period<br>Profit<br>/Loss | Fair<br>Value | Shareholder<br>s' equity<br>amount<br>needed |
|----|-----------------|--------------------------|------------------------------|--------------------|---|--------------------------------------|------------------------------------|---------------|--|
| 1  | 797.006         | 591.588                  | 4.848                        | 117.095            | -                                       | 257.823                              | 205.549                            | 1.098.904     | -  |
| 2  | 190.084         | 178.091                  | 3.300                        | 21.437             | -                                       | 50.368                               | 48.087                             | 153.045       | -  |
| 3  | 76.435.346      | 3.988.912                | 420.246                      | 3.726.919          | 541.736                                 | 306.007                              | 511.345                            | 3.277.972     | -  |
| 4  | 7.368.765       | 7.107.023                | 5.399.410                    | 96.093             | -                                       | 140.176                              | 57.740                             | 6.049.298     | -  |
| 5  | 1.017.136       | 1.015.794                | 1.018                        | 32.943             | -                                       | 32.320                               | 40.386                             | 1.015.998     | -  |
| 6  | 14.279.722      | 2.797.422                | 32.504                       | 306.122            | 15.097                                  | 136.677                              | 64.669                             | 1.920.615     | -  |
| 7  | 6.466.920       | 633.510                  | 46.244                       | 115.042            | -                                       | 22.092                               | 5.865                              | 314.875       | -  |
| 8  | 972.438         | 460.023                  | 20.567                       | 54.272             | 413                                     | 34.739                               | 25.016                             | 268.876       | -  |
| 9  | 2.583.329       | 738.265                  | 231.166                      | 116.002            | -                                       | 52.041                               | 70.960                             | 436.922       | -  |
| 10 | 1.757.962       | 392.511                  | 119.369                      | 76.041             | 6.951                                   | 19.305                               | 3.746                              | 228.372       | -  |
| 11 | 665.943         | 172.984                  | 9.953                        | 19.140             | 1.767                                   | 1.066                                | 2.540                              | 131.655       | -  |
| 12 | 396.825         | 166.602                  | 17.662                       | 13.800             | 1.842                                   | 5.006                                | 1.097                              | 113.798       | -  |
| 13 | 1.194.843       | 289.169                  | 20.093                       | 59.964             | 3.490                                   | 30.355                               | 26.796                             | 183.936       | -  |

<sup>(1)</sup> The amounts shown in the interest income column of Ziraat Katılım Bankası A.Ş. include profit share income

<sup>(2)</sup> Current period financial information has been provided from unaudited financial statements as of 30 September 2021. Prior period profit/loss information has been provided from audited financial statements as of 30 September 2020.



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**I EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED ASSETS (Continued)**

**10. Information on Subsidiaries (Net) (Continued)**

**10.3. Sectoral Information on Subsidiaries and the Related Carrying Amounts  
(represents the values of the Parent Bank)**

|   | <b>Current Period</b> | <b>Prior Period</b> |
|---|-----------------------|---------------------|
| <b>Balance at the Beginning of the Period</b> | <b>13.901.878</b>     | <b>7.335.025</b>    |
| <b>Movements During the Period</b>            | <b>1.292.389</b>      | <b>6.566.853</b>    |
| Additions to Scope of Consolidation           | -                     | -                   |
| Purchases <sup>(1)</sup>                      | 463.532               | 2.499.959           |
| Bonus Shares Obtained                         | 45.620                | -                   |
| Dividends from current year income            | -                     | -                   |
| Sales   | -                     | -                   |
| Revaluation Increase <sup>(2)</sup>           | 879.173               | 4.738.323           |
| Impairment Provision (-)                      | 95.936                | 671.429             |
| Transfer (-) <sup>(3)</sup>                   | -                     | -                   |
| <b>Balance at the End of the Period</b>       | <b>15.194.267</b>     | <b>13.901.878</b>   |
| Capital Commitments                           | -                     | -                   |
| Share percentage at the end of the period (%) | -                     | -                   |

<sup>(1)</sup> Paid Capital Increases are classified under “Purchases” account. The amount of TL 463.532 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.

<sup>(2)</sup> Includes changes arising from conversion of subsidiaries, whose capitals are paid in Euro amounts, into TL at period end currency rate.

<sup>(3)</sup> Non-financial subsidiaries are not included.

|                              | <b>Current Period</b> | <b>Prior Period</b> |
|------------------------------|-----------------------|---------------------|
| Banks                        | 6.877.022             | 6.558.371           |
| Insurance Companies          | -                     | -                   |
| Factoring Companies          | -                     | -                   |
| Leasing Companies            | -                     | -                   |
| Financing Companies          | -                     | -                   |
| Other Financial Subsidiaries | 8.317.245             | 7.343.507           |

**10.4. Subsidiaries Quoted to a Stock Exchange  
(represents the values of the Parent Bank)**

|   | <b>Current Period</b> | <b>Prior Period</b> |
|---|-----------------------|---------------------|
| Quoted at domestic stock exchanges <sup>(1)</sup> | 6.049.298             | -                   |
| Quoted at international stock exchanges           | -                     | -                   |

<sup>(1)</sup> Ziraat Gayrimenkul Yatırım Ortaklığı A.Ş., a subsidiary of the Parent Bank. The shares were offered to the public and the shares started to be traded on Borsa İstanbul AŞ as of May 6, 2021.

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**I EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED ASSETS (Continued)**

**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. 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) <sup>(1)</sup> | Parent Bank's Share (%) | Group's Share (%) | Current Assets | Non-Current Assets | Long Term Liabilities | Income  | Expense |
|---|-------------------------|-------------------|----------------|--------------------|-----------------------|---------|---------|
| Turkmen Turkish Joint Stock Commercial Bank                   | 50,00                   | 50,00             | 6.432.998      | 26.698             | 26.770                | 186.037 | 73.813  |

<sup>(1)</sup> Information on entity under joint control is provided from the unaudited financial statements as of 30 September 2021.

**12. Information on Lease Receivables**

Information on receivables from financial leasing transactions

|                   | Current Period   |                  | Prior Period     |                  |
|-------------------|------------------|------------------|------------------|------------------|
|                   | Gross            | Net              | Gross            | Net              |
| Less than 1 Year  | 393.779          | 377.295          | 101.563          | 97.448           |
| 1-5 Years         | 5.741.827        | 5.004.513        | 4.664.859        | 4.133.051        |
| More than 5 Years | 1.966.285        | 1.711.289        | 1.166.870        | 915.678          |
| <b>Total</b>      | <b>8.101.891</b> | <b>7.093.097</b> | <b>5.933.292</b> | <b>5.146.177</b> |

**13. Information on Derivative Financial Assets for Hedging Purposes**

The Group does not have any derivative financial assets for hedging purposes.

**14. Information on Investment Property**

The Group's investment properties are TL 1.135.891 (31 December 2020: TL 477.790).

**15. Information on Assets Held for Sale and Tangibles Corresponding Discontinuing Operations**

The Group does not have any discontinued operations. The assets held for sale are composed of immovables acquired due to consumer, commercial and agricultural loans, and immovables for which has no necessity of use exists by the Parent Bank. Those immovables considered for sales are announced at the web site of the Parent Bank.

Keskinoğlu Tavukçuluk ve Damızlık İşl. San. Tic. A.Ş., Onko İlaç Sanayi ve Ticaret A.Ş., which is a subsidiary of Koçsel İlaç Sanayi ve Ticaret A.Ş. and Rinerji Rize Elektrik Üretim A.Ş 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 248,550. (31 December 2020: None). The Group's immovables acquired amount to TL 5.435.247 (31 December 2020: TL 5.334.912) consisting of TL 8.156 (31 December 2020 TL 8.689) due to consumer loans, TL 5.300.784 (31 December 2020 TL 5.203.656) on its commercial loans and TL 126.307 (31 December 2020 TL 122.567) on its agricultural loans. Also, the sum of movables acquired from consumer loan amounts to TL 5.268 (31 December 2020 TL 1.207). The net book value of the Group's non-current assets held for sale acquired through fiduciary rights is TL 1.598.250 (31 December 2020: TL 1.602.442).

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**EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS  
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**I EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED ASSETS (Continued)**

**16. Information on Tangible Assets**

|   | Immovables       | Immovables<br>with Right of<br>Use | Movables       | Movables with<br>Right of Use | Operational<br>Leasing<br>Development<br>Costs | Other<br>Tangibles | Total             |
|---|------------------|------------------------------------|----------------|-------------------------------|--|--------------------|-------------------|
| <b>Prior Period End</b>                               |                  |                                    |                |                               |  |                    |                   |
| 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             |
| <b>Net Book Value</b>                                 | <b>9.947.530</b> | <b>843.758</b>                     | <b>524.602</b> | <b>143.083</b>                | <b>44.857</b>                                  | <b>-</b>           | <b>11.503.830</b> |
| <b>Current Period End</b>                             |                  |                                    |                |                               |  |                    |                   |
| Net Book Value at the Beginning<br>of the Period      | 9.947.530        | 843.758                            | 524.602        | 143.083                       | 44.857   | -                  | 11.503.830        |
| Change During the Period (Net)                        | (89.198)         | (28.275)                           | 118.604        | (21.566)                      | 11.838   | -                  | (8.597)           |
| - Cost  | (56.063)         | 23.637                             | 283.064        | 24.115                        | 16.042   | -                  | 290.795           |
| - Depreciation – net (-)                              | 32.764           | 51.912                             | 164.460        | 45.681                        | 4.204  | -                  | 299.021           |
| - Impairment (-)                                      | 371              | -                                  | -              | -                             | -  | -                  | 371               |
| Net Currency Translation from<br>Foreign Subsidiaries | 47.737           | (433)                              | 11.989         | (1.092)                       | 1.978  | -                  | 60.179            |
| Cost at Period End                                    | 10.815.421       | 1.058.354                          | 1.958.948      | 263.041                       | 350.278  | -                  | 14.446.042        |
| Accumulated Depreciation at<br>Period End (-)         | 906.828          | 243.304                            | 1.303.135      | 142.616                       | 291.605  | -                  | 2.887.488         |
| Impairment (-)  | 2.524            | -                                  | 618            | -                             | -  | -                  | 3.142             |
| <b>Closing Net Book Value</b>                         | <b>9.906.069</b> | <b>815.050</b>                     | <b>655.195</b> | <b>120.425</b>                | <b>58.673</b>                                  | <b>-</b>           | <b>11.555.412</b> |

**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 fixed assets, expenses arising from the construction for tangible fixed assets, commitments given for the purchases of tangible fixed assets**

None.

**19. Information on Expected Credit Loss for Financial Assets**

|   | Current Period | Prior Period  |
|---|----------------|---------------|
| Cash and Balances at Central Bank           | 7.866          | 6.322         |
| Banks and Receivables from Money Markets    | 10.701         | 6.855         |
| Financial Assets Measured at Amortized Cost | 6.086          | 5.335         |
| Other Assets                                | 55.968         | 74.615        |
| <b>Total</b>                                | <b>80.621</b>  | <b>93.127</b> |

**20. Information on Other Assets**

As of 30 September, 2021, other assets do not exceed 10% of the total assets excluding off-balance sheet commitments.

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**II EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED LIABILITIES**

**1. Information on Deposits/Funds Collected**

**1.1 Information on Maturity Structure of Deposits**

| Current Period              | Demand             | 7 Day Call | Up to 1            | 1-3                | 3-6               | 6 Months          | 1 Year            | Cumulative     | Total              |
|-----------------------------|--------------------|------------|--------------------|--------------------|-------------------|-------------------|-------------------|----------------|--------------------|
|                             | Accounts           | Months     | Months             | Months             | Months            | 1 Year            | and Over          | Deposits       |                    |
| Saving Deposits             | 63.365.112         | -          | 14.387.120         | 120.016.706        | 22.848.480        | 2.555.137         | 7.694.072         | 201.984        | 231.068.611        |
| Foreign Currency Deposits   | 111.835.553        | -          | 31.685.516         | 123.588.456        | 19.724.472        | 14.465.649        | 49.707.535        | 9.363          | 351.016.546        |
| Residents in Turkey         | 90.353.336         | -          | 30.691.101         | 109.043.528        | 13.977.547        | 6.155.342         | 22.568.092        | 8.222          | 272.797.168        |
| Residents Abroad            | 21.482.219         | -          | 994.415            | 14.544.928         | 5.746.925         | 8.310.307         | 27.139.443        | 1.141          | 78.219.378         |
| Public Sector Deposits      | 18.159.049         | -          | 4.416.791          | 10.074.140         | 833.161           | -                 | 518.968           | 89.037         | 34.091.146         |
| Commercial Deposits         | 22.214.226         | -          | 23.138.404         | 34.151.575         | 1.751.624         | 2.151.142         | 1.015.639         | -              | 84.422.604         |
| Other Institutions Deposits | 3.290.952          | -          | 3.437.105          | 12.293.987         | 2.004.157         | 1.374.030         | 416.225           | -              | 22.816.456         |
| Precious Metals Deposit     | 39.031.745         | -          | 865.651            | 8.312.476          | 561.903           | 420.743           | 337.569           | -              | 49.530.087         |
| Interbank Deposits          | 6.140.788          | -          | 29.910.379         | 4.117.835          | 26.540            | 8.414.079         | 2.950.343         | -              | 51.559.964         |
| The CBRT                    | 3.360              | -          | -                  | -                  | -                 | -                 | -                 | -              | 3.360              |
| Domestic Banks              | 307.615            | -          | 28.740.307         | 511.514            | -                 | 147               | 2.035.494         | -              | 31.595.077         |
| Foreign Banks               | 5.760.934          | -          | 1.170.072          | 3.606.321          | 26.540            | 8.413.932         | 914.849           | -              | 19.892.648         |
| Participation Banks         | 68.879             | -          | -                  | -                  | -                 | -                 | -                 | -              | 68.879             |
| Other                       | -                  | -          | -                  | -                  | -                 | -                 | -                 | -              | -                  |
| <b>Total</b>                | <b>264.037.421</b> | <b>-</b>   | <b>107.840.966</b> | <b>312.555.175</b> | <b>47.750.337</b> | <b>29.899.748</b> | <b>62.210.420</b> | <b>211.347</b> | <b>824.505.414</b> |

| Prior Period                | Demand             | 7 Day Call | Up to 1           | 1-3                | 3-6               | 6 Months          | 1 Year            | Cumulative     | Total              |
|-----------------------------|--------------------|------------|-------------------|--------------------|-------------------|-------------------|-------------------|----------------|--------------------|
|                             | Accounts           | Months     | Months            | Months             | Months            | 1 Year            | and Over          | Deposits       |                    |
| 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 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                       | -                  | -          | -                 | -                  | -                 | -                 | -                 | -              | -                  |
| <b>Total</b>                | <b>214.055.299</b> | <b>-</b>   | <b>95.107.137</b> | <b>267.855.557</b> | <b>42.348.006</b> | <b>24.348.984</b> | <b>50.903.877</b> | <b>219.380</b> | <b>694.838.240</b> |

**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**

| Saving Deposits   | Under the Guarantee of Deposit Insurance |              | Exceeding Deposit Insurance Limit |              |
|---|--|--------------|-----------------------------------|--------------|
|   | Current Period                           | Prior Period | Current Period                    | Prior Period |
| Saving Deposits <sup>(1)</sup>  | 141.724.444                              | 114.341.657  | 88.256.781                        | 60.801.597   |
| Foreign Currency Saving Deposits <sup>(1)</sup>   | 96.921.118                               | 93.780.765   | 173.983.863                       | 136.623.674  |
| Other Deposits in the form of Saving Deposits   | -  | -            | -                                 | -            |
| Foreign Branches and under the Guarantees of Foreign Authority Insurance <sup>(2)</sup> | 2.537.823                                | 2.089.213    | 1.155.190                         | 638.133      |
| Off-Shore Banking Regions' 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 878.439 and TL 25.580 respectively, cannot be decomposed by type and are therefore included in the table above (31 December 2020: TL 562.575 and TL 30.001).

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**II EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED LIABILITIES (Continued)**

**1. Information on Deposits/Funds Collected(Continued)**

**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 (Continued)**

Based on the Council of Minister’s decree dated 29 December 2003 and numbered 2003/6668, TL 482 (31 December 2020: TL 511) of demand deposits is not included in the above calculation, since the Parent 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 2.421.919 (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 Parent Bank Whose Head Office is Abroad, And Reasons if it is Covered in Where the Head Office is Located**

The Parent Bank’s head office is located in Turkey.

**1.4. Saving Deposits of Real Persons which are not under the Guarantee of Saving Deposit Insurance Fund**

|   | <b>Current Period</b> | <b>Prior Period</b> |
|---|-----------------------|---------------------|
| Deposits and other Accounts in Branches Abroad  | 8.415                 | 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                           | 25.377                | 33.185              |
| Deposits Obtained through Illegal Acts Defined in the 282 <sup>nd</sup> Article of the 5237 numbered Turkish Criminal Code dated September 26, 2004 | -                     | -                   |
| Saving Deposits in Banks Established in Turkey Exclusively for Off-Shore Banking Activities   | -                     | -                   |

**2. Negative Differences Statement Regarding Trading Derivative Financial Assets**

|                      | <b>Current Period</b> |                  | <b>Prior Period</b> |                  |
|----------------------|-----------------------|------------------|---------------------|------------------|
|                      | <b>TL</b>             | <b>FC</b>        | <b>TL</b>           | <b>FC</b>        |
| Forward Transactions | 112.761               | 5.269            | 46.748              | 549              |
| Swap Transactions    | 582.518               | 3.054.569        | 1.417.814           | 2.021.850        |
| Futures Transactions | -                     | -                | -                   | -                |
| Options              | -                     | 64.430           | -                   | -                |
| Other                | -                     | -                | -                   | -                |
| <b>Total</b>         | <b>695.279</b>        | <b>3.124.268</b> | <b>1.464.562</b>    | <b>2.022.399</b> |

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**II EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED LIABILITIES (Continued)**

**3. Information on Borrowings**

**3.1. Information on Banks and Other Financial Institutions**

|  | Current Period |                   | Prior Period     |                   |
|--|----------------|-------------------|------------------|-------------------|
|  | TL             | FC                | TL               | FC                |
| Borrowings from CBRT                       | -              | -                 | -                | -                 |
| From Domestic Banks and Institutions       | 527.040        | 7.192.108         | 1.165.521        | 5.113.189         |
| From Foreign Banks, Institutions and Funds | 15.750         | 36.430.221        | 228.249          | 30.661.592        |
| <b>Total</b>                               | <b>542.790</b> | <b>43.622.329</b> | <b>1.393.770</b> | <b>35.774.781</b> |

**3.2. Information on Maturity Structure of Borrowings**

|                      | Current Period |                   | Prior Period     |                   |
|----------------------|----------------|-------------------|------------------|-------------------|
|                      | TL             | FC                | TL               | FC                |
| Short-Term           | 505.254        | 4.570.495         | 1.164.557        | 2.939.194         |
| Medium and Long-Term | 37.536         | 39.051.834        | 229.213          | 32.835.587        |
| <b>Total</b>         | <b>542.790</b> | <b>43.622.329</b> | <b>1.393.770</b> | <b>35.774.781</b> |

**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**

71,02% of the Group's total liabilities and shareholders' equity consist of deposits. Deposits have a diversified base and have steady structures. The Group's liabilities are not subject to a significant concentration risk.

**4. Information on Money Market Borrowings**

|  | Current Period    |                   | Prior Period      |                   |
|--|-------------------|-------------------|-------------------|-------------------|
|  | TL                | FC                | TL                | FC                |
| <b>From Domestic Transactions</b>        | <b>78.191.968</b> | -                 | <b>94.932.803</b> | -                 |
| Financial Institutions and Organizations | 77.987.938        | -                 | 93.973.463        | -                 |
| Other Institutions and Organizations     | 198.443           | -                 | 950.313           | -                 |
| Real Person                              | 5.587             | -                 | 9.027             | -                 |
| <b>From Overseas Operations</b>          | -                 | <b>33.446.537</b> | -                 | <b>23.569.739</b> |
| Financial Institutions and Organizations | -                 | 33.446.537        | -                 | 23.569.739        |
| Other Institutions and Organizations     | -                 | -                 | -                 | -                 |
| Real Person                              | -                 | -                 | -                 | -                 |
| <b>Total</b>                             | <b>78.191.968</b> | <b>33.446.537</b> | <b>94.932.803</b> | <b>23.569.739</b> |

**5. Information on Securities Issued**

|                         | Current Period   |                   | Prior Period     |                   |
|-------------------------|------------------|-------------------|------------------|-------------------|
|                         | TL               | FC                | TL               | FC                |
| Bank Bills              | -                | 1.048.215         | -                | -                 |
| Asset-Backed Securities | 3.525.631        | -                 | 4.017.250        | -                 |
| Treasury Bonds          | 1.004.197        | 16.790.174        | 1.010.353        | 13.346.012        |
| <b>Total</b>            | <b>4.529.828</b> | <b>17.838.389</b> | <b>5.027.603</b> | <b>13.346.012</b> |

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**II. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED LIABILITIES (Continued)**

**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 Finance Lease Liabilities (Net)**

Information on finance lease liabilities represented in the table below:

|                   | Current Period   |                | Prior Period     |                  |
|-------------------|------------------|----------------|------------------|------------------|
|                   | Gross            | Net            | Gross            | Net              |
| Less than 1 Year  | 65.186           | 53.460         | 110.268          | 61.690           |
| Between 1-4 Years | 496.351          | 410.820        | 736.107          | 413.059          |
| More than 4 Years | 910.600          | 508.128        | 816.332          | 526.614          |
| <b>Total</b>      | <b>1.472.137</b> | <b>972.408</b> | <b>1.662.707</b> | <b>1.001.363</b> |

**8. Information on the Hedging Derivative Financial Liabilities**

There are no hedging derivative financial liabilities.

**9. Information on Provisions**

**9.1 Information on Provisions Related with Foreign Currency Difference of Foreign Indexed Loans**

There are no foreign exchange loss provisions on foreign currency indexed loans and finance lease receivables (31 December 2020: None).

**9.2. Liabilities on Reserve for Employee Termination Benefits**

**9.2.1. Severance Pay and Unused Vacation Rights**

The Group 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 30 September, 2021, unpaid vacation liability amounted to TL 363.757 and employment termination amounted to TL 1.333.352 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).

**9.3. Information on Other Provisions**

Except for the requirements of BRSA Accounting and Financial Reporting Legislation, the Group management provided free provision of TL 3.505.000, all of which were written off in previous periods. Moreover, the provision of TL 40.750 and other provision of TL 157 exist for cash transfers made by Bank officials. The Parent Bank has provided provision amounting to TL 2.036.523 for possible losses arising from the off-balance sheet items. (31 December 2020: These financial statements include a free provision amounting to TL 3.505.000 which consist of TL 910.000 provided in prior year and TL 2.630.000 reversed and TL 35.000 canceled in the current year by the Group management which is not within the requirements of BRSA Accounting and Financial Reporting Legislation. Moreover, the provision of TL 40.750 and other provision of TL 157 exist for cash transfers made by the Group officials. The Parent Bank has provided provision amounting to TL 1.927.597 for non-cash loans.)

Regarding the Parent Bank's lawsuit files, a total amount of TL 108.284 provision has been provided in financial statements for the lawsuits against the Parent Bank which are not finalized yet. (31 December 2020: TL 92.766)

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**II. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED LIABILITIES (Continued)**

**10. Explanations on Tax Liability**

**10.1. Explanations on Current Tax Liability**

**10.1.1. Information on Taxes Payable**

As of 30 September, 2021, the remaining corporate tax liability after deducting temporary taxes paid for the period is TL 819.901 (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**

|  | <b>Current Period</b> | <b>Prior Period</b> |
|--|-----------------------|---------------------|
| Corporate Tax Payable                    | 819.901               | 978.761             |
| Taxation on Marketable Securities        | 426.841               | 286.356             |
| Property Tax                             | 1.882                 | 1.862               |
| Banking Insurance Transaction Tax (BITT) | 340.254               | 261.298             |
| Foreign Exchange Transaction Tax         | 18.695                | 20.902              |
| Value Added Tax Payable                  | 33.452                | 21.524              |
| Other                                    | 108.029               | 157.295             |
| <b>Total</b>                             | <b>1.749.054</b>      | <b>1.727.998</b>    |

**10.1.3. Information on Premium Payables**

|  | <b>Current Period</b> | <b>Prior Period</b> |
|--|-----------------------|---------------------|
| Social Security Premiums – Employee                    | 81                    | 63                  |
| Social Security Premiums – Employer                    | 100                   | 93                  |
| Bank Social Aid Pension Fund Premium - Employee        | 21.137                | 17.743              |
| Bank Social Aid Pension Fund Premium - Employer        | 30.973                | 26.008              |
| Pension Fund Membership Fees and Provisions – Employee | 2                     | 2                   |
| Pension Fund Membership Fees and Provisions – Employer | 11                    | 4                   |
| Unemployment Insurance – Employee                      | 1.662                 | 1.384               |
| Unemployment Insurance - Employer                      | 3.325                 | 2.768               |
| Other  | -                     | -                   |
| <b>Total</b>   | <b>57.291</b>         | <b>48.065</b>       |

**10.2. Information on Deferred Tax Liabilities if any**

The Group has TL 10.324 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 fixed assets debt related to the activities held and discontinued for sale. (31 December 2020: None)



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**II EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED LIABILITIES (Continued)**

**12. Information on Subordinated Loan**

|   | Current Period |                   | Prior Period |                   |
|---|----------------|-------------------|--------------|-------------------|
|   | TL             | FC                | TL           | FC                |
| Debt instruments to be included in additional capital calculation   | -              | 15.460.848        | -            | 13.816.234        |
| Subordinated loans  | -              | 902.875           | -            | 768.037           |
| Subordinated debt instruments                                       | -              | 14.557.973        | -            | 13.048.197        |
| Debt instruments to be included in contribution capital calculation | -              | -                 | -            | -                 |
| Subordinated loans  | -              | -                 | -            | -                 |
| Subordinated debt instruments                                       | -              | -                 | -            | -                 |
| <b>Total</b>  | -              | <b>15.460.848</b> | -            | <b>13.816.234</b> |

(\*) Subordinated loans are explained in detail in the Note “Information on debt instruments included in the calculation of equity” in Section Four.

**13. Information on Shareholders’ Equity**

**13.1. Presentation of Paid-In Capital**

|                 | Current Period | Prior Period |
|-----------------|----------------|--------------|
| Common stock    | 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. Information on Share Capital Increases from Capital Reserves During the Current Period**

There is no share capital amount included in capital.

**13.5. Information on Capital Commitments, the Purpose and the Sources Until the End of the Fiscal Year and the Subsequent Interim Period**

The Parent Bank has no capital commitments.

**13.6. The Effects of Anticipations Based on the Financial Figures for Prior Periods Regarding the Group’s Income, Profitability and Liquidity, and Possible Effects of These Future Assumptions on the Group’s Equity due to Uncertainties at These Indicators**

In the current period, The Parent Bank follows its operations in line with the previous periods. The Parent Bank’s balance sheet has been managed with precaution by being affected by the interest, rate of exchange and credit risks at the minimum level. This helps to reduce the effects of fluctuations in the market to The Parent Bank’s performance and contributes to the profitability structure to be sustainable.

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**II EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED LIABILITIES (Continued)**

**13. Information on Shareholders' Equity (Continued)**

**13.7. 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) | 45.111           | (24.632)           | 356.498          | (24.632)       |
| Valuation Difference  | 3.109.026        | (3.478.801)        | 3.563.047        | 956.442        |
| Foreign Currency Differences  | 2.310.310        | 745                | 2.262.057        | 187            |
| <b>Total</b>  | <b>5.464.447</b> | <b>(3.502.688)</b> | <b>6.181.602</b> | <b>931.997</b> |

**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  | 15.637.889         | 14.252.453        |
| Subsidiaries and Associates Capital Contribution Commitments              | 3.150              | 3.150             |
| Loan Granting Commitments   | 18.565.901         | 14.730.515        |
| Commitments for Cheques Payments  | 6.632.131          | 5.098.875         |
| Commitments for Credit Card Expenditure Limits                            | 60.525.164         | 44.677.624        |
| Promotion Campaigns Commitments Relating to Credit Card and Bank Services | 93.042             | 68.632            |
| Tax and Fund Liabilities from Export Commitments                          | 21.708             | 16.428            |
| Other Irrevocable Commitments   | 20.915.034         | 21.014.255        |
| <b>Total</b>  | <b>122.394.019</b> | <b>99.861.932</b> |

**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 2.036.523 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 | 148.739.503        | 124.706.662        |
| Letters of Credit    | 38.046.686         | 24.663.278         |
| Bank Acceptances     | 8.492.320          | 7.210.528          |
| Endorsements         | 1.749.040          | 1.520.463          |
| Other Guarantees     | 2.033.234          | 1.939.522          |
| Other Collateral     | 5.276              | 13.550             |
| <b>Total</b>         | <b>199.066.059</b> | <b>160.054.003</b> |

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**III. EXPLANATIONS AND NOTES TO CONSOLIDATED OFF-BALANCE SHEET ACCOUNTS  
(Continued)**

**1. Explanations on Off-Balance Sheet Commitments (Continued)**

**1.2. Nature and Amount of Possible Losses and Commitments Arising from the Off-Balance Sheet Items Including the Below Mentioned (Continued)**

**1.2.2. Certain Guarantees, Temporary Guarantees, Surety Ships and Similar Transactions**

|  | <b>Current Period</b> | <b>Prior Period</b> |
|--|-----------------------|---------------------|
| Letters of Certain Guarantees                  | 89.130.303            | 72.970.790          |
| Letters of Advance Guarantees                  | 21.904.786            | 19.941.194          |
| Letters of Temporary Guarantees                | 4.903.639             | 4.240.556           |
| Letters of Guarantees Given to Customs Offices | 1.782.400             | 1.714.398           |
| Other Letters of Guarantees                    | 31.018.375            | 25.839.724          |
| <b>Total</b>                                   | <b>148.739.503</b>    | <b>124.706.662</b>  |

**1.3. Explanations on Non-Cash Loans**

**1.3.1. Total Non-Cash Loans**

|  | <b>Current Period</b> | <b>Prior Period</b> |
|--|-----------------------|---------------------|
| <b>Non-Cash Loans for Providing Cash Loans</b> | <b>26.316.351</b>     | <b>21.758.344</b>   |
| With Original Maturity of One Year or Less     | 14.542.425            | 11.012.186          |
| With Original Maturity of More than One Year   | 11.773.926            | 10.746.158          |
| <b>Other Non-Cash Loans</b>                    | <b>172.749.708</b>    | <b>138.295.659</b>  |
| <b>Total</b>                                   | <b>199.066.059</b>    | <b>160.054.003</b>  |

**IV. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED PROFIT OR LOSS STATEMENT**

**1. Interest Income**

**1.1. Information on Interest Income from Loans**

|  | <b>Current Period</b> |                  | <b>Prior Period</b> |                  |
|--|-----------------------|------------------|---------------------|------------------|
|  | <b>TL</b>             | <b>FC</b>        | <b>TL</b>           | <b>FC</b>        |
| <b>Interest on Loans<sup>(1)</sup></b>                       | <b>46.874.963</b>     | <b>7.589.869</b> | <b>34.481.046</b>   | <b>6.703.970</b> |
| Short Term Loans   | 12.455.538            | 804.876          | 6.954.021           | 569.307          |
| Medium and Long-Term Loans                                   | 33.611.305            | 6.771.180        | 26.849.727          | 6.130.333        |
| Interest on Loans Under Follow-Up                            | 808.120               | 13.813           | 677.298             | 4.330            |
| 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**

|   | <b>Current Period</b> |               | <b>Prior Period</b> |               |
|---|-----------------------|---------------|---------------------|---------------|
|   | <b>TL</b>             | <b>FC</b>     | <b>TL</b>           | <b>FC</b>     |
| From Central Bank of the Republic of Turkey | -                     | -             | -                   | -             |
| From Domestic Banks                         | 41.785                | 28.333        | 27.635              | 13.815        |
| From Foreign Banks                          | 23.616                | 44.509        | 19.484              | 42.185        |
| From Headquarters and Branches Abroad       | -                     | -             | -                   | -             |
| <b>Total</b>                                | <b>65.401</b>         | <b>72.842</b> | <b>47.119</b>       | <b>56.000</b> |

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

**1. Interest Income (Continued)**

**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                | 219.304           | 11.775           | 138.336          | 1.141            |
| Financial Assets at Fair Value Through<br>Other Comprehensive Income | 11.495.120        | 3.658.375        | 7.719.381        | 2.236.690        |
| Financial Assets Measured at Amortized Cost                          | 1.179.535         | 788.167          | 713.312          | 689.418          |
| <b>Total</b>   | <b>12.893.959</b> | <b>4.458.317</b> | <b>8.571.029</b> | <b>2.927.249</b> |

**1.4. Information on Interest Income Received from Associates and Subsidiaries**

|  | Current Period | Prior Period |
|--|----------------|--------------|
| Interest Income from Subsidiaries and Associates | 104.884        | 90.344       |

**2. Interest Expense**

**2.1. Information on Interest Expense on Borrowings**

|  | Current Period |                | Prior Period   |                |
|--|----------------|----------------|----------------|----------------|
|  | TL             | FC             | TL             | FC             |
| Banks <sup>(1)</sup>                   | 71.080         | 721.273        | 214.200        | 757.502        |
| Central Bank of the Republic of Turkey | -              | -              | -              | -              |
| Domestic Banks                         | 10.694         | 139.846        | 137.182        | 118.519        |
| Foreign Banks                          | 60.386         | 581.427        | 77.018         | 638.983        |
| From Headquarters and Branches Abroad  | -              | -              | -              | -              |
| Other Institutions                     | 78.320         | 43.942         | 36.659         | 33.873         |
| <b>Total</b>                           | <b>149.400</b> | <b>765.215</b> | <b>250.859</b> | <b>791.375</b> |

<sup>(1)</sup> 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<br>and Associates | 24.336         | 907          |

**2.3. Information on Interest Given on Securities Issued**

|                                       | Current Period |           | Prior Period |         |
|---------------------------------------|----------------|-----------|--------------|---------|
|                                       | TL             | FC        | TL           | FC      |
| Interest Expense on Securities Issued | 581.461        | 1.205.723 | 515.108      | 903.839 |

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

**2. Interest Expense**

**2.4. Maturity structure of the interest expense on deposits**

| Current Period<br>Account Name     | Demand<br>Deposit | Time Deposit     |                   |                   |                  |                     | Cumulative<br>Deposit | Total             |
|------------------------------------|-------------------|------------------|-------------------|-------------------|------------------|---------------------|-----------------------|-------------------|
|                                    |                   | Up to 1<br>Month | Up to 3<br>Months | Up to 6<br>Months | Up to 1<br>Year  | More Than<br>1 year |                       |                   |
| TL                                 |                   |                  |                   |                   |                  |                     |                       |                   |
| Bank Deposit                       | -                 | 2.998.416        | 38.605            | -                 | -                | -                   | -                     | 3.037.021         |
| Saving Deposit                     | 1                 | 1.244.040        | 12.731.262        | 2.714.077         | 318.084          | 816.947             | 8.075                 | 17.832.486        |
| Public Sector Deposit              | 590               | 942.810          | 856.863           | 70.962            | 35.103           | 7.242               | -                     | 1.913.570         |
| Commercial Deposit                 | 114               | 2.536.449        | 3.193.689         | 95.115            | 536.055          | 26.935              | -                     | 6.388.357         |
| Other Deposit                      | -                 | 275.795          | 1.389.600         | 109.807           | 82.005           | 38.042              | -                     | 1.895.249         |
| Deposit with 7Days<br>Notification | -                 | -                | -                 | -                 | -                | -                   | -                     | -                 |
| <b>Total</b>                       | <b>705</b>        | <b>7.997.510</b> | <b>18.210.019</b> | <b>2.989.961</b>  | <b>971.247</b>   | <b>889.166</b>      | <b>8.075</b>          | <b>31.066.683</b> |
| FC                                 |                   |                  |                   |                   |                  |                     |                       |                   |
| Foreign Currency Deposits          | 2.026             | 177.357          | 942.065           | 98.535            | 118.577          | 313.938             | 2                     | 1.652.500         |
| Bank Deposit                       | 38                | 2.160            | 31.230            | 1.013             | 12.681           | 32.059              | -                     | 79.181            |
| Deposit with 7Days<br>Notification | -                 | -                | -                 | -                 | -                | -                   | -                     | -                 |
| Precious Metal<br>Deposits         | -                 | 2.959            | 29.045            | 2.442             | 1.535            | 1.150               | -                     | 37.131            |
| <b>Total</b>                       | <b>2.064</b>      | <b>182.476</b>   | <b>1.002.340</b>  | <b>101.990</b>    | <b>132.793</b>   | <b>347.147</b>      | <b>2</b>              | <b>1.768.812</b>  |
| <b>Grand Total</b>                 | <b>2.769</b>      | <b>8.179.986</b> | <b>19.212.359</b> | <b>3.091.951</b>  | <b>1.104.040</b> | <b>1.236.313</b>    | <b>8.077</b>          | <b>32.835.495</b> |

| Prior Period<br>Account Name       | Demand<br>Deposit | Time Deposit     |                   |                   |                 |                     | Cumulative<br>Deposit | Total             |
|------------------------------------|-------------------|------------------|-------------------|-------------------|-----------------|---------------------|-----------------------|-------------------|
|                                    |                   | Up to 1<br>Month | Up to 3<br>Months | Up to 6<br>Months | Up to 1<br>Year | More Than<br>1 year |                       |                   |
| TL                                 |                   |                  |                   |                   |                 |                     |                       |                   |
| Bank Deposit                       | -                 | 1.069.956        | 1.389             | -                 | 213             | -                   | -                     | 1.071.558         |
| Saving Deposit                     | -                 | 397.959          | 5.151.172         | 2.119.905         | 190.285         | 783.281             | 15.259                | 8.657.861         |
| Public Sector Deposit              | 314               | 742.849          | 344.828           | 48.288            | 115.361         | 5.690               | -                     | 1.257.330         |
| Commercial Deposit                 | 71                | 1.140.781        | 1.387.632         | 45.973            | 373.572         | 67.213              | -                     | 3.015.242         |
| Other Deposit                      | -                 | 169.607          | 490.005           | 124.666           | 74.529          | 18.836              | -                     | 877.643           |
| Deposit with 7Days<br>Notification | -                 | -                | -                 | -                 | -               | -                   | -                     | -                 |
| <b>Total</b>                       | <b>385</b>        | <b>3.521.152</b> | <b>7.375.026</b>  | <b>2.338.832</b>  | <b>753.960</b>  | <b>875.020</b>      | <b>15.259</b>         | <b>14.879.634</b> |
| FC                                 |                   |                  |                   |                   |                 |                     |                       |                   |
| Foreign Currency Deposits          | 1.298             | 101.690          | 574.559           | 55.260            | 82.893          | 291.816             | 5                     | 1.107.521         |
| Bank Deposit                       | 11                | 32.568           | 13.802            | 5.028             | 8.151           | 772                 | -                     | 60.332            |
| Deposit with 7Days<br>Notification | -                 | -                | -                 | -                 | -               | -                   | -                     | -                 |
| Precious Metal<br>Deposits         | -                 | 3.195            | 11.279            | 1.248             | 1.394           | 1.145               | -                     | 18.261            |
| <b>Total</b>                       | <b>1.309</b>      | <b>137.453</b>   | <b>599.640</b>    | <b>61.536</b>     | <b>92.438</b>   | <b>293.733</b>      | <b>5</b>              | <b>1.186.114</b>  |
| <b>Grand Total</b>                 | <b>1.694</b>      | <b>3.658.605</b> | <b>7.974.666</b>  | <b>2.400.368</b>  | <b>846.398</b>  | <b>1.168.753</b>    | <b>15.264</b>         | <b>16.065.748</b> |

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

**3. Information on Trading Profit/Loss (Net)**

|   | <b>Current Period</b> | <b>Prior Period</b> |
|---|-----------------------|---------------------|
| <b>Profit</b>                               | <b>168.535.654</b>    | <b>128.635.671</b>  |
| Trading Gains on Securities                 | 176.708               | 5.071.682           |
| Gains on Derivative Financial Transactions  | 5.695.018             | 5.215.020           |
| Foreign Exchange Profits                    | 162.663.928           | 118.348.969         |
| <b>Loss (-)</b>                             | <b>176.613.520</b>    | <b>135.581.432</b>  |
| Trading Losses on Securities                | 114.705               | 13.946              |
| Losses on Derivative Financial Transactions | 14.753.806            | 9.010.179           |
| Foreign Exchange Loss                       | 161.745.009           | 126.557.307         |

**4. Information on Other Operating Income**

Significant proportion of other operating income consists of reversals from prior period provisions amounting to TL 3.229.789 and income from sales of assets amounting to TL 210.602 (30 September 2020: Significant proportion of other operating income consists of reversals from prior period provisions amounting to TL 1.816.753 ince from sales of assets amounting to TL 158.132 ).

**5. Expected Credit Loss and Other Provision Expense**

|   | <b>Current Period</b> | <b>Prior Period</b> |
|---|-----------------------|---------------------|
| Expected Credit Loss Provision  | 7.515.478             | 8.076.103           |
| 12 Month Expected Credit Loss (Stage 1)                                       | 170.807               | 942.661             |
| Significant Increase in Credit Risk (Stage 2)                                 | 3.778.192             | 3.708.311           |
| Non-Performing Loans (Stage 3)  | 3.566.479             | 3.425.131           |
| Marketable Securities Impairment Provision                                    | 84.978                | 20.819              |
| Financial Assets at Fair Value Through Profit or Loss                         | -                     | -                   |
| Financial Assets at Fair Value Through Other Comprehensive Income             | 84.978                | 20.819              |
| Subsidiaries, Associates and Joint Ventures Provision Expenses for Impairment | -                     | -                   |
| Associates  | -                     | -                   |
| Subsidiaries  | -                     | -                   |
| Joint Ventures  | -                     | -                   |
| Other (*)   | 89.185                | 2.248.004           |
| <b>Total</b>  | <b>7.689.641</b>      | <b>10.344.926</b>   |

(\*) Includes free provision expense amounting to TL 2.010.000 in the prior period.

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

**6. Information Related to Other Operating Expenses**

|   | <b>Current Period</b> | <b>Prior Period</b> |
|---|-----------------------|---------------------|
| Reserve for Employee Termination Benefits   | 309.719               | 221.439             |
| Bank Social Aid Fund Deficit Provision  | -                     | -                   |
| Impairment Expenses of Tangible Assets  | -                     | -                   |
| Depreciation Expenses of Tangible Assets  | 440.962               | 355.911             |
| Impairment Expenses of Intangible Assets  | -                     | -                   |
| Goodwill Impairment Expense   | -                     | -                   |
| Amortization Expenses of Intangible Assets  | 143.811               | 97.124              |
| Impairment Expense of Equity Participations for which<br>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<br>and Discontinued Operations | -                     | -                   |
| Other Operating Expenses  | 3.500.716             | 3.007.292           |
| Leasing Expenses on TFRS 16 Exceptions  | 63.269                | 57.405              |
| Maintenance Expenses  | 180.739               | 108.369             |
| Advertisement Expenses  | 234.333               | 190.199             |
| Other Expenses  | 3.022.375             | 2.651.319           |
| Loss on Sales of Assets   | 2.991                 | 2.257               |
| Other <sup>(1)</sup>  | 2.654.522             | 2.777.589           |
| <b>Total</b>  | <b>7.052.721</b>      | <b>6.461.612</b>    |

(1) TL 1.253.707 of other items consists of Saving Deposit Insurance Fund accrual expense while TL 805.280 consists of taxes, duties and charges expense (30 September 2020: TL 1.056.775 of other items consists of Saving Deposit Insurance Fund accrual expense while TL 773.320 consists of taxes, duties and charges expense)

**7. Information on Profit/Loss Before Tax from Continuing and Discontinuing Operations**

The compositions of the profit/loss before tax from the continuing operations are following:

|   | <b>Current Period</b> | <b>Prior Period</b> |
|---|-----------------------|---------------------|
| Net Interest Income   | 24.225.438            | 30.674.676          |
| Net Fees and Commissions Income   | 4.179.490             | 2.453.734           |
| Other Operating Income  | 4.228.476             | 2.620.651           |
| Dividend Income   | 9.313                 | 1.584               |
| Trading Profit/Loss (Net)   | (8.077.866)           | (6.945.761)         |
| Personnel Expenses (-)  | 4.232.706             | 3.760.257           |
| Expected Credit Loss (-)  | 7.515.478             | 8.076.103           |
| Other Provision Expenses (-)  | 174.163               | 2.268.823           |
| Other Operating Expenses (-)  | 7.052.721             | 6.461.612           |
| Profit/Loss from Investments in Subsidiaries<br>Consolidated based on Equity Method | 64.939                | 42.594              |
| <b>Current Period Profit/Loss from Continued<br/>Operations</b>                     | <b>5.654.722</b>      | <b>8.280.683</b>    |

The content of profit/loss before tax regarding the discontinued operations of the Group is given below:

|  | <b>Current Period</b> | <b>Prior Period</b> |
|--|-----------------------|---------------------|
| Income from Discontinued Operations                            | -                     | 2.473.439           |
| Expenses from Discontinued Operations (-)                      | -                     | 535.466             |
| <b>Profit / Loss Before Taxes from Discontinued Operations</b> | <b>-</b>              | <b>1.937.973</b>    |

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

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

**8. Information on Tax Provision of Continued and Discontinued Operations**

As of 30 September 2021, TL 1.616.673 of the Group's tax provision expense consists of TL 2.946.089 of current tax expense and TL 1.329.416 of deferred tax expense. (As of 30 September, 2020, TL 2.403.285 of the Group's total continuing operations tax provision expense consists of amounting to TL 1.635.922 current tax expense while remaining balances amounting to TL 767.363 consists of deferred tax income.)

The Group has no discontinued operations as of 30 September 2021 (As of 30 September 2020, the Group's tax provision expense from discontinued operations amounting to TL 81.405, TL 78.057 consists of current tax expense from discontinued operations, and TL 3.348 consists of deferred tax expense from discontinued operations.)

**9. Explanation on Current Period Net Profit and Loss of Continued and Discontinued Operations**

The Group's net profit from continuing operations is TL 4.038.049 (30 September 2020: Group's net profit from continuing operations is TL 5.877.398, and net profit from discontinued operations is TL 1.856.568).

**10. Explanation on Net Profit/Loss**

**10.1. 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, it obtains income via commissions taken from non-cash loans, other banking operations and insurance agencies.

**10.2. 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.

**11. 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.



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

**V. EXPLANATIONS AND NOTES RELATED TO RISK GROUP THAT THE GROUP BELONGS TO**

**1. Information on the Volume of Transactions Relating to the Parent Bank's Risk Group, Outstanding Loan and Deposit Transactions and Profit and Loss of the Period**

**1.1 Information on the Deposits of the Parent Bank's Risk Group**

| Risk Group of the Parent Bank   | Subsidiaries, Associates and Entities Under Common Control (Joint Ventures) |          | Direct or Indirect Shareholders of the Parent Bank |          | Other Real and Legal Persons in the Risk Group |          |
|---------------------------------|---|----------|--|----------|--|----------|
|                                 | Cash  | Non-cash | Cash   | Non-cash | Cash   | Non-cash |
| <b>Current Period</b>           |   |          |  |          |  |          |
| <b>Loans</b>                    |   |          |  |          |  |          |
| Beginning Balance               | 1.138.436   | 27.516   |  |          |  |          |
| Ending Balance                  | 1.432.099   | 3.331    |  |          |  |          |
| Interest and Commissions Income | 104.884   | 56       |  |          |  |          |

| Risk Group of the Parent Bank   | Subsidiaries, Associates and Entities under Common Control (Joint Ventures) |          | Direct or Indirect Shareholders of the Parent Bank |          | Other Real and Legal Persons in the Risk Group |          |
|---------------------------------|---|----------|--|----------|--|----------|
|                                 | Cash  | Non-cash | Cash   | Non-cash | Cash   | Non-cash |
| <b>Prior Period</b>             |   |          |  |          |  |          |
| <b>Loans</b>                    |   |          |  |          |  |          |
| Beginning Balance               | 317.906   | 87.558   |  |          |  |          |
| Ending Balance                  | 1.138.436   | 27.516   |  |          |  |          |
| Interest and Commissions Income | 90.344  | 438      |  |          |  |          |

**1.2 Information on Deposits of the Group'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 |              |
|---|--|--------------|--|--------------|--|--------------|
|   | Current Period   | Prior Period | Current Period                                     | Prior Period | Current Period                                 | Prior Period |
| <b>Deposits</b>                             |  |              |  |              |  |              |
| Beginning Balance                           | 283.286  | 111.739      | -  | -            | -  | -            |
| End of the Period                           | 234.932  | 283.286      | -  | -            | -  | -            |
| Interest Expense on Deposits <sup>(1)</sup> | 24.336   | 907          | -  | -            | -  | -            |

**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**

The total amount of benefits provided to the top management of the Group is TL 41.195 (30 September 2020: TL 34.501).

**VI EXPLANATIONS AND NOTES RELATED TO SUBSEQUENT EVENTS**

None.

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**SECTION SIX**

**EXPLANATION ON AUDIT REPORT**

**I. EXPLANATIONS ON AUDIT REPORT**

As of 30 September 2021, consolidated financial statements and explanatory notes of the Parent Bank disclosed herein were reviewed by PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. and Auditors’ Report dated 12 November, 2021 is presented preceding the financial statements.

**II. EXPLANATIONS AND NOTES PREPARED BY THE INDEPENDENT AUDITORS**

None.

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**SECTION SEVEN**

**EXPLANATION ON INTERIM ACTIVITY REPORT**

**I. Chairman’s assessment**

It is observed that the global economy, which displayed a strong growth performance in the first half of 2021, slowed down in the third quarter of the year due to the disruptions in the supply chain and the problems caused by the Delta variant. The fact that inflationary pressures, which have become more evident recently, forced central banks to reduce the extraordinary incentive policies provided during the pandemic period casts a shadow on the growth outlook.

It is considered that the volatility in portfolio flows towards developing countries may increase due to the announcement of the US Federal Reserve in its November meeting that it will begin to reduce its asset purchases and the expectations that there may be tightening in financial conditions in the upcoming period.

Following the double-digit growth performance in the first half, the Turkish economy continued its strong growth performance in the third quarter with the contribution of foreign demand. We think that we can end 2021 with a double-digit growth figure above 9%, which is the MTP forecast, with the positive economic activity in the projections.

As a result of the expansion of vaccination to the general population and the increase in mobility, the contraction in the current account deficit became more evident with the increase in tourism and export revenues, and it became one of the important gains for the Turkish economy this year. In the period we left behind, the strengthening of reserves came to the fore with the contribution of swap agreements, rediscount credits, IMF SDR allocations and regulations on required reserves, while our need for external financing decreased with the improvement in the current account balance.

Turkey, which turned the problems in the global supply chain and the increase in transportation costs into an advantage as a result of the difficult conditions brought by the pandemic, with the effect of its geographical location, continued to break records in exports. Problems in the supply chain also helped some companies to shift their production to Turkey. As a result, the strong trend in exports supported the industrial sector and encouraged companies to increase their investments and capacities with increasing orders. These positive developments also gave hope for a healthier composition in growth.

Ziraat Bank, with its leading position in the sector, continued to be the most important supporter of the real sector through corporate loans by applying a selective credit policy. With an approach that prioritizes agriculture, we continue to increase our contribution to the development of our country by providing the maximum support to every sector in a way that will support current account balance, employment and production.

**Burhaneddin TANYERİ**  
**Chairman of the board**

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**EXPLANATION ON INTERIM ACTIVITY REPORT (Continued)**

**II. Assessment of General Manager**

The pandemic, which has led to long-term closures and caused negativities in the economies, still continues to take place in our lives, although its effect has decreased despite vaccination efforts. In the continuation of this process, signals began to be received regarding the disruptions in the supply chain, increases in commodity and food prices, and the end of the long-standing loose monetary policies by the central banks of developed countries, along with the global inflationary environment.

Although the expectations on a global basis do not create a positive scenario for developing countries, we see from the positive export developments that the recent developments, the geographical location of our country and the workforce and production power actually create an advantage. Today, as in the past, the banking sector has an important responsibility for the development of our country by improving the production capacity of the real sector, improving employment and the current account balance.

Ziraat Bank, with its asset size exceeding TL 1 trillion, cash loan size reaching TL 659 billion and its position as the sector leader, implements a selective credit policy, being aware of this responsibility, and continues its efforts to provide the financing they need in the most efficient way to all sectors, especially agriculture. When non-cash loans are also included, the financing support provided is TL 836 billion.

In loans, we provide financial support by focusing on TL-denominated and real sector loans. In the 9-month period of 2021, we achieved a growth of over 14% in TL-denominated business loans. We offer financial support in the most appropriate and effective way to all sectors, with a greater emphasis on sectors that contribute to manufacturing and current account balance and support employment.

The global drought and food inflation once again have reminded the importance of agriculture. Our bank always treats agriculture as a priority sector and we have increased our agricultural loans by 27% in this period. The size of our agricultural loans has reached the level of TL 100 billion. We continue to increase our contribution to the development of agriculture with products and projects in areas such as small farmers' direct access to appropriate financing, domestic cultivation of import-oriented products, increasing agricultural mechanization, increasing productivity and added value, and developing industrial agriculture.

While providing banking services to our customers effectively with our widespread branch and ATM network, we attach special importance to digital banking and continue our investments in this field. With internet, mobile, telephone and SMS banking applications, we have reached the level of 16 million active digital customers.

While deposits are the main funding source of the balance sheet with its widespread structure, we also use Non deposit fund, especially from abroad, to finance the balance sheet. While we are integrating sustainability, which is a part of global change, into our business processes more and more, we have also realized our Bank's first sustainable Eurobond issuance this year. We provide financing to real and legal persons through environmental and social loans, mainly renewable energy loans and loans to ensure the continuity of employment, with this 5-year maturity and USD 600 million resource.

Ziraat Bank continues its activities by increasing its contribution to our country with its branch and ATM network in every part of our country, with its branches and subsidiary banks abroad and its wide correspondent network, with its development in digital banking, and with its financial support to the real sector in every period.

**Alpaslan ÇAKAR**  
**Member of the Board and CEO**

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**EXPLANATION ON INTERIM ACTIVITY REPORT (Continued)**

**III. Corporate Profile**

Since its establishment in 1863, Ziraat Bank has provided funds to all segments of the economy with its main mission of financing agriculture, and has been among the greatest promoters of the development of the country.

Always alongside the farmers, the trader, the businessperson, the industrialist, the entrepreneur, the retired and the employee, producing effective financial solutions to meet all financial needs of them, the Bank increases its competitive power with its ability to provide end-to-end financial services. Ziraat Bank uses its competitive power for the domestic economy and financial solutions that offer value to its customers from all segments.

Ziraat Bank has a broad domestic and international subsidiaries portfolio in banking, investment services, portfolio management, venture capital, real estate investment trust and financial technologies.

In line with the strategy of the Ziraat Finance Group, it produces integrated solutions with domestic and foreign subsidiary banks, branches, and financial companies in order to meet the financial needs of the Ziraat Bank customers as a whole and offers these solutions to its customers in the most efficient way by taking advantage of the economies of scale provided by the benefit of being a finance group.

**IV. Shareholding Structure**

The paid in capital of T.C. Ziraat Bank is TL 13.100.000.000 and The Parent Bank's sole shareholder is Turkish Wealth Fund.

Chairman and Members of the Board of Directors, Members of the Supervisory Board and General Manager and Vice General Managers are not a shareholder in the Parent Bank.

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**EXPLANATION ON INTERIM ACTIVITY REPORT (Continued)**

**V. Main Consolidated Financial Indicators**

| <b>ASSETS (TL Million)</b>                          | <b>30.09.2021</b> | <b>31.12.2020</b> |
|---|-------------------|-------------------|
| Cash and Cash Equivalents                           | 141.031           | 104.967           |
| Securities Portfolio                                | 273.786           | 233.215           |
| Cash Loans  | 724.823           | 657.510           |
| Other Assets  | 21.324            | 22.841            |
| <b>Total Assets</b>                                 | <b>1.160.964</b>  | <b>1.018.533</b>  |
| <b>LIABILITIES (TL Million)</b>                     | <b>30.09.2021</b> | <b>31.12.2020</b> |
| Deposits  | 824.505           | 694.838           |
| Non-deposits Funds                                  | 193.633           | 187.861           |
| Other Liabilities                                   | 47.169            | 40.760            |
| Shareholders' Equity                                | 95.657            | 95.074            |
| <b>Total Liabilities</b>                            | <b>1.160.964</b>  | <b>1.018.533</b>  |
| <b>SUMMARY OF PROFIT OR LOSS TABLE (TL Million)</b> | <b>30.09.2021</b> | <b>30.09.2020</b> |
| Net Interest Income                                 | 24.225            | 30.675            |
| Net Fees and Commission Income                      | 4.179             | 2.454             |
| Other Operating Income                              | 4.228             | 2.621             |
| Other Operating Expense                             | 7.053             | 6.462             |
| Allowance for Expected Credit Losses                | 7.515             | 8.076             |
| <b>Net Profit/Losses</b>                            | <b>4.038</b>      | <b>7.734</b>      |
| <b>RATIOS (%)</b>                                   | <b>30.09.2021</b> | <b>31.12.2020</b> |
| Capital Adequacy Ratio                              | 15,15             | 17,25             |
| Equity / Total Assets                               | 8,2               | 9,3               |
| Cash Loans (Gross) / Total Assets                   | 62,4              | 64,6              |
| Loans under follow-up (Gross) / Total Loans         | 2,5               | 2,5               |
| Liquid Assets / Total Assets                        | 12,1              | 10,3              |

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